Public Document Pack

TONBRIDGE & MALLING BOROUGH COUNCIL

EXECUTIVE SERVICES

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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

3 February 2025

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

Dear Sir/Madam

Your attendance is requested at a meeting of the Cabinet to be held in the Council Chamber, Gibson Drive, Kings Hill on Tuesday, 11th February, 2025 commencing at 7.30 pm.

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

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

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

Yours faithfully

DAMIAN ROBERTS

Chief Executive

A G E N D A

1. Guidance for the Conduct of Meetings 7 - 10

PART 1 - PUBLIC

2. Apologies for absence 11 - 12

3. Declarations of interest 13 - 14

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).

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

4. Minutes 15 - 18

To confirm as a correct record the Minutes of the meeting of the Cabinet held on 7 January 2025

Matters for Recommendation to the Council

5. Setting the Budget 2025/26 19 - 112

Further to the meeting of the Overview and Scrutiny Committee earlier in the cycle, this report updates Cabinet on issues relating to the Medium-Term Financial Strategy. It also takes Members through the necessary procedures in order to set the Budget for 2025/26.

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

6. Setting the Council Tax 2025/26 113 - 122

This report takes Cabinet through the process of setting the level of Council Tax for the financial year 2025/26 and seeks Cabinet's recommendations.

7. Local Council Tax Reduction Scheme 2025/26 123 - 256

A report providing the proposed Tonbridge & Malling Borough Council Working Age Local Council Tax Reduction Scheme 2025/26, requesting Cabinet Members to approve and recommend the updated Scheme to Full Council.

8. Revenue Estimates 2025/26 257 - 406

Recommendations of the Overview and Scrutiny Committee of 23 January 2025.

All budgetary matters will be considered in the substantive item on Setting the Budget 2025/26

9. Capital Plan Review 2024/25 407 - 500

Recommendations of the Overview and Scrutiny Committee of 23 January 2025.

All budgetary matters will be considered in the substantive item on Setting the Budget 2025/26

10. Risk Management 501 - 524

Recommendations of the Audit Committee of 13 January 2025.

11. Treasury Management Update and Treasury Management and Annual Investment Strategy for 2025/26 525 - 578

Recommendations of the Audit Committee of 13 January 2025.

12. Annual Audit Report 2023/24 579 - 636

Recommendations of the Audit Committee of 13 January 2025.

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

Executive Non-Key Decisions

13. Annual Service Delivery Plan 2025/26 637 - 674

Following the recommendations of the Overview and Scrutiny Committee of 23 January 2025, a revised draft Annual Service Delivery Plan for 2025/26, setting out a wide range of activities, milestones and targets to strengthen the links between the Corporate Strategy 2023-2027 is provided in Annex 1.

The recommendations of the Overview and Scrutiny Committee of 23 January 2025 are also attached for information.

14. MHCLG Consultation: Local Authority Funding Reform - Objectives and Principles 675 - 684

The report provides details in respect of the Ministry for Housing, Communities and Local Government (MHCLG) recently published consultation paper ‘’Local Authority Funding Reform: Objectives and Principles”, which was seeking views on the approach to local authority funding reform through the local government finance settlement from 2026/27.

The deadline for responses is 12 February 2025 and the Borough Council’s **draft response is to follow** and will be circulated in advance of the meeting of Cabinet.

15. Waste Services Contract - Strategic Approach to Service Provision 685 - 748

Recommendations of the Communities and Environment Scrutiny Select Committee of 5 February are to follow and will be circulated in advance of the meeting of Cabinet.

Annexes 1 and 2 of the report considered by the Scrutiny Select Committee are restricted and private in accordance with LGA 1972, Schedule 12A Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)

16. Corporate Complaints Policy Review 749 - 798

Recommendations of the Communities and Environment Scrutiny Select Committee of 5 February 2025 are to follow and will be circulated in advance of the meeting of Cabinet.

Matters submitted for Information

17. Decisions taken by Cabinet Members 799 - 800

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

18. Notice of Forthcoming Key Decisions To Follow

The Notice for the period March to April 2025 will be published as a supplement once available.

19. Urgent Items 801 - 802

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

20. Exclusion of Press and Public 803 - 804

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

21. Urgent Items 805 - 806

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

MEMBERSHIP

Councillor M D Boughton, (Leader)
Councillor R P Betts, (Climate Change, Regeneration and Property)
Councillor M A Coffin, (Transformation and Infrastructure)
Councillor D Keers, (Community Services)
Councillor K B Tanner, (Finance and Housing)
Councillor M Taylor, (Planning)

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

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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-IJlSNgoF-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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Apologies for absence

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Declarations of interest

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TONBRIDGE AND MALLING BOROUGH COUNCIL

CABINET

MINUTES

Tuesday, 7th January, 2025

Present: Cllr M D Boughton (Chair), Cllr R P Betts, Cllr M A Coffin, Cllr K B Tanner and Cllr M Taylor

Cllrs S Crisp, Mrs A S Oakley and M R Rhodes were also present pursuant to Access to Information Rule No 23 and participated via MS Teams.

An apology for absence was received from Councillor D Keers.

PART 1 - PUBLIC

CB 25/1 DECLARATIONS OF INTEREST

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

CB 25/2 MINUTES

RESOLVED: That the Minutes of the meeting of the Cabinet held on 10 December 2024 be approved as a correct record and signed by the Chairman.

MATTERS FOR CORPORATE MONITORING

CB 25/3 KEY PERFORMANCE INDICATORS - QUARTER 2

The report provided data on Key Performance Indicators for the period July – September 2024 (quarter 2) that were aligned to the Corporate Strategy 2023-27, monitored on a quarterly or annual basis and was a key tool in assessing performance management, helped to deliver positive change and provided the Cabinet with an insight into areas where the Borough Council was performing well and areas that needed greater focus.

Cabinet noted the positive quarterly trends in respect of increased attendance at leisure facilities, increased recycling and composting figures, a reduction in fly tipping and an improvement in major and minor planning applications. Areas of focus included addressing the challenges with the Housing Register, increasing numbers of people in temporary accommodation and the Local Development Scheme following the decision to pause work on the Regulation 18b Local Plan due to a revised NPPF.

Cabinet also noted the concerns expressed at the lack of information in respect of Housing Register KPIs for the longer term. The number of households on the register currently was not an accurate reflection as these figures were artificially low whilst Housing Services dealt with the backlog of assessments. However, operational monthly statistics tracking progress of applications/assessments could be shared with Members to provide a general oversight of performance.

RESOLVED: That the positive and negative trends as set out in the report be noted.

DECISIONS TAKEN IN ACCORDANCE WITH PART 3 OF THE CONSTITUTION

EXECUTIVE NON-KEY DECISIONS

CB 25/4 PROCEDURE ON AMENDMENTS TO PLANNING INCLUDING RESERVED MATTERS APPLICATIONS

(Decision Notice D250002CAB)

Consideration was given to the proposal to replace the Non-Amendments Policy and adopt a new procedure on amendments to planning applications set out in Annex 1.

Following the request of the Housing and Planning Scrutiny Select Committee of 3 December 2024, the Cabinet Member for Planning had consulted with Officers on the amendments as set out in Annex A.

Whilst Cabinet supported the amendments at Annex A, on the grounds that it was not within the power of Planning Committees to force an applicant to make an amendment, it was proposed by Cllr Boughton and seconded by Cllr Taylor that the following change be made:

- Minor amendments will be encouraged following a deferral at an Area Planning Committee, especially on the grounds articulated by Members for a deferral.

RESOLVED: That

(1) subject to updated wording of one sentence from ‘Minor amendments will be accepted where requested by a majority of votes at an Area Planning Committee, to ‘Minor amendments will be encouraged following a deferral at an Area Planning Committee, especially on the ground articulated by members for a deferral’, the procedure set out in Annex 1, as amended in Annex A, be adopted; and

(2) the Housing and Planning Scrutiny Select Committee be asked to review the progress of the new procedure after 6 months of operation.

MATTERS SUBMITTED FOR INFORMATION

CB 25/5 MINUTES OF PANELS, BOARDS AND OTHER GROUPS

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

- Parish Partnership Panel of 21 November 2024
- Tonbridge Community Forum of 25 November 2024
- Joint Transportation Board of 2 December 2024

CB 25/6 DECISIONS TAKEN BY CABINET MEMBERS

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

CB 25/7 NOTICE OF FORTHCOMING KEY DECISIONS

The Notice setting out Key Decisions anticipated to be taken during January to February 2025 were noted.

CB 25/8 EXCLUSION OF PRESS AND PUBLIC

The Chairman moved, it was seconded and

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

DECISIONS TAKEN IN ACCORDANCE WITH PART 3 OF THE CONSTITUTION

EXECUTIVE KEY DECISION

CB 25/9 LARKFIELD LEISURE CENTRE SOLAR PV TENDER

(Decision Notice D250003CAB)

(Reasons: Part 2 – Private: LGA 1972 Sch 12A Paragraph 3 – Financial or business affairs of any particular person)

Following the Borough Council's successful application for external grant funding through the Governments Swimming Pool Support Fund, the report of the Director of Street Scene, Leisure and Technical Services and the Cabinet Member for Climate Change, Regeneration and

Property summarised the tender process for the installation of solar PV at Larkfield Leisure Centre and sought approval to award the contract.

Cabinet had due regard to the tender evaluation, the financial and value for money considerations, the legal implications and risk assessment detailed in the report and welcomed the potential significant impact on reducing emissions in support of the Council's target of being carbon neutral by 2030 and protecting the natural environment through onsite generation of electricity.

It was also confirmed that a fire rated board was being installed on the flat roof areas as part of the re-felting work currently being undertaken and that the installation of the solar panels would significantly increase the amount of on-site electricity generation.

RESOLVED: That the contract to install solar PV at Larkfield Leisure Centre be awarded to Convert Energy

The meeting ended at 7.57 pm

Cabinet

11 February 2025

Part 1 - Public

Recommendation to Council

Cabinet Member	Matt Boughton – Leader of the Council Kim Tanner – Cabinet Member for Finance and Housing
Responsible Officer	Damian Roberts – Chief Executive Sharon Shelton – Director of Finance and Transformation
Report Author	Sharon Shelton – Director of Finance and Transformation Paul Worden – Chief Financial Services Officer

Setting the Budget 2025/26

1 Summary and Purpose of Report

1.1 Further to the meeting of the Overview and Scrutiny Committee earlier in the cycle, this report updates Cabinet on issues relating to the Medium Term Financial Strategy. It also takes Members through the necessary procedures in order to set the Budget for 2025/26.

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

1.3 The headlines issues from this report are as follows:

- Provisional local government finance settlement 2025/26 better than expected, but was an overall DECREASE on 2024/25 funding of is £514,000 (8.5%).
- A new grant 'Polluter Pays' has been awarded from 2025/26. In 2025/26 the value of the grant is £983,600
- Due to ongoing increased NNDR receipts and better than expected settlement TMBC has a balanced budget for 2025/26 and has been able to set aside funds in earmarked reserves for key priorities.
- In addition, an initial assessment of reserves has facilitated a recommendation to release additional funds for key priorities.

- The Government has announced changes to Local Government Funding affecting Grants and Business Rates in order to simplify the award process and target funding based on deprivation, resources and needs. Consultation has commenced and it is expected that any reform will be introduced for the Local Government Settlement for 2026/27 onwards. As previously advised, it is anticipated that this will reduce grant funding to TMBC and that assumption has been built into the MTFS.

- Referendum principles mean that council tax can only rise by greater of 3% or £5. CPI for December 2.5%. Recommended 3% increase in TMBC element of council tax bill giving a council tax at Band D for 2025/26 of £245.30; a cash increase of £7.14 per annum.

- Funding Gap, representing new savings that need to be identified and delivered, now projected at £2.8m over the medium term. In addition, commitment of saving £200,000 (release of office accommodation) and £625,000 (cost and client numbers within temporary accommodation).

- Seven capital schemes to be added to Capital Plan in 2025/26.

- In order to support the recent decision to replace the Angel Centre, as referenced below, officers in conjunction with Cabinet have identified and earmarked funds to assist with the overall financing of the scheme.

2 Corporate Strategy Priority Area

2.1 Efficient services for all our residents, maintaining an effective council.

2.2 Setting of the budget is required under statute

3 Recommendations

3.1 Recommendations are made, where appropriate, within each section of the report and **highlighted in blue**. For completeness, they are summarised below in the order they appear within the report:

3.2 *Section 6 (Local Government Finance Settlement*): It is **RECOMMENDED** that the details of the final grant settlement, including the anticipated National Insurance grant, are verbally reported to Cabinet at the meeting and any adjustments needed are made to the final Budget.

3.3 *Section 8 (Usable Reserves*): In view of the objective within the Capital Strategy to identify funding for the replacement of the leisure centre in Tonbridge, it is **RECOMMENDED** that the following sums totalling £3.45m are transferred to the Tonbridge Town Centre reserve, and specifically set aside for the funding of the redevelopment of the Angel Leisure Centre:

- the sum of £1.25m held as a general fund (working) balance

- A sum of £2.2m from the Budget Stabilisation Reserve

3.4 *Section 9 (Revenue Estimates 2025/26*): It is **RECOMMENDED** that as part of the 2025/26 Estimates, sums are contributed to the following earmarked reserves:

- £3.25m to the Regeneration of Tonbridge reserve (specifically for the replacement of Angel Centre);
- £150,000 to the Homelessness reserve to assist with the provision of Council operated temporary accommodation for homelessness.

3.5 *Section 11 (Capital Plan*): It is **RECOMMENDED** that:

1) Cabinet endorse the existing Capital Plan (List A) position at Annex 1 (O&S agenda) and summarised at **[Annex 3]**.

2) Cabinet approves that the schemes listed in **[Annex 4]** are added to List C or deleted from List C as detailed.

3) Cabinet approves the selection of those schemes listed in **[Annex 5]** for evaluation over the coming year. On this occasion, four schemes have been recommended for Fast-Track evaluation.

4) Cabinet approves the transfer of schemes detailed in **[Annex 6]** to List A.

5) Cabinet approves the updated Capital Plan (List A) as summarised in **[Annex 7]**.

6) Cabinet endorse the Capital Strategy as presented to the Overview and Scrutiny Committee on 23 January.

3.6 *Section 12 (Treasury Management and Annual Investment Strategy*): It is RECOMMENDED that

- for the financial year 2025/26 the prudential indicators listed in paragraph 12.7 including the liability benchmark indicator and 12.11 be recommended to Council for adoption
- Members NOTE that for the financial year 2025/26 our annual minimum revenue provision is nil subject to the comment at paragraph 12.8.

3.7 *Section 13 (Medium Financial Strategy*): Members are requested to **NOTE** and endorse the updated MTFS [Annex 10a].

3.8 *Section 14 (Savings and Transformation Strategy*): Cabinet is **RECOMMENDED** to note and endorse the updated STS [Annex 10b] to be uploaded as a supplement, including the proposed scale and timing of each of the required savings and transformation contributions set out at paragraph 14.4.

3.9 *Section 16 (Special Expenses*): Cabinet is requested to **ENDORSE** the special expenses calculated in accordance with the Special Expenses Scheme and set out at **[Annex 13b]**.

3.10 *Section 17 (Robustness of Estimates and Adequacy of Reserves*): Members are **RECOMMENDED** to note and endorse the Statement **[Annex 16a]** provided by the Director of Finance and Transformation.

3.11 *Section 18 (Calculation of Borough Council's Tax Requirement)*: **Note** the Calculation of the Borough Council's council tax requirement **at [Annex 17]**.

4 Introduction and Background

4.1 At the Full Council meeting on 18 February, Members will determine both the Budget and the level of council tax for 2025/26. The detailed Estimates for 2025/26 prepared by officers in liaison with the Cabinet have been carefully considered by the Overview and Scrutiny Committee earlier in the cycle. Details are set out at paragraph 9 below.

4.2 Whilst the primary purpose of this report is for Cabinet to recommend the Budget and resultant level of council tax for 2025/26; as ever**, this one year cannot be viewed in isolation**. This budget sits within the context of our Medium Term Financial Strategy (MTFS) covering a ten-year period. Financial decisions made in respect of the year 2025/26 will have an impact across the MTFS and upon the required savings and transformation contributions the Council will need to achieve in order to 'balance its books' and we must not lose sight of the scale of this particular challenge. **Ultimately, Members working with senior officers have a duty to ensure the Council's long term financial position is sustainable, and that 'short term' decisions do not jeopardise that longer term sustainability**.

4.3 This time last year the projected funding gap was put at £1,705,000 with an initial tranche of savings in the sum of £305,000 to be delivered by April 2025. During the course of the current year, as will be noted from paragraph 14.3 later in this report, that target was exceeded.

4.4 The potential impact of the Local Authority Funding Reform and the recommissioning of the Council's Waste, Recycling and Street Cleansing contract has added to the uncertainty in the scale of the funding gap over the past twelve months, with the latest projected funding gap being £2,800,000. Members should also note that it is necessary to add to this figure the value of any initiatives already built into the MTFS, **but not yet delivered**. In this respect, the scaling back of office accommodation in the sum of £200,000 and a total reduction of £625,000 in respect of homelessness *(made up of £400,000 reduction in Temporary Accommodation costs and £225,000 reduction due to assumed reversion to 100 clients within Temporary Accommodation)* needs to be added in, giving a figure of **£3,625,000** to be found and delivered over the medium term.

The MTFS including the latest project funding gap is discussed in more detail later in this report.

4.5 The Localism Act requires a local authority to seek the approval of their electorate via a local referendum if it proposes to raise council tax above the threshold set by the Secretary of State. For the year 2025/26 a referendum will be triggered where council tax is increased by **more than 3% or £5, whichever is higher**.

4.6 This time last year the MTFS assumed a council tax increase of 3%. For the purposes of preparing the budget papers and updating the MTFS an **increase of 3% in 2025/26** has been assumed followed by the greater of £5 or 2% each year thereafter.

4.7 Attached at **[Annex 1]** for Members' information is a copy of the Referendums Principles setting out the level of council tax increase for 2025/26 above which the local authority would be required to seek approval of their electorate via a local referendum.

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

- Section 5: Corporate Strategy
- Section 6: Local Government Finance Settlement
- Section 7: Business Rates
- Section 8: Usable Reserves
- Section 9: Revenue Estimates 2025/26
- Section 10: Fees and Charges
- Section 11: Capital Plan
- Section 12: Treasury Management and Annual Investment Strategy
- Section 13: Medium Term Financial Strategy Update
- Section 14: Savings and Transformation Strategy
- Section 15: Collection Fund Adjustments
- Section 16: Special Expenses and Parish Council Precepts
- Section 17: Section 25 Statement - Robustness of the Estimates / Adequacy of the Reserves
- Section 18: Calculation of Borough Council's Tax Requirement

5 Corporate Strategy

5.1 The Council adopted a new Corporate Strategy in 2023 setting out the values key to achieving the strategy of **innovation**, **transformation**, and **delivery**.

5.2 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.

5.3 In preparation of these Estimates, regard has been taken to the above priorities and in particular the Cabinet 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 the Angel Centre;
- Climate Change, including carbon neutral leisure centres;
- Transformation to improve efficiency and effectiveness; and
- Delivery of the Local Plan.

6 Local Government Finance Settlement

6.1 On 18 December 2024, the Minister of State for Local Government and English Devolution in the United Kingdom, Jim McMahon MP, made a statement to Parliament on the provisional local government finance settlement for 2025/26. The provisional figures are expected to be confirmed in January / February 2025, subject to the outcome of consultation.

6.2 Following the announcement of wider Local Authority Funding Reform due to start in Spring 2025, the Settlement Funding Assessment (SFA) is for one year only. As mentioned in previous reports, any review leading to reform is expected to focus on local deprivation factors as well as need and resources. Officers do not expect TMBC to fair well under the longer term review, but once announced, there will be greater certainty for the longer term on the Council's financial support.

6.3 Our provisional SFA for the year 2025/26 as shown in the table below is £2,708,428, an uplift of 2.0% compared to the sum received in 2025/26. However, as mentioned above this will be for one year only.

New Homes Bonus

6.4 No further legacy payments are due under the New Homes Bonus (NHB) scheme giving an allocation for the year 2025/26 only which in our case is £517,013, the increase from 2025/26 accounts for the reduction in unoccupied homes combined with an increase in new homes being completed by developers.

6.5 It should be noted that whilst the amount has increased from 2025/26 it is below the estimated level within the last version of the MTFS (£600,000 per annum).

6.6 The Government has announced that as part of the consultation 'Local authority funding reform: objectives and principles' (see Local authority funding reform: objectives and principles - GOV.UK) New Homes Bonus in its current guise will cease. The draft response to this consultation is reported elsewhere on this agenda for response by 12 February 2025.

Under-indexing of the Business Rates Multiplier

6.7 As a result of business rate multipliers not being maintained at the agreed rate of CPI, the settlement includes a grant for the under-indexing of £482,712. It is yet unknown if the grant will be continued following the review of Business Rate Retention during 2025/26.

Funding Guarantee / Funding Floor

6.8 As in 2024/25 the Government has issued an additional grant to balance the core spending needs of the Council.

6.9 This grant, now known as the Funding Floor (previously Funding Guarantee), has been included into the settlement in 2025/26 to keep the core spending power, *including Council Tax receipts*, at the same level as 2025/26.

6.10 Allowing for these changes the provisional allocation for 2025/26 is £1,785,452.

Total Grant Funding

6.11 Total grant funding for the year 2025/26 as shown in the table below is £5,530,915, a cash decrease of £513,814 or -8.5% when compared to that received in 2025/26. That being said in both the February and November 2024 MTFS models it had been assumed that the Funding Floor Grant would not be received, meaning for the 2025/26 financial year the Council has additional funds available for strategic projects.

	2024/25 £	2025/26 £	Cash Increase/ (Decrease) £	%
Local Share of Business Rates (baseline)	2,509,032	2,541,100	32,068	1.3
Revenue Support Grant	146,419	167,329	20,910	14.3
Settlement Funding Assessment	**2,655,451**	**2,708,428**	**52,977**	**2.0**
New Homes Bonus	**343,373**	**517,013**	173,640	50.6
Under-indexing of the Business Rates Multiplier	**464,291**	**482,712**	18,421	4.0
Other Grants	**71,354**	**37,310**	(34,044)	-47.7
Funding Guarantee / Funding Floor	**2,510,260**	**1,785,452**	(724,808)	-28.9
Total Grant Funding	**6,044,729**	**5,530,915**	**(513,814)**	**-8.5**

6.12 The provisional local government finance settlement 2025/26 is subject to consultation. The return date for responses to the consultation was 15 January 2025, 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: Consultation: provisional local government finance settlement 2025 to 2026 - GOV.UK

6.13 The final settlement was expected to be confirmed in late January / early February 2025, subject to the outcome of the consultation but at the time of writing has not been received. Cabinet will be updated at the meeting on 11 February with details of the final settlement, including the National Insurance grant for local authorities which is yet to be announced. Members are advised that the funding made available to the sector for this grant will not cover the entire cost of the additional employers' national insurance contributions.

6.14 It is RECOMMENDED that the details of the final grant settlement, including the anticipated National Insurance grant, are verbally reported to Cabinet at the meeting and any adjustments needed are made to the final Budget.

7 National Non Domestic Rates (NNDR)

7.1 In the statement on 18th December 2024 it was announced that the Government will be considering changes to the current Business Rates model operated in local government. It is expected that this will be through the resetting of baseline requirement, and forms part of the wider funding reforms consultation.

7.2 The Government sets a baseline need for the Council of £2.541m as set out in the table at 6.11 above. Under the current rules, the Council is allowed to keep a proportion of any amount received above this baseline. The proportion depends on whether the Council is a member of a Business Rates Pool - (*which it is*) - and the membership of the authorities within this pool.

7.3 The development of Panattoni Park in the north of the Borough continues with final major development on site likely to be occupied during the early to mid-stages of 2025/26.

7.4 Using information from the Valuation Office, officers have provided a prudent estimate of the valuation for this new building on Panattoni Park and other potential changes in the borough.

7.5 Taking this into account and after allowing for the financing arrangements within the Kent Business Rate pool, officers have estimated that the business rates receipts to TMBC will be circa £3.888m - some £1.347m above the baseline.

7.6 These amounts are lower than the 2024/25 original estimate as there was a significant release of an appeals provision in the current financial year that cannot be repeated in 2025/26 (see report to Cabinet 13 February 2024).

8 Council's Usable Reserves

8.1 The Council holds a number of 'usable' reserves on its balance sheet which could be **repurposed** to support both day to day services or assist in one off larger schemes either of a revenue or capital nature.

8.2 Although not yet incorporated into Capital Plan 'List A', Members approved, in principle, the replacement of the Angel Centre in Tonbridge in the context of the Town Centre Regeneration Programme. Cabinet January 2024 CB24/17 refers:

"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"

8.3 Once formally approved, this is likely to be the largest capital project undertaken by the Council in over 25 years. The Council's Capital Strategy includes an objective to identify opportunities for funding the replacement of the leisure centre in Tonbridge.

8.4 Due to this and the Council's debt free status, officers are currently exploring ways of financing the replacement centre with minimal resort to external borrowing. With this in mind, the Director of Finance and Transformation and her team have conducted an **initial** review of the Council's reserve balances in line with objective 13.8 of the Annual Service Delivery Plan (see elsewhere on this agenda).

8.5 Two particular reserves have been identified for 'early release' subject to Member approval.

8.6 The first is the **Budget Stabilisation Reserve** which is currently expected to hold the sum of £2.7m as at 31 March 2025 with future commitments of £500,000. This reserve was established during Covid to assist with the return to 'normal'

economic levels. Members will be aware that approvals have been given to the use of some of this reserve, but the majority of these costs are now built into the MTFS as ongoing growth. Having undertaken an assessment, £2.2m could be released from this reserve for the specific use of the replacement of the Angel Centre.

8.7 Members will note from Annex 15 that the Council holds a general fund balance (formally known as the working balance) as well as a general revenue reserve. This balance, £1.25m, has been held for many years as a 'last resort' for financial viability, but given the current and predicted levels of the Council's General Revenue Reserve over the medium term, it is felt that the working balance can be released to support the delivery of the replacement leisure centre.

8.8 Further reviews of the Council's remaining reserve balances will be undertaken in the coming months as set out in the Annual Service Delivery Plan and reported to Members accordingly.

8.9 In view of the objective within the Capital Strategy to identify funding for the replacement of the leisure centre in Tonbridge, it is **RECOMMENDED** that the following sums totalling £3.45m are transferred to the Tonbridge Town Centre reserve, and specifically set aside for the funding of the redevelopment of the Angel Leisure Centre:

- The sum of £1.25m held as a general fund (working) balance
- A sum of £2.2m from the Budget Stabilisation Reserve.

9 Revenue Estimates 2025/26

9.1 As mentioned in the Introduction, the draft Revenue Estimates for 2025/26 were presented to the Overview and Scrutiny Committee on 23 January. The role of the Committee is to assist both the Cabinet and the Council in the development of its budget within the context of the Medium Term Financial Strategy and the Council's priorities. Whilst a number of questions were posed by Members at the meeting, the Revenue Estimates as presented were endorsed. These estimates included the proposed fees and charges as approved by the Scrutiny Select Committees and the Licensing and Appeals Committee over recent months.

9.2 The estimates presented to O&S have been updated to take account of changes to staffing estimates following the General Purposes Committee on the 22 January, and minor changes to the Collection Fund Deficit estimates for 2024/25 and changes in reserve movements as set out in paragraph 8.9.

9.3 The proposed Council Tax for 2025/26 is considered elsewhere on this agenda and if approved will generate a Council Tax yield of £13,209,360.

9.4 This means that the Council has £3,400,000 available to transfer to reserves for strategic objectives.

9.5 Following discussions with Cabinet Members, officers have been requested to make the following reserve movements as part of this Budget:

1) Transfer of £3.25m to the Regeneration of Tonbridge reserve (specifically for the replacement of Angel Centre);

2) Transfer of £150,000 to assist with the provision of Council operated temporary accommodation for homelessness.

9.6 It is **RECOMMENDED** that the sums of £3.25m and £150,000 are transferred to the reserves as explained in paragraph 9.5 above.

9.7 These changes have been summarised on the table below:

	Revised Estimate 2024/25 £	**Original Estimate 2025/26 £**
Summary Total reported to Overview and Scrutiny Committee on 23 January 2025 prior to contributions to or from General Revenue Reserve	11,606,435	9,848,611
Staffing Establishment Changes following General Purposes Committee 22 January 2025	5,400	157,550
Transfer of reserve to General Fund (as per paragraph 8)		(3,450,000)
Transfer to Tonbridge Town Centre Reserve (as per paragraph 8 and paragraph 9.4 above)		6,700,000
Transfer to the Homelessness Reserves (as per paragraph 9.5 above)		150,000
Changes to Reserve Funding following GP Committee	(5,400)	(45,800)
Collection Fund Deficit adjustments		(171,793)
Current Summary Total	**11,606,435**	**13,188,568**

9.8 With these changes the net contribution to / from the General Revenue Reserve in 2025/26 becomes £20,792 as set out on the Revenue Estimates Summary in **[ANNEX 11]**.

10 Fees and Charges

10.1 Proposals in respect of fees and charges for the year 2025/26 considered and approved by the Scrutiny Select Committees and the Licensing and Appeals Committee over recent months have been reflected in the Budget.

11 Capital Plan

11.1 The outcome of the Capital Plan Review process was considered by the Overview and Scrutiny Committee on 23 January.

11.2 Members are aware of the difficult financial landscape in previous years and therefore the ability of the Council to invest in capital schemes. It is, however, acknowledged that some capital projects can have a beneficial impact on the revenue position by either generating additional or new income, or alternatively producing cost savings in due course.

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

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

11.5 Capital expenditure is currently funded from the revenue reserve for capital schemes, grants from government and other bodies, developer contributions and from capital receipts derived from the sale of assets. In addition, other earmarked reserves can be used to fund in full or in part appropriate capital plan schemes.

11.6 There is also an annual contribution to the revenue reserve for capital schemes to match the funding required for the replacement of existing assets (vehicles, plant and equipment) and recurring capital expenditure. The contribution in 2025/26 is £1,149,000.

11.7 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, as detailed in the MTFS.

11.8 It should be noted, **based on current projections and approvals**, **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.

11.9 The Overview and Scrutiny Committee endorsed the recommendations as detailed in the papers. The recommendations were:

1) Cabinet be asked to endorse the Capital Plan (List A) position at Annex 1 (O&S agenda) and summarised at **[Annex 3]**.

2) The schemes listed in **[Annex 4]** are added to List C or deleted from List C as detailed.

3) The schemes listed in **[Annex 5]** are selected for evaluation over the coming year. On this occasion, seven schemes have been recommended both for Fast-Track evaluation.

4) The evaluated List C schemes are progressed in accordance with the recommendation shown in **[Annex 6]**.

5) Cabinet be asked to endorse the Capital Strategy at **[Annex 5]** (O&S agenda) for adoption by Council and publication on the Council's website.

11.10 Details of the evaluated schemes are summarised below.

Capital / revenue consequences of evaluated schemes		
	Capital Cost £'000	**Annex 4 (O&S Agenda) Page**
Planning, Housing and Environmental Health		
Acquisition of Temporary Accommodation and Resettlement (excludes £400k already approved on list A). ***fast-track***	3,800	CP 50
Street Scene, Leisure and Technical Services		
Haysden Country Park Site Improvement Works. ***fast-track***	50	CP 53
Tonbridge Racecourse Sportsground Tennis Court Improvements. ***fast-track***	65	CP 55
Swanmead Sportsground Land Drainage. ***fast-track***	25	CP 57
Tonbridge Cemetery Vaults. ***fast-track***	43	CP 59
Digital CCTV Systems at the Council's Leisure Facilities. ***fast-track***	85	CP 62
Corporate Services		
PWGC Boiler Replacement. ***fast-track***	250	CP 65
Total	**4,318**	

11.11 An updated summary of the ***Capital*** Plan incorporating the schemes listed in paragraph 11.10 is attached at **[Annex 7]**.

11.12 A funding statement based on **[Annex 7]** is attached at **[Annex 8]**. The main source of funding is the Revenue Reserve for Capital Schemes supplemented by

external Grants, S106 Agreements and the use of some internal Reserves. The impact on the Revenue Reserve for Capital Schemes is illustrated in **[Annex 9]**.

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

1) Cabinet endorse the existing Capital Plan (List A) position at Annex 1 (O&S agenda) and summarised at **[Annex 3]**.

2) Cabinet approves that the schemes listed in **[Annex 4]** are added to List C or deleted from List C as detailed.

3) Cabinet approves the selection of those schemes listed in **[Annex 5]** for evaluation over the coming year. On this occasion, four schemes have been recommended for Fast-Track evaluation.

4) Cabinet approves the transfer of schemes detailed in **[Annex 6]** to List A.

5) Cabinet approves the updated Capital Plan (List A) as summarised in **[Annex 7]**.

6) Cabinet endorse the Capital Strategy as presented to the Overview and Scrutiny Committee on 23 January.

12 Treasury Management and Annual Investment Strategy

12.1 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).

12.2 The Prudential Code requires that the CIPFA Treasury Management Code of Practice is adopted and that a number of prudential indicators are set.

12.3 Updates to both the Prudential Code and Treasury Management Code were published by the Chartered Institute of Public Finance and Accountancy (CIPFA) in December 2021 and uphold a key principle that borrowing primarily for return on investment is not permissible.

12.4 The requirements of both the Prudential Code and Treasury Management Code published by CIPFA have been taken into account and reflected as appropriate in the annual review and update of the Capital Strategy and the Treasury Management and Annual Investment Strategy 2025/26.

12.5 The approval of the Treasury Management and Annual Investment Strategy and determination of the prudential indicators has to be made by Full Council, as do amendments to either the Strategy or indicators during the year.

12.6 The Prudential Code under the auspices of the Local Government Act 2003 and subsidiary regulations requires that a number of treasury management prudential indicators are set.

1) The capital financing requirement - the extent to which the authority needs to undertake external borrowing to support its capital programme.

2) The operational boundary for external debt.

3) The authorised limit for external debt.

4) The actual external debt.

5) The upper limit for fixed interest rate exposure.

6) The upper limit for variable rate exposure.

7) The upper limit for total principal sums invested for over 365 days.

8) The maturity structure for new fixed rate borrowing during 2025/26.

12.7 A summary of the indicators appears in the table below.

TREASURY MANAGEMENT INDICATORS	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Authorised Limit for external debt :					
borrowing	nil	7,000	7,000	7,000	7,000
other long term liabilities	nil	nil	nil	nil	nil
TOTAL	nil	7,000	7,000	7,000	7,000
Operational Boundary for external debt:-					
borrowing	nil	4,000	4,000	4,000	4,000
other long term liabilities	nil	nil	nil	nil	nil
TOTAL	nil	4,000	4,000	4,000	4,000
Actual external debt	nil	nil	nil	nil	nil
Upper limit for fixed interest rate exposure < 1 year at year end	35,365 (64.8%)	It is anticipated that exposure will range between 0% to 60%			
Upper limit for variable rate exposure < 1 year at year end	10,916 (20.0%)	It is anticipated that exposure will range between 40% to 100%			
Upper limit for total principal sums invested for over 365 days at year end	8,288 (15.2%)	60% of funds			

Maturity structure of fixed rate borrowing during 2025/26 – 2027/28	upper limit	lower limit
under 12 months	100 %	0 %
Over 12 months	0 %	0 %

Consideration has been given to the Liability Benchmark Indicator, however, as this Council is debt free there is no debt maturity profile to report. The forecast net investment requirement for the next three years (excluding the liquidity allowance) is: 2025/26 £39.9m, 2026/27 £31.8m and 2027/28 £27.4m.

12.8 The capital financing requirement (CFR) measures the amount of external borrowing that the Council expects to have to undertake in support of its capital programme. The Council is debt free and has no borrowing requirement to support the current approved capital programme. However, once the replacement to the Angel Centre has been formally evaluated and a capital scheme presented to Members, if approved**, it is expected that external borrowing will be required to support the progression of the scheme. This will prompt a change in CFR which, when required, will be reported to Members through an update to the Treasury Strategy**.

12.9 The operational boundary is designed to cover all day to day borrowing requirements. As this Council is debt free, borrowing is only undertaken on a short-term basis to cover cash flow management.

12.10 The authorised limit is intended to provide a degree of headroom above the operational boundary to cover unexpected and unusual borrowing requirements.

12.11 The other prudential indicators we are required to set are shown in the table below.

Prudential Indicators

1.	Ratio of actual and estimated financing costs to the net revenue stream	(Interest payable with respect to borrowing less interest and investment income) ÷ (government grants plus call on local taxpayers) x 100%.

2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
actual	estimated	estimated	estimated	estimated	estimated	estimated	estimated
-22.43%	-15.81%	13.72%	-11.39%	-8.52%	-7.74%	-7.00%	-7.00%

2.	Actual and estimated capital expenditure	This indicator is based on the updated capital plan position. The figures are based on those shown in **[Annex 8]**.

2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
actual £'000	estimated £'000	estimated £'000	estimated £'000	estimated £'000	estimated £'000	estimated £'000	estimated £'000
2,480	8,780	11,992	2,463	2,199	2,233	2,606	2,057

12.12 We, therefore, **RECOMMEND** that for the financial year 2025/26 the prudential indicators listed in paragraph 12.7 including the liability benchmark indicator and 12.11 be recommended to Council for adoption.

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

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

12.15 Members are asked to **NOTE** that for the financial year 2025/26 our *annual minimum revenue provision* is nil subject to the comment at paragraph 12.8.

13 Medium Term Financial Strategy Update

13.1 To recap, the Council's Medium Term Financial Strategy (MTFS) covers both revenue and capital budgets over a rolling ten-year period, and it is this Strategy that underpins the budget setting process for the forthcoming year and over the strategy period. The aim of the MTFS is to give us a realistic and sustainable plan that reflects the Council's priorities.

13.2 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.

13.3 The MTFS sets out the high level objectives the Council wishes to fulfil over the agreed time span. These are:

- To achieve a **balanced revenue budget** that delivers the Council's priorities by the end of the strategy period.
- To retain a **minimum of £3.0m** in the General Revenue Reserve by the end of the strategy period and **not to fall below £2.0m** at any time during the 10-year period.

- Seek to set future increases in council tax having regard to the **guidelines** issued by the Secretary of State.
- Continue to identify efficiency savings and opportunities for new or additional income sources and to seek appropriate reductions in service costs in delivery of the Savings and Transformation Strategy approved by Members.
- Subject to there being sufficient resources within the capital reserve, set a **maximum 'annual capital allowance'** each year as part of the budget setting process for all new capital schemes (currently set at £250,000 from the Council's own resources) and give priority to those schemes that generate income or reduce costs.

13.4 Members working with senior officers have a duty to ensure the Council's long term financial position is sustainable, and that 'short term' decisions do not jeopardise that longer term sustainability. The announcement of the devolution/reorganisation white paper naturally has diverted Members' attention to the shorter term. However, as noted at the O&S Committee this is presently only a white paper and it is important that, for now, we continue with "business as usual" and ensure the long term stability of the Council.

13.5 The budget for 2025/26 is, naturally, the starting point for updating the MTFS. The Summary Total for the 2025/26 Estimates prior to the settlement funding is £17,228,450 (see **Annex 11**) and is used as the basis for the budget projections in the Medium Term Financial Strategy at **[Annex 10a]**.

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

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

13.7 Funding in future years will be dependent on the outcome of the local authority funding reform incorporating the Business Rates Reset. This review has commenced with initial consultation responses required by 12 February 2025. Therefore, officers have continued with the assumptions made in prior years allowing for the narrowing of the funding gap to be delivered in tranches in order to plan ahead.

13.8 In the latest iteration of the MTFS it is assumed government grant funding and increased business rates income to be retained will reduce from circa £7.16m in 2025/26 to £3.48m in 2028/29 before seeing a modest increase year on year thereafter. The overall change between 2025/26 and 2028/29 represents a cash decrease of £3.68m or 51.4%.

13.9 A hypothetical example of how the assumed overall government grant funding and increased business rates income of £3.48m in 2028/29 might be made up is business rates retention scheme (£2.88m) NHB/ replacement (£600,000).

Business Rates Retention Scheme

13.10 As mentioned above, changes to the Business Rates Retention Scheme / Business Rates, decided as the Business Rates Reset, are now expected to take place in 2026/27 as part of the local authority funding reform. Officers believe that this will involve retaining a base level of Business Rates but increasing the threshold where business rates over this level can be retained.

13.11 For budgeting purposes, as a result of the continued development at Panattoni Park and other areas in the borough, business rates income is expected to exceed the business rates baseline in 2025/26. As a member of the Kent Business Rates Pool for business rates retention scheme purposes, we are estimating that the increased business rates income to be retained for 2025/26 will be circa £3.888m - some £1.347m above the baseline.

Council Tax Referendum Principles

13.12 The MTFS sets out, not only the projected budgets for the period, but also the levels of council tax that are projected to be required to meet the Council's spending plans.

13.13 For the year 2025/26, a referendum will be triggered where council tax is increased by **more than 3% or £5, whichever is higher**. This time last year the MTFS assumed a council tax increase of £5 representing a 2.2% increase in council tax.

13.14 For the purposes of preparing the budget papers and updating the MTFS an **increase of 3% 2025/26** has been assumed followed by the greater of £5 or 2% each year thereafter.

Pension Fund Deficit

13.15 The pension fund deficit is forecast to be recovered within the 10-year period of this MTFS and in all significant respects is **why the projected funding gap is in the region of £2.8m and not in excess of £4.5m**. It should be noted that this does not mean a pension fund deficit will not reappear - as it could. This will be dependent on the future performance of the pension fund and in order to lessen the risk of that occurring we are looking to establish a 'buffer'. What this would mean in practice is working towards a position where the pension fund is overfunded so that there is an element of headroom to manage the risk.

Waste Services Contract

13.16 The Waste Services Contract has a 'break-point' in 2027 and it has been assumed for financial planning purposes that one or both parties would not wish to extend the contract beyond the break-point. Recent work undertaken on this contract has now given a potential significant increase in the cost of the contract when recommissioned in April 2027. This increase has been reflected in the

updated MTFS (as presented to Cabinet in November 2024) but there is also an expectation that the specification is reviewed in order to allow for potential reductions in cost.

Climate Change Agenda

13.17 Detailed Climate Change agenda related costs are not reflected in the MTFS. However, there is an earmarked reserve to fund until expended, both a revenue budget and specific projects / initiatives in support of the Climate Change Strategy.

Funding Gap

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

13.19 Taking into account the potential changes to local government finance support and the issues raised above the Council's medium term budget projections remain under severe pressure. The latest update of the MTFS gives a potential funding gap of £2.8m, and this includes initiatives covering office accommodation, £200,000, and reductions in the cost and client numbers within Temporary Accommodation, £625,000, giving a total of £3.625m to be delivered over the medium term.

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

13.21 Cabinet is **RECOMMENDED** to note and endorse the updated MTFS **[Annex 10a].**

14 Savings and Transformation Strategy

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

14.2 A number of key themes have been identified, together with outline targets and timescales which will need to be revisited and aligned with the latest projected funding gap.

Savings and Transformation Contributions

14.3 The Council set a savings target of £305,000 to be delivered by April 2025 this target was exceeded, as reported to Members through Budgetary Control Reporting, and estimates for 2025/26 have been adjusted to reflect this.

14.4 As in previous iterations of the MTFS the latest projected funding gap of £2.8m can be broken down into tranches. The proposed number, scale and timing of requisite future savings and transformation contributions is given below.

1) Tranche 1 - £600,000, as mentioned above, to be achieved by April 2026.

2) Tranche 2 - £750,000 to be achieved by April 2028.

3) Tranche 3 - £750,000 to be achieved by April 2029.

4) Tranche 4 - £700,000 to be achieved by April 2030.

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

14.6 The STS is currently being reviewed by the Council's Management Team to include revised outline targets and timescales for each of the themes totalling £2,800,000. An overall outline of the STS, including a summary of past savings achieved, can be found at **[Annex 10b] but an updated copy will be added to this report as a supplement prior to the meeting.**

14.7 Cabinet is **RECOMMENDED** to note and endorse the updated STS [Annex 10b] to be uploaded as a supplement, including the proposed scale and timing of each of the required savings and transformation contributions set out at paragraph 14.4.

15 Collection Fund Adjustments

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

15.2 Before we can finalise our calculations in respect of the tax requirements, we have to estimate the surplus / deficit on the collection fund for 2024/25 in respect of council tax and business rates and then share this between the major precepting authorities (including ourselves) in line with the respective legislative proportions.

15.3 These are known as collection fund adjustments, The collection fund for 2024/25 as shown in the table below along with the council's share.

	Total (Surplus) / Deficit £	TMBC's Share £	Details in Annex
Council Tax	407,980	55,677	[Annex 12a]
Business Rates	703,900	281,560	[Annex 12b]

16 Special Expenses and Parish Council Precepts

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

16.2 The largest part (around 80%) of special expenses are covered by the Council's Grounds Maintenance Contract. The contract was retendered during 2024/25 with a 'go live' date of 1 January 2025.

16.3 As part of the re-tendering exercise, the areas covered by the Contract were re-measured by the leisure team as it was acknowledged that the previous measurements were considerably out of date. In addition to this some areas have now been included into the contract that had not been recognised in the previous measurements, examples are Taddington Woods in Walderslade (affecting the Aylesford area) and Basted Mill (affecting Borough Green, Ightham, Platt and Plaxtol). These two particular areas had been managed as variation orders to the previous contract but these variation orders were not incorporated into prior years' annual special expenses charges.

16.4 Now that we have a 'clean' set of data following the work that has been carried out in the lead up to the grounds maintenance re-tender, the allocation of special expenses in relation to this specific function have moved to more accurately reflect the current spread of work and cost. This has resulted in some financial variations and whilst in some areas the percentage variations appear to be large, the absolute financial changes are relatively small.

16.5 Details of the Special Expenses for 2025/26 are set out at **[Annex 13b]**. The basic amount of council tax of £222.32 plus the special expenses Band D charge, where applicable, gives the total Borough Council Band D charge for that area.

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

16.7 The resultant published (notional) council tax at Band D **for 2025/26 is £245.30,** being 3.0% higher than the published Band D council tax for 2024/25. As

Members will note, no resident will actually pay this exact amount as the Borough Council's Band D – unless it is by coincidence.

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

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

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

17.1 The Council is required to have regard to the level of its balances and reserves before determining its council tax requirement. **[Annex 15]** sets out the projected general fund working balance and general revenue reserve balances based on an increase of 3% to the notional council tax level.

17.2 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (in our case the Director of Finance and Transformation) when making the statutory calculations required to determine its council tax to report to an authority, on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides.

17.3 What is required is the professional advice of the Director of Finance and Transformation on these two questions. This responsibility is discharged by way of a certified Statement.

17.4 The Director of Finance and Transformation advises that she is satisfied as to the robustness of the estimates and the adequacy of reserves on the understanding that the **required savings and transformation contributions based on latest projections in the sum of £2,800,000, together with the initiatives already built into the MTFS (i.e. the scaling back of office accommodation in the sum of £200,000 and reductions in the use of and client numbers in Temporary Accommodation of £625,000) are delivered in the timeframe assumed in the Medium Term Financial Strategy**.

17.5 The Statement referred to above is appended at **[Annex 16a]** which Members are recommended to read thoroughly in order to understand the assumptions and risks that are set out. Members will note that, overall, the Director of Finance and Transformation signifies that, in her professional opinion, **the estimates are robust and the level of reserves adequate**. Members are, however reminded, of the fact that the delivery of the Savings and Transformation Strategy is still categorised as RED on the Strategic Risk Register and it is essential that addressing the projected funding gap and associated savings targets are progressed as a priority.

17.6 A schedule of the reserves held by the Council at 1 April 2024 and proposed utilisation of those reserves to 31 March 2026 is provided at **[Annex 16b]**. In addition, a profile of the projected reserve balances is provided at **[Annex 16b(ii)]**.

17.7 As this Council's Chief Finance Officer, the Director of Finance and Transformation has undertaken a review of the earmarked reserves held and is satisfied as to the position depicted and will revisit the position as part of the closedown process for 2024/25.

17.8 Members are **RECOMMENDED** to note and endorse the Statement **[Annex 16a]** provided by the Director of Finance and Transformation.

18 Calculation of Borough Council's Tax Requirement

18.1 The Council is required to calculate:

- Its aggregate expenditure which, for this purpose, includes our share of any Collection Fund deficit and the Parish Council precepts.
- Its aggregate income which, for this purpose, includes our share of any Collection Fund surplus and the Local Government Finance Settlement (see paragraph 1.3).
- The amount by which the aggregate expenditure exceeds the aggregate income is to be its council tax requirement for the year.

18.2 Assuming Cabinet's concurrence with the recommendations concerning the Medium Term Financial Strategy and Savings and Transformation Strategy set out in paragraphs 13 and 14, the calculation is set out at **[Annex 17]**. It should be noted that, for this purpose, the Borough Council's council tax requirement includes the Parish Council precepts.

18.3 Cabinet is therefore **RECOMMENDED** to note the Calculation of the Borough Council's council tax requirement at **[Annex 17].**

19 Financial and Value for Money Considerations

19.1 The uncertainty surrounding local government finances – the awaited outcome of the Local Authority Funding Reform, makes financial planning that much more difficult.

19.2 Alongside this come the projected market increase cost in respect of the Waste contract due to be recommissioned in 2027. The timetable for the recommissioning is due to be shared with Members in the forthcoming months, but financial uncertainty will remain until the contract is awarded.

19.3 The 2025/26 provisional local government finance settlement represents a holding position until the consultation on the local authority funding reform is concluded. We anticipate this could be for the 2026/27 settlement.

19.4 Once both of these factors are known this should allow for greater certainty on the ongoing funding gap for the authority in the medium term.

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

20 Risk Assessment

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

20.2 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.

20.3 The current uncertainty 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.

20.4 The Waste Services Contract is unlikely to be extended beyond the initial 8 year contract period and could see increased costs over current levels. As mentioned at paragraph 13.16, however, it is important to note that forward planning already assumes a 'scaled-back' specification but will not meet the full cost increase.

20.5 It is expected that the pension fund deficit will be recovered within the 10-year period of this MTFS. However, depending upon the performance of the fund, a deficit could 'reappear' at any time. To mitigate the risk of this and the impact it would have on the MTFS, we are working towards a position where the pension fund is overfunded so that there is an element of headroom.

20.6 Members are reminded that there are factors not reflected in the MTFS, e.g. the cost of borrowing for new capital plan schemes when and if required.

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

20.8 Whilst, at the present time, the Council does not need to borrow in order to finance the current approved capital programme, it is likely that the replacement to the Angel Centre will facilitate this need in the near future, officers will provide details of the scheme in the forthcoming months along with the revenue implications of financing for this project.

21 Legal Implications

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

21.2 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.

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

21.4 December 2024 saw the publication of an English Devolution White Paper which has set out the Government's clear intent to drive devolution through the establishment of Mayoral Strategic Authorities and an associated programme of local government reorganisation in two-tier areas. If Kent is included as part of any priority programme it could see the Council ceasing to exist within the term of these plans and strategies. It also may well be that the Council's ability to take decisions, acquire or dispose of assets, to let contracts or to deliver projects or services may be constrained by the terms of the Structural Change Order or any Direction issued under Section 24 of the Local Government and Public Involvement in Health Act 2007 or by the lack of capacity associated with the work involved in delivering any structural changes.

21.5 Whilst no councils can foresee the effect that devolution may bring, the Council must proceed on its current course at the moment to ensure that there is no interruption to services.

22 Consultation and Communications

22.1 As part of the budget process the council are required to consult representatives of the Council's Non-Domestic Ratepayers. The consultees who include a group of the larger ratepayers in the Borough receive on request information and copies of the draft budgets and are invited to make written representations if they deem it appropriate. The deadline given for responses was 29 January 2025. ***Cabinet is advised that no adverse comments have been received.***

23 Cross Cutting Issues

23.1 Equalities and Diversity

23.1.1 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.

Background Papers	None
Annexes	Annex 1 – Referendum Principals for Council Tax Annex 2 – Provisional Settlement Grant Allocations Annex 3 – Capital Plan List A (O&S 23 Jan 2025) Annex 4 – Capital Plan List C Additions and Deletions Annex 5 - Capital Plan List C selected for evaluations Annex 6 – Capital Plan Summary of Evaluated Schemes Annex 7 – Capital Plan List A updated to include recommended schemes. Annex 8 – Capital Plan Funding Annex 9 – Revenue Reserve for Capital Schemes Annex 10a – Medium Term Financial Strategy Annex 10b – Savings and Transformation Strategy Annex 11 – Revenue Estimates Summary Annex 12a – Collection Fund Surplus / Deficit Council Tax Annex 12b - Collection Fund Surplus / Deficit Business Rates Annex 13a – Special Expenses Policy Annex 13b – Special Expenses 2025/26 Annex 14 – Parish Council Precepts Annex 15 – General Fund and General Revenue Reserve Balances Annex 16a – Robustness of Estimates and Adequacy of Reserves Statement Annex 16b – Reserves Estimate Annes 16bii – Reserves Profile Annex 17 - TMBC Draft Council Tax Resolution

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The Referendums Relating to Council Tax Increases (Principles) (England) Report 2025/26: draft

Legislative background

General

1. Under section 52ZB of the Local Government Finance Act 1992(**a**) ("the 1992 Act") each billing authority and precepting authority must determine whether its relevant basic amount of council tax(**b**) for a financial year ("the year under consideration") is excessive. In essence, the relevant basic amount of council tax for an authority is that authority's average band D council tax but, in the case of a billing authority, excluding local precepts(**c**). If an authority's relevant basic amount of council tax is excessive a referendum must be held in relation to that amount.

2. Under section 52ZC(**d**) of the 1992 Act the question of whether an authority's relevant basic amount of council tax is excessive must be decided in accordance with a set of principles determined by the Secretary of State. A set of principles —

    - may contain one principle or two or more principles, and

    - must constitute or include a comparison between the authority's relevant basic amount of council tax for the year under consideration and its relevant basic amount of council tax for the financial year immediately preceding the year under consideration(**e**).

3. In setting principles for the year under consideration the Secretary of State may determine categories of authority. If the Secretary of State does so the same principles must be determined for all authorities falling within the same category and if an authority does not fall within any of the categories its relevant basic amount of council tax is not capable of being excessive for the year under consideration(**f**).

(**a**) 1992 c.14. Section 52ZB was inserted into the 1992 Act by Schedule 5 to the Localism Act 2011 (c.20).
(**b**) The term "relevant basic amount of council tax" is defined in section 52ZX of the 1992 Act (inserted as above and amended by section 41(1) and (9) to (13) of the Local Audit and Accountability Act 2014 (c.2) and modified by S.I. 2017/611).
(**c**) A local precept may be issued to a billing authority by a local precepting authority (as defined in section 39(2) of the 1992 Act) or anticipated by a billing authority pursuant to the Billing Authorities (Anticipation of Precepts) Regulations 1992 S.I. 1992/3239, as amended by S.I. 1995/235 S.I. 2006/3395 and S.I. 2014/35.
(**d**) Section 52ZC was inserted into the 1992 Act by Schedule 5 to the Localism Act 2011 and is modified by S.I. 2017/611.
(**e**) Section 52ZC(2) and (3) of the 1992 Act.
(**f**) Section 52ZC(4) of the 1992 Act.

4. If the Secretary of State does not determine categories of authority for the year under consideration, any principles determined for the year must be such that the same set is determined for all authorities(**a**).
5. The principles for a financial year must be set out in a report which must be laid before and approved by the House of Commons. If the report for a financial year is not approved on or before the date on which the local government finance report for the same year is approved by the House of Commons, no principles have effect for that year and accordingly no authority's relevant basic amount of council tax is capable of being excessive for that year(**b**).

The Greater London Authority

6. The Greater London Authority ("the GLA") calculates two different basic amounts of council tax for a financial year —
   (a) an amount which applies to the City of London and which does not include any amount in respect of the Mayor's Office for Policing and Crime, and
   (b) an amount which applies to all parts of Greater London other than the City of London and which includes an amount in respect of the Mayor's Office for Policing and Crime(**c**).

7. The GLA's relevant basic amount of council tax is defined by reference to these two amounts. In particular —

   - the relevant basic amount derived from the amount mentioned in paragraph 6(a) above is referred to in the 1992 Act as the GLA's unadjusted relevant basic amount of council tax, and

   - the relevant basic amount derived from the amount mentioned in paragraph 6(b) above is referred to in the 1992 Act as the GLA's adjusted relevant basic amount of council tax(**d**).

8. A principle that applies to the GLA, and that constitutes or includes a comparison between the GLA's relevant basic amount of council tax for the year under consideration and the financial year immediately preceding that year, may only provide for —

   - a comparison between unadjusted relevant basic amounts of council tax,

   - a comparison between adjusted relevant basic amounts of council tax, or

(**a**) Section 52ZC(5) of the 1992 Act.
(**b**) See generally section 52ZD of the 1992 Act, inserted as above.
(**c**) Sections 88(2) and 89(3) of the Greater London Authority Act 1999. Section 88(2) was substituted by section 77(1) and (3) of the Localism Act 2011 and section 89(4) (which is mentioned in section 89(3)) was substituted by section 77(1) and (7) of that Act. The Mayor's Office for Policing and Crime was established by section 3 of the Police Reform and Social Responsibility Act 2011.
(**d**) Section 52ZX(4) of the 1992 Act.

- both(**a**).

The Report

9. This Report is made by the Secretary of State for Housing, Communities and Local Government and laid before the House of Commons under section 52ZD(1) of the 1992 Act.

10. The Report applies to all billing authorities, major precepting authorities falling within section 39(1)(a), (aa) and (b) to (db) of the 1992 Act, the Greater Manchester Combined Authority(**b**), the York and North Yorkshire Combined Authority(**c**) and the West Yorkshire Combined Authority(**d**). No principles are specified for local precepting authorities or other mayoral combined authorities.

Principles for the financial year beginning on 1st April 2025

11. The principles which apply for 2025-26 are set out in Annex A to this Report. If this Report is approved by resolution of the House of Commons the principles will have effect for that financial year.

Signed by authority of the Secretary of State for Housing, Communities and Local Government

Name
Minister of State
[Date] 2025 Ministry of Housing, Communities and Local Government

(**a**) Section 52ZC(6) of the 1992 Act.
(**b**) The Greater Manchester Combined Authority was created by the Greater Manchester Combined Authority Order 2011, S.I. 2011/908.
(**c**) The York and North Yorkshire Combined Authority was created by the York and North Yorkshire Combined Authority Order 2023, S.I. 2023/1432.
(**d**) The West Yorkshire Combined Authority was created by the West Yorkshire Combined Authority Order 2014, S.I. 2014/864, which was amended by S.I. 2021/112.

Annex A

Principles for the financial year beginning on 1st April 2025

The set of principles determined by the Secretary of State under section 52ZC(1) of the Local Government Finance Act 1992 for the financial year beginning on 1st April 2025 is as follows:

Interpretation

1.—(1) In this set of principles—

"2024-25" means the financial year beginning on 1st April 2024;

"2025-26" means the financial year beginning on 1st April 2025;

"the 1992 Act" means the Local Government Finance Act 1992(**a**);

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

"the GLA" means the Greater London Authority;

"a relevant local authority" means—

(a) an authority falling within section 1(4) of the Care Act 2014(**c**); and

(b) the Council of the Isles of Scilly;

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

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

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

(**a**) 1992 c.14.

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

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

Categories of authority for 2025-26

2. For 2025-26, the Secretary of State determines that the following are categories of authority for the purposes of section 52ZC of the 1992 Act—

(a) any relevant local authority(**a**),

(b) any police and crime commissioner,

(c) the Greater Manchester Combined Authority, the York and North Yorkshire Combined Authority and the West Yorkshire Combined Authority(**b**),

(d) any shire district council,

(e) the GLA, and

(f) any fire and rescue authority.

Principles for 2025-26 for authorities belonging to the category mentioned in paragraph 2(a)

3. For 2025-26, the relevant basic amount of council tax of an authority which belongs to the category mentioned in paragraph 2(a) is excessive if the authority's relevant basic amount of council tax for 2025-26 is 5% (comprising 2% for expenditure on adult social care, and 3% for other expenditure), or more than 5%, greater than its relevant basic amount of council tax for 2024-25.

Principles for 2025-26 for authorities belonging to the category mentioned in paragraph 2(b)

4. For 2025-26, the relevant basic amount of council tax of an authority which belongs to the category mentioned in paragraph 2(b) is excessive if the authority's relevant basic amount of council tax for 2025-26 is more than £14 greater than its relevant basic amount of council tax for 2024-25.

Principles for 2025-26 for authorities belonging to the category mentioned in paragraph 2(c)

5. For 2025-26, the PCC component relevant basic amount of council tax of the Greater Manchester Combined Authority, of the York and North Yorkshire Combined Authority or of the West Yorkshire Combined Authority is excessive if the authority's PCC component relevant basic amount of council tax for 2025-26 is more than £14 greater than its PCC component relevant basic amount of council tax for 2024-25.

(**a**) The bodies that are within this category are set out, for information, in Annex B to this Report.

(b) Where the mayor of a combined authority exercises PCC functions Chapter 4ZA of Part 1 of the Local Government Finance Act 1992 is modified by paragraphs 7 to 10 of the Schedule to the Combined Authorities (Finance) Order 2017, S.I. 2017/611. For the definition of "PCC functions" see section 107F(3) of the Local Democracy, Economic Development and Construction Act 2009 (c. 20).

Principles for 2025-26 for authorities belonging to the category mentioned in paragraph 2(d)

6. For 2025-26, the relevant basic amount of council tax of an authority which belongs to the category mentioned in paragraph 2(d) is excessive if the authority's relevant basic amount of council tax for 2025-26 is—

(a) 3%, or more than 3%, greater than its relevant basic amount of council tax for 2024-25, and

(b) more than £5 greater than its relevant basic amount of council tax for 2024-25.

Principles for 2025-26 for the GLA

7. For 2025-26, the GLA's relevant basic amount of council tax is excessive if—

(a) the GLA's unadjusted relevant basic amount of council tax for 2025-26 is more than £4.98 greater than its unadjusted relevant basic amount of council tax for 2024-25, or

(b) the GLA's adjusted relevant basic amount of council tax for 2025-26 is more than £18.98 greater than its adjusted relevant basic amount of council tax for 2024-25.

Principles for 2025-26 for authorities belonging to the category mentioned in paragraph 2(f)

8. For 2025-26, the relevant basic amount of council tax of an authority which belongs to the category mentioned in paragraph 2(f) is excessive if the authority's relevant basic amount of council tax for 2025-26 is more than £5 greater than its relevant basic amount of council tax for 2024-25.

Annex B

Local authorities for the following areas fall within the definition of "relevant local authority" in the *Principles for the financial year beginning on 1st April 2025*

(INNER LONDON)
City of London
Camden
Greenwich
Hackney
Hammersmith & Fulham

Islington
Kensington & Chelsea
Lambeth
Lewisham
Southwark

Tower Hamlets
Wandsworth
Westminster

(OUTER LONDON)
Barking & Dagenham
Barnet
Bexley
Brent
Bromley

Croydon
Ealing
Enfield
Haringey
Harrow

Havering
Hillingdon
Hounslow
Kingston-upon-Thames
Merton

Newham
Redbridge
Richmond-upon-Thames
Sutton
Waltham Forest

(GREATER MANCHESTER)
Bolton
Bury
Manchester
Oldham
Rochdale

Salford
Stockport
Tameside
Trafford
Wigan

(MERSEYSIDE)
Knowsley
Liverpool
St Helens
Sefton
Wirral

(SOUTH YORKSHIRE)
Barnsley
Doncaster
Rotherham
Sheffield

(TYNE AND WEAR)
Gateshead
Newcastle-upon-Tyne
North Tyneside
South Tyneside
Sunderland

(WEST MIDLANDS)
Birmingham
Coventry
Dudley
Sandwell
Solihull

Walsall
Wolverhampton

(WEST YORKSHIRE)
Bradford
Calderdale
Kirklees
Leeds
Wakefield

(COUNTY COUNCILS)
Cambridgeshire
Derbyshire
Devon
East Sussex
Essex

Gloucestershire
Hampshire
Hertfordshire
Kent
Lancashire

Leicestershire
Lincolnshire
Norfolk
Nottinghamshire
Oxfordshire

Staffordshire
Suffolk
Surrey
Warwickshire
West Sussex

Worcestershire

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

Bracknell Forest
Brighton & Hove
Bristol
Buckinghamshire
Central Bedfordshire

Cheshire East
Cheshire West and Chester
Cornwall
Cumberland

Darlington
Derby

Dorset
Durham
East Riding of Yorkshire
Halton
Hartlepool

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

Leicester

Luton
Medway
Middlesbrough
Milton Keynes
North East Lincolnshire

North Northamptonshire
North Lincolnshire
North Somerset
Northumberland
North Yorkshire
Nottingham

Peterborough
Plymouth
Portsmouth
Reading
Redcar & Cleveland

Rutland
Shropshire
Slough
Somerset
South Gloucestershire
Southampton
Southend-on-Sea

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

Torbay
Warrington
West Berkshire

West Northamptonshire
Westmorland and Furness
Wiltshire
Windsor & Maidenhead

Wokingham
York

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Annex 2

Local Government Finance Settlement 2025/26 (Settlement Funding Assessment)

	2025/26				
	Revenue Support Grant £	**Business Rates Baseline £**	**Settlement Funding Assessment £**	**Estimated Population mid-2021**	**Per Head £**
Ashford	329,460	3,145,503	3,474,963	133,178	26.09
Canterbury	247,478	5,136,848	5,384,326	156,554	34.39
Dartford	181,404	3,018,166	3,199,570	116,777	27.40
Dover	293,550	4,081,282	4,374,832	116,595	37.52
Folkestone and Hythe	263,379	4,063,132	4,326,511	110,056	39.31
Gravesham	156,570	3,249,616	3,406,186	106,838	31.88
Maidstone	275,636	3,571,717	3,847,353	176,712	21.77
Sevenoaks	219,871	2,508,518	2,728,389	120,841	22.58
Swale	362,717	4,719,894	5,082,611	152,223	33.39
Thanet	421,749	5,509,240	5,930,989	140,678	42.16
Tonbridge and Malling	**167,329**	**2,541,100**	**2,708,429**	**132,386**	**20.46**
Tunbridge Wells	216,477	2,604,997	2,821,474	115,681	24.39

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Annex 3

Capital Plan: List A
Service Summary as per O&S 23 January 2025

	Expenditure To 31/03/24	2024/25 Estimate inc Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Plan Schemes									
Planning, Housing & Environmental Health	1	429	30	30	30	30	30	30	610
Street Scene, Leisure & Technical Services	683	2,386	275	159	159	174	159	159	4,154
Corporate	203	700	3,137	250	0	0	0	0	4,290
Sub-total	887	3,515	3,442	439	189	204	189	189	9,054
Capital Renewals									
Planning, Housing & Environmental Health	n/a	0	16	0	0	21	22	34	93
Street Scene, Leisure & Technical Services	n/a	997	1,868	574	554	446	991	501	5,931
Corporate	n/a	595	420	120	126	232	324	253	2,070
Sub-total	n/a	1,592	2,304	694	680	699	1,337	788	8,094
Total	887	5,107	5,746	1,133	869	903	1,526	977	17,148

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Annex 4

Capital Plan Review 2024/25

Recommendations in respect of List C

	Annex 3 Page
Schemes to be added to List C	
Street Scene, Leisure and Technical Services	
Tonbridge Racecourse to Lower Castle Fields Car Park Bridge Works	CP 42
Haysden Country Park Shallow Bridge Works	CP 43
Angel Centre Replacement	CP 44
Tonbridge Farm Sportsground Improvements	CP 45
Car Parks LED Lights	CP 46
Tonbridge Cemetery Vaults	CP 47
Installation of Digital CCTV Systems at Council's Leisure Facilities	CP 48
LLCP Resurfacing Access Roads & Paths	CP 49
Schemes to be deleted from List C	
Street Scene, Leisure and Technical Services	
Upper Castle Field Car Park Extension	
Tonbridge School Athletics Facility	

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Capital Plan Review 2024/25

Schemes selected for evaluation from List C

	Annex 3 Page
Planning, Housing and Environmental Health	
River Medway – Riverside Environmental Improvements	CP 33
Acquisition of Temporary Accommodation and Resettlement (fast-track)	CP 34
Street Scene, Leisure and Technical Services	
Haysden Country Park Site Improvement works (fast-track)	CP 36
Tonbridge Racecourse Sportsground Improvement Works Phase 3 (fast-track)	CP 39
Swanmead Sportsground Flood Alleviation Works (fast-track)	CP 40
Tonbridge Racecourse to Lower Castle Fields Car Park Bridge Works	CP 42
Haysden Country Park Shallow Bridge Works	CP 43
Angel Centre Replacement	CP 44
Tonbridge Farm Sportsground Improvements	CP 45
Car Parks LED Lights	CP 46
Tonbridge Cemetery Vaults (fast-track)	CP 47
Installation of Digital CCTV Systems at the Council's Leisure Facilities (fast-track)	CP 48
Leybourne Lakes Country Park Resurfacing Access Roads and Paths	CP 49
Corporate Services	
De-carbonising Council's Estate, PWGC Boiler Replacement (fast-track)	CP 41

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Capital Plan Review 2024/25

Recommendations in respect of evaluated schemes from List B

	Capital Cost	Estimated Annual Revenue/ Renewals Cost		Annex 4 Page
	£'000	**£'000**		
Planning, Housing and Environmental Health				
Acquisition of Temporary Accommodation and Resettlement (excludes £400k already approved on list A). fast-track	3,800		Transfer from List B to List A	CP 50
Street Scene, Leisure and Technical Services				
Haysden Country Park Site Improvement Works. fast-track	50		Transfer from List B to List A	CP 53
Tonbridge Racecourse Sportsground Tennis Court Improvements. fast-track	65		Transfer from List B to List A	CP 55
Swanmead Sportsground Land Drainage. fast-track	25		Transfer from List B to List A	CP 57
Tonbridge Cemetery Vaults. fast-track	43		Transfer from List B to List A	CP 59
Digital CCTV Systems at the Council's Leisure Facilities. fast-track	85		Transfer from List B to List A	CP 62
Corporate Services				
PWGC Boiler Replacement. fast-track	250		Transfer from List B to List A	CP 65
Total	**4,318**			

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Annex 7

Capital Plan: List A
Service Summary (incorporating O&S recommendations)

	Expenditure To 31/03/24	2024/25 Estimate inc Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Plan Schemes									
Planning, Housing & Environmental Health	1	429	3,830	30	30	30	30	30	4,410
Street Scene, Leisure & Technical Services	683	2,236	693	159	159	174	159	159	4,422
Corporate	203	690	3,387	250	0	0	0	0	4,530
Sub-total	887	3,355	7,910	439	189	204	189	189	13,362
Capital Renewals									
Planning, Housing & Environmental Health	n/a	0	16	0	0	21	22	34	93
Street Scene, Leisure & Technical Services	n/a	997	1,868	574	554	446	991	501	5,931
Corporate	n/a	595	420	120	126	232	324	253	2,070
Sub-total	n/a	1,592	2,304	694	680	699	1,337	788	8,094
Total	887	4,947	10,214	1,133	869	903	1,526	977	21,456

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Annex 8

Capital Plan Review 2024/25: Funding the Draft Capital Plan

	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000	2029/30 Estimate £'000	2030/31 Estimate £'000
Capital Plan Schemes							
Capital Renewals	1,592	2,304	694	680	699	1,337	788
Other Recurring Expenditure (net of grants)	197	189	189	189	189	189	189
One-Off Schemes (net of grants & contributions)	3,158	7,721	250		15		
Capital Plan Totals	**4,947**	**10,214**	**1,133**	**869**	**903**	**1,526**	**977**
Add back grants / contributions	3,833	1,778	1,330	1,330	1,330	1,080	1,080
Total to be funded	8,780	11,992	2,463	2,199	2,233	2,606	2,057
Funded from:							
Grants							
BCF (Disabled Facilities Grant)	1,539	1,290	1,290	1,290	1,290	1,040	1,040
Environment Agency TRSG Revetment	9						
Electric Vehicle Charging Points	80						
DEFRA Anti-idling Project	11						
UK Shared Prosperity Fund	360	60					
Rural England Prosperity Fund	371						
Home Upgrade Grant Scheme	168						
Sport England - Swimming Pool Capital Fund (Bid)	1,217	428					
DEFRA Food Waste Containers	30						
Developer Contributions Attributed to							
Tonbridge Racecourse SG Rugby Pitch Drainage	8						
Tonbridge Racecourse, Tennis Courts S106		65					
Haysden Country Park Site Improvements S106		50					
Homeslessness S106		250					
Capital and Other Receipts							
DFG Grant Repayments	10	10	10	10	10	10	10
Housing Assistance Grant Repayments	30	30	30	30	30	30	30
Homelessness Reserve		1,450					
LAHF Round 3 funding for Temporary Accommodation		1,684					
Capital Receipts							
Balance 1 April 2024	Nil						
Gibson West					658	1,365	977
Balance met from Revenue Reserve for Capital Schemes	**4,947**	**6,675**	**1,133**	**869**	**245**	**161**	**0**
Total funding	8,780	11,992	2,463	2,199	2,233	2,606	2,057

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Annex 9

Capital Plan Review 2024/25: Revenue Reserve for Capital Schemes

	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000	2029/30 Estimate £'000	2030/31 Estimate £'000
Balance at 1st April	9,436	6,069	793	745	860	1,615	2,471
Contribution from Revenue to meet Capital Renewals and other Annually Recurring Expenditure	974	974	1,085	984	1,000	1,016	1,033
Revenue contribution for new Capital Plan Schemes	250	250	250	250	250		
Less assumed spend			(250)	(250)	(250)		
Other Revenue & Earmarked Reserve Contributions							
Transformation Reserve - Integtra Centros	81						
Climate Change Reserve - Carbon Descent Initiatives x 3	275	175					
Available for application	11,016	7,468	1,878	1,729	1,860	2,632	3,504
Amount applied to fund capital	(4,947)	(6,675)	(1,133)	(869)	(245)	(161)	0
Balance at 31st March	6,069	793	745	860	1,615	2,471	3,504

Amount applied to fund capital

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Medium Term Financial Strategy

	Estimate	Projection								
	2025/26	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**	**2034/35**
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
EXPENDITURE										
Employees	15,965	16,201	16,331	16,461	15,034	15,318	15,609	15,908	16,232	16,562
Transfer Payments	22,715	23,169	18,103	18,465	18,834	19,210	19,595	19,987	20,387	20,794
Other Expenditure	18,271	16,325	20,228	20,801	21,451	22,124	22,820	23,543	24,291	25,067
Capital Charges	3,021	3,081	3,143	3,206	3,270	3,335	3,402	3,470	3,539	3,610
Total Expenditure	**59,972**	**58,776**	**57,805**	**58,933**	**58,589**	**59,987**	**61,426**	**62,908**	**64,449**	**66,033**
INCOME										
Fees & Charges	(11,958)	(12,279)	(11,934)	(12,236)	(12,544)	(12,857)	(13,176)	(13,498)	(13,828)	(14,163)
Other Specific Grants & Miscellaneous	(25,379)	(25,864)	(20,647)	(21,037)	(21,435)	(21,840)	(22,254)	(22,675)	(23,105)	(23,545)
Investment Income	(2,401)	(1,901)	(1,428)	(1,304)	(1,213)	(1,210)	(1,180)	(1,202)	(1,204)	(1,231)
Total Income	**(39,738)**	**(40,044)**	**(34,009)**	**(34,577)**	**(35,192)**	**(35,907)**	**(36,610)**	**(37,375)**	**(38,137)**	**(38,939)**
Appropriations										
Capital Renewals	1,149	984	1,000	1,016	1,033	1,050	1,067	1,085	1,103	1,103
Provision for new Capital Schemes	250	250	250	250	0	0	0	0	0	0
Other Appropriations	(1,620)	(3,213)	(2,948)	(3,011)	(3,075)	(3,140)	(3,207)	(3,275)	(3,344)	(3,415)
SAVINGS & TRANSFORMATION TARGET	**0**	**(600)**	**(612)**	**(624)**	**(637)**	**(649)**	**(662)**	**(676)**	**(689)**	**(703)**
SAVINGS & TRANSFORMATION TARGET	**0**	**0**	**0**	**(750)**	**(765)**	**(780)**	**(796)**	**(812)**	**(828)**	**(845)**
SAVINGS & TRANSFORMATION TARGET	**0**	**0**	**0**	**0**	**(750)**	**(765)**	**(780)**	**(796)**	**(812)**	**(828)**
SAVINGS & TRANSFORMATION TARGET	**0**	**0**	**0**	**0**	**0**	**(700)**	**(714)**	**(728)**	**(743)**	**(758)**
NET BUDGETED SPEND	**20,013**	**16,153**	**21,486**	**21,237**	**19,203**	**19,096**	**19,724**	**20,331**	**20,999**	**21,648**
FUNDING										
Revenue Reserves	(20)	(1,660)	3,559	3,151	551	(137)	(106)	(113)	(76)	(75)
Government Grant	7,161	4,184	3,821	3,478	3,526	3,574	3,624	3,675	3,726	3,779
Council Tax	13,209	13,629	14,105	14,608	15,126	15,659	16,206	16,769	17,349	17,944
Collection Fund Adjustment	(337)	0	0	0	0	0	0	0	0	0
Total Funding	**20,013**	**16,153**	**21,486**	**21,237**	**19,203**	**19,096**	**19,724**	**20,331**	**20,999**	**21,648**
Council Tax Level at Band D	£245.30	£250.30	£255.30	£260.40	£265.60	£270.91	£276.32	£281.84	£287.47	£293.21
Increase on Previous Year	3%	£5.00	£5.00	2%	2%	2%	2%	2%	2%	2%
RESERVES BALANCE CARRIED FORWARD	**11,065**	**12,725**	**9,166**	**6,015**	**5,463**	**5,600**	**5,706**	**5,819**	**5,895**	**5,970**

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Savings & Transformation Strategy 2024/25 – 2033/34

INTRODUCTION

By way of context, since 2010/11 the Council has seen its Settlement Funding Assessment (core funding) decrease by some 59% or £3.9m (from £6.6m in 2010/11 to £2.7m in 2025/26). The fall in core funding has been, in part, negated by the grant award under the New Homes Bonus (NHB) scheme and other grant income.

In 2025/26, the Council will continue to receive Funding Floor Grant which means there is an in-year balanced budget without reliance on reserves. However, announcements on changes to core financial support to local authorities covering grants and Business Rates are due to take place during 2025/26, with an expected implementation for the2026/27 Financial Year. This along with other external factors concerning the Council Refuse, Recycling and Street Cleansing contract are the two biggest estimated challenges for the financial outlook for the authority.

We are fortunate that we do not have to make all the required savings and transformation contributions in one year and can spread the challenge into 'tranches' as set out within the Council's Medium Term Financial Strategy (MTFS).

Nevertheless, the Council have acknowledged that we need to balance customer expectations with the need to make these savings and transformation contributions and achieve as much as possible in the earlier years to provide the best long-term financial sustainability.

In the latest iteration of the MTFS it is assumed government grant funding and increased business rates income to be retained will reduce from circa £7.16m in 2025/26 to £3.48m in 2028/29 before seeing a modest increase year on year thereafter~~;~~ where the latest projected funding gap between expenditure and income is **circa £2,800,000**. **Plus** the initiative already built into the MTFS, the scaling back of office accommodation in the sum of £200,000 and reductions in the costs and client numbers of Temporary Accommodation of £625,000.

OBJECTIVES

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

1. To deliver sufficient savings and transformation contributions in order to bridge the funding gap identified in the MTFS, and to deliver as much as possible in the earlier years in order to minimise risk to the Council's finances.

2. To direct resources in line with the principles of the Council's Corporate Strategy.

3. To maintain the Council's reputation of good front line service provision.

4. To adopt a ‘mixed’ approach to addressing the funding gap through a series of ‘themes’.

5. To be open to accept ‘cultural’ change/transformation in the ways we work and offer services to the public in order to release efficiencies and savings.

6. To engage, as appropriate, with stakeholders when determining how savings and transformation contributions will be achieved.

THE STRATEGY

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

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

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

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

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

Damian Roberts	Sharon Shelton
Chief Executive	Director of Finance and Transformation
Matt Boughton	Kim Tanner
Leader of the Council	Cabinet Member for Finance and Housing

Savings & Transformation Strategy 2025/26 - 2034/35

Savings and Transformation Contributions in Previous Years of STS £ 000's	Savings and Transformation Contributions Identified during 2024/25 £ 000's	Total Saving Achieved to Date £ 000's	Theme	Indicative Years	Target £ 000's
912	863	1775	Income Generation & Cost Recovery	2024 - 2030	TBA
648		648	In-Service Efficiencies	2024 - 2030	TBA
466	310	776	Service Change & Reduction	2024 - 2030	TBA
866		866	Contracts	2024 - 2030	TBA
270		270	Organisation Structure Change	2024 - 2030	TBA
433	10	443	Partnership Funding	2024 - 2030	TBA
313		313	Asset Management	2024 - 2030	TBA
3,908	1,183	5,091	TOTAL		2,800

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

The funding gap identified will be aligned with the both the Corporate Strategy and the Annual Service Plan during 2025/26.

Savings & Transformation Strategy updated January 2025 and a further update to be provided at meeting on 11 February.

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Cabinet 11 February 2025
General Fund Revenue Estimates 2025/26
SUMMARY

	2024/25 ESTIMATE		2025/26
	ORIGINAL	REVISED	ESTIMATE
	£	£	£
Corporate Services	4,093,000	4,075,750	4,573,050
Chief Executive	1,106,400	1,127,150	990,050
Director of Central Services	1,006,300	1,937,350	1,096,300
Director of Finance & Transformation	(265,700)	(684,000)	(58,000)
Director of Planning, Housing & Environmental Health	5,064,150	6,771,350	6,312,400
Director of Street Scene, Leisure & Technical Services	9,042,750	8,495,750	7,320,400
Sub Total	20,046,900	21,723,350	20,234,200
Capital Accounting Reversals			
Non-Current Asset Depreciation	(2,874,800)	(2,874,800)	(2,874,800)
Contributions to / (from) Reserves			
Building Repairs Reserve			
Withdrawals to fund expenditure	(1,354,400)	(1,438,090)	(1,388,650)
Contribution to Reserve	750,000	750,000	750,000
Earmarked Reserves (see page S 2)			
Contributions from Reserves	(2,028,950)	(4,243,550)	(6,167,350)
Contributions to Reserves	7,559,750	8,059,850	8,207,200
Revenue Reserve for Capital Schemes			
Withdrawals to fund expenditure			
Non-Current Assets	(7,125,000)	(4,789,000)	(6,529,000)
Revenue Expenditure Funded from Capital	(158,000)	(158,000)	(146,000)
Other contributions to / (from) Reserve (net)	1,315,000	1,579,500	1,399,000
Capital Expenditure Charged to General Fund	7,125,000	4,789,000	6,529,000
Government Grants			
New Homes Bonus	(343,400)	(343,400)	(517,000)
Under-indexing Business Rates Multiplier	(464,300)	(464,300)	(482,700)
Services Grant	(16,050)	(16,050)	0
Funding Guarantee/Funding Floor	(2,510,300)	(2,510,300)	(1,785,450)
Contributions from KCC	-	(200,000)	-
Sub Total	19,921,450	19,864,210	17,228,450
Revenue Support Grant	(146,400)	(146,400)	(167,350)
National Non-Domestic Rates			
Share of National Non-Domestic Rates	(31,040,522)	(31,040,522)	(29,851,032)
Tariff	27,167,177	27,167,177	27,544,937
Levy	15,713	54,720	0
Business Rates Pool	914,964	823,789	428,688
Small Business Rate Relief Grant	(953,226)	(997,817)	(998,220)
Supporting Small Business Rate Relief Grant	-	(176,247)	(190,323)
Business Rates Relief Measures	(2,281,233)	(2,016,719)	(1,137,067)
Public Toilets Relief Grant	(7,239)	(6,552)	(6,752)
Collection Fund Adjustments			
Council Tax (Surplus) / Deficit	(81,118)	(81,118)	55,677
National Non-Domestic Rates (Surplus) / Deficit	(1,838,086)	(1,838,086)	281,560
Sub Total	11,671,480	11,606,435	13,188,568
Contribution to / (from) General Revenue Reserve	1,064,824	1,129,869	20,792
Balance to be met from Council Tax Payers	**12,736,304**	**12,736,304**	**13,209,360**

Cabinet 11 February 2025
General Fund Revenue Estimates 2025/26
EARMARKED RESERVES

	2024/25 ESTIMATE		2025/26
	ORIGINAL £	REVISED £	ESTIMATE £
Contributions from Earmarked Reserves			
Budget Stabilisation Reserve	(647,150)	(1,028,950)	(2,456,150)
General Fund Working Balance	-	-	(1,250,000)
Business Rates Retention Scheme Reserve	(160,350)	(148,350)	(124,700)
Climate Change Reserve	(82,400)	(384,600)	(241,000)
Democratic Representation Reserve	-	(1,650)	-
Domestic Abuse Act Reserve	(92,850)	(98,250)	(49,200)
Election Reserve	-	-	-
Homelessness Reserve	(570,000)	(1,092,700)	(834,200)
Housing Assistance Reserve	-	(54,600)	(44,350)
Housing & Welfare Reform Reserve	-	-	-
Invest to Save Reserve	-	(142,300)	-
Peer Review Reserve	(21,300)	(31,550)	(21,800)
Planning Services Reserve	(339,400)	(777,100)	(853,550)
Regeneration of Tonbridge	-	(185,600)	(78,300)
Tonbridge & Malling Leisure Trust Reserve	(83,000)	(83,000)	(86,200)
Transformation Reserve	(32,500)	(209,500)	(127,900)
Public Health Reserve	-	(5,400)	-
	(2,028,950)	**(4,243,550)**	**(6,167,350)**
Contributions to Earmarked Reserves			
Budget Stabilisation Reserve	1,300,000	1,300,000	0
Business Rates Retention Scheme Reserve	686,200	617,850	321,500
Regeneration of Tonbridge	1,850,000	2,050,000	6,700,000
Climate Change Reserve	500,000	500,000	0
Domestic Abuse Act Reserve	72,650	72,650	0
Election Expenses Reserve	35,000	35,000	35,000
Homelessness Reserve	2,015,050	2,198,200	984,200
Planning Services Reserve	425,000	530,000	166,500
Transformation Reserve	675,850	756,150	0
	7,559,750	**8,059,850**	**8,207,200**

Tonbridge and Malling Borough Council
Estimate of Collection Fund Surplus / (Deficit) 2024/25 - Council Tax

	Estimate	
Income	**£**	**£**
Surplus / (Deficit) Brought Forward		74,409
Income from Council Tax Payers (Net of Discounts, CTR and Exemptions)		121,910,427
Total Income for the Year		121,984,836
Expenditure		
Precepts and Demands for 2024/25		
Kent County Council	86,143,319	
Police & Crime Commissioner for Kent	13,698,372	
Kent & Medway Fire & Rescue Authority	4,808,201	
Parishes	3,802,623	
Tonbridge & Malling Borough Council	12,736,304	121,188,819
Provision for Council Tax Non-Collection		622,000
Payment of Estimated Surplus for 2023/24		
Kent County Council	412,048	
Police & Crime Commissioner for Kent	65,290	
Kent & Medway Fire & Rescue Authority	23,451	
Tonbridge & Malling Borough Council	81,118	581,907
Total Expenditure for the Year		122,392,726
Estimated Surplus / (Deficit) for 2024/25		**(407,890)**

Allocation of Estimated Surplus / (Deficit) for 2024/25

	Precepts 2024/25		Surplus / (Deficit) 2024/25
	£	**%**	**£**
Kent County Council	86,143,319	71.08	(289,928)
Police & Crime Commissioner for Kent	13,698,372	11.30	(46,092)
Kent & Medway Fire & Rescue Authority	4,808,201	3.97	(16,193)
Tonbridge & Malling Borough Council	16,538,927	13.65	(55,677)
Total	121,188,819	100.00	**(407,890)**

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Tonbridge and Malling Borough Council
Estimate of Collection Fund Surplus / (Deficit) 2024/25 - Business Rates

	Estimate	
Income	**£**	**£**
Surplus / (Deficit) Brought Forward		4,017,437
Income from Business Rate Payers		71,656,008
Transitional Protection		1,074,663
Total Income for the Year		76,748,108
Expenditure		
Demands for 2023/24 based upon NNDR 1 2024/25		
Kent County Council	6,984,118	
Kent & Medway Fire & Rescue Authority	776,013	
Tonbridge & Malling Borough Council	31,040,522	
Central Government	38,800,653	77,601,306
Payment of Estimated Surplus for 2023/24		
Kent County Council	413,569	
Kent & Medway Fire & Rescue Authority	45,952	
Tonbridge & Malling Borough Council	1,838,086	
Central Government	2,297,609	4,595,216
Allowance for Losses - Bad Debts		700,000
Allowance for Losses - Appeals		(5,606,024)
Cost of Collection Allowance		161,510
Total Expenditure for the Year		77,452,008
Estimated Surplus / (Deficit) for 2024/25		**(703,900)**

Allocation of Estimated Surplus / (Deficit) for 2024/25

	Allocation	Surplus / (Deficit) 2024/25
	%	£
Kent County Council	9	(63,351)
Kent & Medway Fire & Rescue Authority	1	(7,039)
Tonbridge & Malling Borough Council	40	(281,560)
Central Government	50	(351,950)
Total	100	**(703,900)**

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TONBRIDGE & MALLING BOROUGH COUNCIL

SPECIAL EXPENSES ('LOCAL CHARGE') SCHEME

1. Introduction

1.1 The Provisions relating to "special expenses" are contained in the Local Government Finance Act 1992 at sections 34 and 35. These sections allow different amounts of council tax to be calculated for different parts of the district, depending on what if any "special items" relate to those parts. The legal background is set out in the Appendix.

1.2 In resolving to implement a Special Expenses Scheme, the Council revokes the Financial Arrangements with Parish Councils Scheme which was effective from 1 April 1992 made under s136 Local Government Act 1972 with effect from the same date (1 April 2017).

2. Objectives of the Scheme

2.1 The borough consists of 27 parished areas, and one unparished area. Parish councils exercise certain functions in their respective areas, which the Borough Council must exercise directly in the unparished area. These are known as concurrent functions.

2.2 The Council has historically awarded grants under s136 Local Government Act 1972 to parish councils in order to contribute towards the cost of concurrent functions. Due to significant financial pressures, the Council finds that it is unable to continue providing this level of financial support and must make savings.

2.3 The Council has resolved to adopt a Scheme of Special Expenses in order to provide a fairer system in terms of financial equity for taxpayers across the borough.

3. Function to be included in Scheme

3.1 Cabinet, at its meeting on 28 July 2016, recommended that the following concurrent functions are included in the Scheme:

- Closed churchyards
- Open spaces, parks and play areas maintained by TMBC in parished areas; excluding Leybourne Lakes Country Park (strategic site)
- Open spaces, play areas, parks and sportsgrounds in Tonbridge; excluding Castle Grounds and Haysden Country Park (strategic sites)
- Support given to 'Local' Events
- Allotments

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

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

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

4. Calculation of Special Expenses

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

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

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

- relatively lower for areas where the parish council performs the concurrent function, as it includes the parish's costs but not TMBC's costs of performing the function elsewhere; and

- relatively higher for areas where TMBC performs the concurrent function, as all TMBC's costs of performing the concurrent function must be met by taxpayers in the area where TMBC performs it.

5. Implementation

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

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

February 2025 (no changes from last version)

Appendix

TONBRIDGE & MALLING BOROUGH COUNCIL

SPECIAL EXPENSES ('LOCAL CHARGE') SCHEME

LEGAL BACKGROUND

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

Section 35(1) defines these items as:

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

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

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

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

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

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

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

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Special Expenses 2025/26

Special Expenses for 2024/25 £	Local Area	Public Conveniences £	Closed Church-yards £	Open Spaces, Parks & Play Areas £	Sports Grounds £	Local Events £	Allotments £	Special Expenses for 2025/26 £	Tax Base	Amount Per Band D Property £	Per Band D Variation %
1,068,610	Tonbridge	103,300	18,050	205,974	646,100	107,952	7,200	1,088,576	14,018.22	77.65	1.1
2,331	Addington			1,122				1,122	440.53	2.55	(52.5)
10,969	Aylesford			30,420				30,420	4,593.21	6.62	174.7
1,333	Birling			0				0	201.77	0.00	(100.0)
1,989	Borough Green			19,119				19,119	1,736.49	11.01	857.4
0	Burham			0				0	477.01	0.00	0.0
717	Ditton			950				950	1,824.19	0.52	30.0
30,385	E. Malling & Larkfield			28,204				28,204	5,250.09	5.37	(7.1)
816	East Peckham			665				665	1,349.45	0.49	(19.7)
0	Hadlow			0				0	1,587.91	0.00	0.0
0	Hildenborough			0				0	2,344.16	0.00	0.0
0	Ightham			0				0	1,154.46	0.00	0.0
0	Kings Hill			0				0	4,751.81	0.00	0.0
37,504	Leybourne			31,422				31,422	1,919.03	16.37	(15.5)
40	Mereworth			1,631				1,631	465.49	3.50	3,788.9
0	Offham			0				0	412.45	0.00	0.0
1,661	Platt			1,283				1,283	917.17	1.40	(23.5)
0	Plaxtol			0				0	613.30	0.00	0.0
0	Ryarsh			0				0	375.74	0.00	0.0
0	Shipbourne			0				0	297.57	0.00	0.0
25,977	Snodland			18,020				18,020	3,944.90	4.57	(30.3)
0	Stansted			0				0	296.64	0.00	0.0
0	Trottiscliffe			0				0	284.81	0.00	0.0
2,589	Wateringbury			1,065				1,065	961.34	1.11	(58.7)
4,696	West Malling			1,968		4,884		6,852	1,302.42	5.26	43.7
0	West Peckham			0				0	183.15	0.00	0.0
5,910	Wouldham			7,966				7,966	1,301.65	6.12	27.2
1,223	Wrotham			0				0	844.86	0.00	(100.0)
1,196,750	**Total**	**103,300**	**18,050**	**349,809**	**646,100**	**112,836**	**7,200**	**1,237,295**	**53,849.82**		

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Parish Council Precepts 2025/26

Precept for 2024/25 £	Parish Council	Precept for 2025/26 £	Tax Base	Amount Per Band D Property £	Per Band D Variation %
25,000.00	Addington	35,000.00	440.53	79.45	37.9
305,983.48	Aylesford	318,394.89	4,593.21	69.32	3.0
11,625.00	Birling	13,270.00	201.77	65.77	13.5
247,476.00	Borough Green	259,850.00	1,736.49	149.64	4.3
29,313.36	Burham	30,779.02	477.01	64.52	3.4
287,441.00	Ditton	296,465.00	1,824.19	162.52	2.5
487,614.00	E. Malling & Larkfield	511,625.00	5,250.09	97.45	5.0
162,000.00	East Peckham	174,154.00	1,349.45	129.06	7.4
135,731.00	Hadlow	181,415.00	1,587.91	114.25	33.0
136,265.00	Hildenborough	138,990.00	2,344.16	59.29	0.7
130,221.00	Ightham	132,151.00	1,154.46	114.47	(0.0)
525,205.00	Kings Hill	500,000.00	4,751.81	105.22	(7.4)
183,147.00	Leybourne	163,342.00	1,919.03	85.12	(10.0)
40,950.00	Mereworth	46,070.00	465.49	98.97	9.6
27,137.00	Offham	27,729.00	412.45	67.23	0.0
82,000.00	Platt	82,000.00	917.17	89.41	(1.3)
57,227.00	Plaxtol	60,088.00	613.30	97.97	2.2
29,343.00	Ryarsh	29,232.00	375.74	77.80	0.0
15,357.66	Shipbourne	17,515.00	297.57	58.86	5.0
344,811.00	Snodland	349,077.00	3,944.90	88.49	1.6
17,780.00	Stansted	17,780.00	296.64	59.94	(2.7)
30,000.00	Trottiscliffe	35,000.00	284.81	122.89	16.3
126,466.14	Wateringbury	150,000.00	961.34	156.03	18.7
149,353.81	West Malling	159,578.82	1,302.42	122.52	5.3
6,983.00	West Peckham	7,330.00	183.15	40.02	4.4
69,855.70	Wouldham	70,433.82	1,301.65	54.11	(4.9)
138,337.00	Wrotham	138,337.00	844.86	163.74	16.8
3,802,623.15	**Total**	**3,945,606.55**	**39,831.60**		

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GENERAL FUND WORKING BALANCE

	£
Balance at 1.4.2024	1,250,000
less transfer due 2025/26	(1,250,000)
Balance at 31.3.2026	0

GENERAL REVENUE RESERVE

	£	£
Balance 1.4.2024		9,915,461
Budgeted to be transferred to the Reserve	1,064,824	
Decrease on Original Estimate	(65,045)	
		1,129,869
Estimated Balance at 1.4.2025		11,045,330
Contribution to the Reserve 2025/26		20,792
Estimated Balance at 31.3.2026		11,066,122

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‘SECTION 25’ STATEMENT ON THE ROBUSTNESS OF THE ESTIMATES AND THE ADEQUACY OF THE RESERVES

Introduction

This statement is given in respect of the 2025/26 Budget Setting Process for Tonbridge and Malling Borough Council. I acknowledge my responsibility for ensuring the robustness of the estimates and the adequacy of the reserves as part of this process. The budget has been prepared within the context of a Medium Term Financial Strategy (MTFS) spanning a ten-year period.

The draft Budget for 2025/26 shows a balanced position with a contribution to General Revenue Reserve being made. Details of how this has been achieved are set out in the detailed Budget report. However, beyond 2025/26 the position is projected to be very different as a result of both increasing costs and reduced external funding.

The MTFS sets out the high level financial objectives the Council wishes to fulfil over the agreed time span. This includes achieving a balanced revenue budget by the end of the strategy period and to retain a minimum of £3.0m in the General Revenue Reserve by the end of the strategy period and not to fall below £2.0m at any time during the 10-year period. The MTFS also sets out, based on current financial information, not only the projected budgets for the period, but also the levels of council tax that are projected to be required to meet the Council's spending plans.

The fall in core funding is, in part, negated by the grant award under the New Homes Bonus (NHB) scheme and other grant income. Within the initial consultation paper for ‘local authority funding reform’, the government had indicated that NHB will not continue in its present form beyond 2025/26. It has indicated that it will consult on detailed proposals for arrangements beyond 2025/26 by summer 2025**.** This and the overall levels of Government Funding, including the Business Rates Reset which are also now subject to consultation, are likely to affect the Council’s budget from 2026/27 onwards.

Government funding levels therefore remain a risk within the latest iteration of the MTFS. The MTFS assumes government grant funding and increased business rates income to be retained will reduce from circa £7.16m in 2025/26 to £3.48m in 2028/29 before seeing a modest increase year on year thereafter.

The latest projected funding gap between expenditure and income is **circa £2,800,000**. In addition to this, the MTFS already assumes the scaling back of office accommodation in the sum of £200,000 as well as anticipated reductions in the costs/client numbers in respect of Temporary Accommodation in the sum of £625,000.

The difficult and challenging financial outlook demands a **pressing and concerted** focus of attention.

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. The detailed itemised plan for delivery of the savings and transformation contributions is still 'work in progress' and therefore the delivery of the STS has been recorded as RED on the Strategic Risk Register in order to ensure that this is visible and highlighted as a priority for the Council.

Robustness of Estimates

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

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

Factors taken into account for the 2025/26 Budget Setting Process and in developing the Strategy are:

Corporate Strategy	The Council's financial plans should be in support of its strategic priorities and objectives set out in overview in the Corporate Strategy. Additional earmarked reserve contributions totalling £3.4m to support the Council's key priorities within the Corporate Strategy has been made via the 2025/26 Budget.
Consultation with Non-Domestic Ratepayers	The Council consults representatives of its non-domestic ratepayers about its expenditure proposals who may make written representations if they deem it appropriate. No such representations have been received.
The level of funding from Central Government towards the costs of local services	Our Settlement Funding Assessment (SFA) for 2025/26 is £2,708,428. The Council also received a payment for the under-indexing of the business rates multiplier of £482,712, and a funding floor in the sum of £1,785,452 and other Grants of £37,310. It has been assumed in our financial planning that the funding floor will not be repeated beyond 2025/26.
New Homes Bonus	Our New Homes Bonus (NHB) for 2025/26 is £517,013. The government has indicated that 2025/26 will be the final year of NHB in its current form and will be consulting regarding future arrangements. Our working

	assumption is that a future arrangement will see a sum awarded at a reduced level.
Business Rates	For medium term financial planning purposes, it is assumed retained business rates income will be above the baseline funding level under the current Business Rates Retention Scheme arrangements. If our actual income is less than the baseline set the authority will have to meet a share of that shortfall. The Council is a member of the Kent Business Rates Pool.
Overall Grant Funding	For medium term financial planning purposes, it is assumed government grant funding whether that be baseline funding level, some element of growth performance, the NHB 'replacement' or other grant income will reduce to £3.48m in 2028/29 before seeing a modest increase year on year thereafter. This will need to be revisited following the outcome of the local authority funding reform.
Council Tax Base	The Council Tax Base for 2025/26 is 53,849.82 band D equivalents with an expectation that this will increase by an additional 7,350 over the strategy period, or around 820 on average per year (over the remaining 9 years), due to the increased housing targets from Central Government.
Local Referendums to Veto Excessive Council Tax Increases	The Secretary of State will determine a limit for council tax increases which for 2025/26 has been set at 3% or £5, whichever is higher. If an authority proposes to raise council tax above this limit, they will have to hold a referendum to get approval for this from local voters who will be asked to approve or veto the rise. Due regard has been taken of the guidelines issued by the Secretary of State. The MTFS reflects an increase in council tax of 3% in 2025/26 followed by the greater of £5 or 2% each year thereafter.
The Prudential Code and its impact on Capital Planning	Tonbridge and Malling is a debt-free authority and projections based on the current capital plan suggest that recourse to borrowing to fund the currently approved capital expenditure is unlikely before 2029/30. This does not however, preclude a decision to borrow in order to fund in full or in part a capital investment opportunity that meets the Council's strategic priorities and objectives, achieves value for money and delivers a financial return. Each such opportunity to be considered on a case by case basis as appropriate. A key objective of the Prudential Code is to ensure, within a clear framework, the capital investment plans of local authorities are affordable, prudent and sustainable.
The Council's Capital Strategy and Capital Plan	Other than funding for the replacement of our assets which deliver services as well as recurring capital expenditure, there is now an annual capital allowance for all other capital expenditure. The annual capital

	allowance is currently set at £250,000 until 2028/29. Whilst the replacement to the Angel Centre in Tonbridge have been agreed in principle, officers are yet to finalise the feasibility study for final project approval and inclusion on the capital plan. Therefore, the Capital Strategy includes intentions to earmark funds in order to support the cost of development.
Treasury Management	A Treasury Management and Annual Investment Strategy is adopted by the Council each year as required by the Local Government Act 2003 as part of the budget setting process. The Strategy sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. Updates to both the Prudential Code and Treasury Management Code were published by the Chartered Institute of Public Finance and Accountancy (CIPFA) in December 2021 and uphold a key principle that borrowing primarily for return on investment is not permissible. The requirements of the updated Codes of Practice have been taken into account and reflected as appropriate in the annual review and update of the Capital Strategy and in preparing the Treasury Management and Annual Investment Strategy for 2025/26.
Interest Rates	Interest returns on the Council's 'core funds' have been set at 3.81% in 2025/26 and fluctuating between 3.25% and 3.0% thereafter. In setting these rates due regard has been taken of the interest rate forecasts of the Council's independent Treasury Adviser, Link Asset Services. To put this into context, based upon the 23/24 closing balance a 0.25 of a percentage point variation to this assumed level would have an £80,000 effect on the Council's investment income. The Council has chosen to retain a minimum of £3m in its General Revenue Reserve in order to deal with, amongst other things, interest rate volatility.
Property Investment Funds and Multi Asset Diversified Income Funds	The Council took the decision some years ago to invest in one or more property investment funds and multi asset diversified income funds. In order to guard against downward fluctuations in asset values a Property Investment / Multi Asset Diversified Income Fund Reserve was established.
Adequacy of Reserves	At the beginning of 2025/26, we anticipate that the General Revenue Reserve balance will be £11.045m. The Adequacy of Reserves is discussed in more detail below.
Pay and Price Inflation	The estimates provide allowance for general pay inflation amounting to circa 3.0% in 2025/26 followed by 2% each

	year thereafter and general price inflation of 3% in 2025/26 followed by 2% each year thereafter. This is line with the Bank of England inflation target. Exceptions include energy and the waste services contract where different indices have been applied.
Fees and Charges	As has been the practice for a number of years now the objective has been to maximise income, subject to market conditions, opportunities and comparable charges elsewhere.
Emerging Growth Pressures and Priorities	The projections within the MTFS include all known and quantified priorities and growth pressures that we are aware of at the time of preparing this statement. New priorities and growth pressures will undoubtedly emerge over the period and in consequence, the Strategy will be updated at least annually.
Financial Management	The Council's financial information and reporting arrangements are sound and its end of year procedures in relation to budget under / overspends clear. Collection rates for council tax and NNDR remain good in comparison to other councils. Our external auditor (Grant Thornton UK LLP) following the 2024 audit concluded the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. One weakness in arrangements covering Procurement remains and improvement plans are now in place and are being monitored.
Insurance Arrangements and Business Continuity	Risks identified via the preparation of Service / Section Risk Registers have, wherever possible, been reduced to an acceptable level. Any remaining risk has been transferred to an external insurance provider. In addition, specific arrangements are in place to ensure the continuity of business in the event of both major and minor disruptions to services. As insurance premiums are reactive to the external perception of the risks faced by local authorities and to market pressures, both risks and excess levels are kept under constant review. The Council recognises that not all risks are financial; and takes into account all risks when making decisions.
Corporate Governance and Risk Management	The Council has adopted a Local Code of Corporate Governance based upon the requirements of the CIPFA/SOLACE Corporate Governance framework. This incorporates risk management and the Council is committed to a Risk Management Strategy involving the preparation of Risk Registers at both strategic and operational levels.
Equality Impact Assessments	Where there are deemed to be equality issues as a result of adjustments to revenue budgets a separate equality impact assessment has or will be undertaken at the appropriate time. In addition, an equality impact

	assessment is undertaken and reported to Members prior to commencement of a new capital plan scheme.
Partnership Working	The Council is working in partnership with other councils with the aim of not only delivering savings through joint working, but also to improve resilience and performance.
Government Led Issues including reforms to National Planning Policy Framework (NPPF)	The outcome of the local authority funding reform; welfare reform and cessation of the administration of housing benefits for working age claimants are to unfold. In addition, the incoming government's consultation on the NPPF, leading to the Council's decision not to progress the publication of Regulation 18b and associated consultation, is likely to increase costs for delivery of the Local Plan which is funded from an earmarked reserve. In preparing the draft 2025/26 Estimates and MTFS the annual contribution to the earmarked reserve was increased from £80k to £160k, but work continues by the Planning Policy team as to whether this is sufficient. Therefore, the increased volatility and uncertainty attached to a number of these issues is such that financial planning is becoming increasingly difficult with the increased risk of significant variances compared to projections. As a result, we will need to closely monitor the impact of these issues on the Council's finances.
Savings and Transformation Contributions	Latest projections point to a 'funding gap' between expenditure and income of circa £2,800,000. Plus, the initiative already built into the MTFS, the scaling back of office accommodation in the sum of £200,000 and reductions in the costs and number of clients in Temporary Accommodation of £625,000. Beyond 2025/26, the difficult and challenging financial outlook demands a pressing and concerted focus of attention. Dependent on the outcome of the local authority funding reform and the outcome of the refuse, recycling and street cleansing contract recommissioning, there is a risk the funding gap could be more than is presently reflected in the MTFS. In the coming months, options to deliver a further tranche(s) of the required savings and transformation contributions will need to be considered, agreed and actioned under the framework set out in the STS. In addition, the Management Team will continue to seek efficiency savings in the delivery of existing services.
Devolution/ Reorganisation	As at the time of writing this statement the proposals for devolution and reorganisation are contained within a white paper. The assumption taken within the budget preparations and projections has been one of 'business as usual'. Once further announcements are made and a future Bill is ratified into legislation, further reviews will take place and updates will be shared with Members.

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

Particular reference has been made to the current adverse cost and client numbers within temporary accommodation for homelessness purposes. In terms of homelessness, the MTFS assumes that the recent significant increases in costs will be brought under control over the medium term through a mixture of reducing client numbers and provision of council controlled accommodation, the achievement of which could require some reserve funding depending on the time taken to achieve these goals.

A scheme included within the current approved capital plan is the development / refurbishment of the Gibson East Building. The Capital Plan financing in future years is underpinned by a capital receipt from the sale of Gibson West Building following the completion of the Gibson East works. It has been assumed in the MTFS that savings will be derived from the disposal of the Gibson West Building.

Adequacy of Reserves

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

- Interest Rate volatility
- Income volatility
- Change to Government Grant including New Homes Bonus
- Identified savings not being delivered in the required timescales
- Localisation of council tax support
- Business rates retention scheme and associated volatility of income
- Local Plan / Planning Inquiries particularly as a result of the latest NPPF
- Partnership Working
- Climate Change
- Emergencies
- Economic and world recession
- Poor performance on Superannuation Fund
- Bankruptcy / liquidation of a major service partner

- Closure of a major trading area, e.g. leisure centre for uninsured works
- Cyber/data loss
- Problems with computer systems causing shortfall or halt in collection performance
- Government Legislation
- Ability to take advantage of opportunities
- Uninsured risks
- Recruitment and retention of staff and associated capacity issues

Clearly, the minimum General Revenue Reserve balance needs to, and will, be kept under regular review. The General Revenue Reserve balance at 31 March 2035, the end of the 10-year MTFS, is estimated to be £5.696m based on an increase in council tax of 3% for 2025/26 with the Council working to a balanced budget.

The Budget Stabilisation Reserve was introduced in February 2020 to assist in the management of risk, assist in meeting future savings and transformation contributions and/or fund in full or in part an appropriate commercial investment opportunity. During the pandemic and the subsequent economic crisis this reserve has assisted in dealing with financial volatility. That being said, it is now felt that these risks have abated to a large degree and the release of the majority of this reserve balance is now recommended to assist with future proposed capital projects as outlined in the Capital Strategy.

In addition, a number of Earmarked Reserves exist to cover items that will require short-term expenditure in the near future or have been set aside to deliver Key Priorities. As part of the Annual Service Delivery Plan for 2025/26 (reference 13.8) a review of the current and future levels of reserves will be undertaken to free up funding to assist with the delivery of priority capital projects and mitigate the need to borrow.

The Revenue Reserve for Capital Schemes is established to finance future capital expenditure. A funding statement illustrates that recourse to borrowing to fund capital expenditure is unlikely before 2029/30 other than by exception on a case by case basis. The Revenue Reserve for Capital Schemes balance at 31 March 2029 is estimated to be £1.614m.

A schedule of the reserves held as at 1 April 2024 and proposed utilisation of those reserves to 31 March 2026 is provided in Annex 16b.

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

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

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

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

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

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

In addition, the CIPFA Financial Resilience Index aims to provide a tool with a group of indicators able to illustrate the trajectory of an authority's financial position and resilience within the context of each authority's own comparator tier and nearest neighbour group. CIPFA has designed the index to provide reassurance and prompt challenge where it may be needed. These are published annually, but at the time of publication of this report the index had only just been published, officers will review this information and provide details of any areas of concern.

Opinion

I am of the opinion that the approach taken in developing the 2025/26 budget meets the requirements contained in the Local Government Act 2003 to ensure the robustness of the estimates and the adequacy of the reserves.

Signed:  Date: 30 January 2025

Director of Finance and Transformation, BSc (Hons) FCPFA

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RESERVES ESTIMATE 2025/26

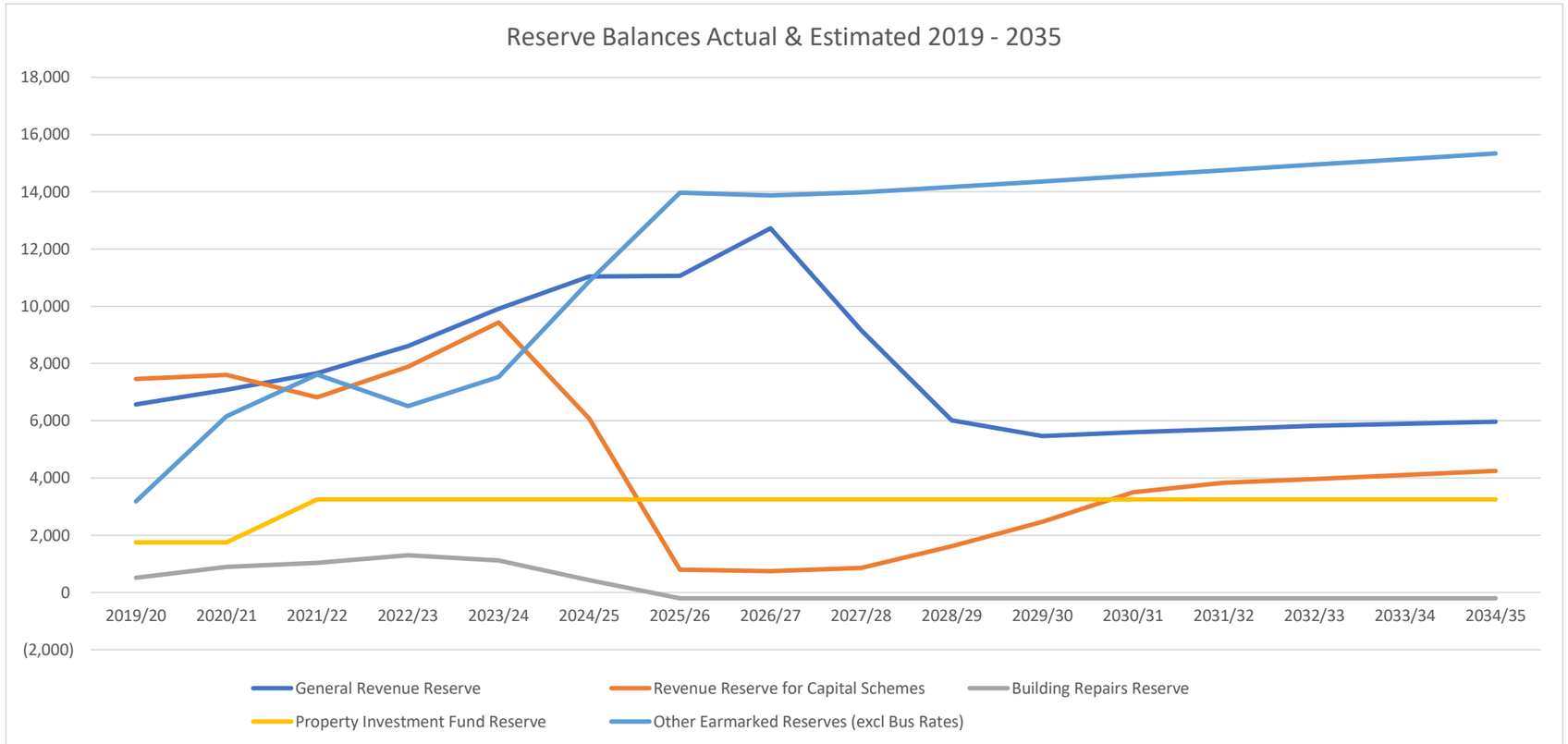
Description	Balance as at 1 April 2024 £	Estimated Contribution From £	Estimated Contribution To £	Estimated Balance as at 31 March 2025 £	Estimated Contribution From £	Estimated Contribution To £	Estimated Balance as at 31 March 2026 £
General Revenue Reserve	9,915,461		1,129,869	11,045,330		20,792	11,066,122
General Fund	**1,250,000**			**1,250,000**	(1,250,000)		**0**
Revenue Reserve for Capital Schemes	9,435,928	(4,947,000)	1,579,500	6,068,428	(6,675,000)	1,399,000	792,428
Building Repairs Reserve	1,121,839	(1,438,090)	750,000	433,749	(1,388,650)	750,000	(204,901)
Property & Multi Asset Fund Reserve	3,250,000			3,250,000			3,250,000
Earmarked Reserves							
Democratic Representation	8,200	(1,650)		6,550			6,550
Special Projects	215,871	(129,800)	72,650	158,721	(71,000)	0	87,721
Planning Services	1,075,182	(777,100)	530,000	828,082	(853,550)	166,500	141,032
Homelessness Reduction	508,949	(1,092,700)	2,198,200	1,614,449	(834,200)	984,200	1,764,449
Election	111,316		35,000	146,316		35,000	181,316
Asset Review	32,081			32,081			32,081
Training	122,270			122,270			122,270
Invest to Save	141,391	(142,300)		(909)			(909)
Housing & Welfare Reform	109,109			109,109			109,109
Tonbridge and Malling Leisure Trust	369,200	(83,000)		286,200	(86,200)		200,000
Housing Assistance	358,350	(54,600)		303,750	(44,350)		259,400
Business Rates Retention Scheme	915,387	(148,350)	617,850	1,384,887	(124,700)	321,500	1,581,687
Public Health	22,683	(5,400)		17,283			17,283
Regeneration of Tonbridge (incl Angel)	650,000	(185,600)	2,050,000	2,514,400	(78,300)	6,700,000	9,136,100
Transformation (Revs & Bens, Finance)	432,157	(209,500)	756,150	978,807	(127,900)		850,907
Climate Change	878,334	(384,600)	500,000	993,734	(241,000)		752,734
Budget Stabilisation	2,497,126	(1,028,950)	1,300,000	2,768,176	(2,456,150)		312,026
	8,447,606	(4,243,550)	8,059,850	12,263,906	(4,917,350)	8,207,200	15,553,756
Total	**33,420,834**	**(10,628,640)**	**11,519,219**	**34,311,413**	**(14,231,000)**	**10,376,992**	**30,457,405**

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Reserve Balances Actual & Estimated 2019 - 2035

The figures below, agree to the current iteration of the MTFS and Capital Plan. Slippage of capital schemes and changes to revenues savings and expenditure will alter these estimates.
In accordance with the Annual Service Delivery Plan 2025/26 Section 13.8 a review of the Council Earmarked reserves will take place dueing 2025/26 and be reported to members once complete.

	2019/20 £ 000's	2020/21 £ 000's	2021/22 £ 000's	2022/23 £ 000's	2023/24 £ 000's	2024/25 £ 000's	2025/26 £ 000's	2026/27 £ 000's	2027/28 £ 000's	2028/29 £ 000's	2029/30 £ 000's	2030/31 £ 000's	2031/32 £ 000's	2032/33 £ 000's	2033/34 £ 000's	2034/35 £ 000's
	<----------	----------	Actual	----------	---------->	<----------	----------	----------	----------	Estimated	----------	----------	----------	----------	----------	---------->
General Revenue Reserve	6,576	7,085	7,661	8,611	9,915	11,045	11,066	12,726	9,167	6,016	5,465	5,602	5,708	5,821	5,897	5,972
Earmarked reserves																
Revenue Reserve for Capital Schemes	7,456	7,599	6,825	7,882	9,436	6,068	792	744	859	1,614	2,469	3,502	3,836	3,963	4,108	4,253
Building Repairs Reserve	516	894	1,031	1,300	1,122	434	(205)	(205)	(205)	(205)	(205)	(205)	(205)	(205)	(205)	(205)
Property Investment Fund Reserve	1,750	1,750	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250
Other Earmarked Reserves (excl Bus Rates)	3,183	6,161	7,620	6,513	7,532	10,879	13,972	13,870	13,976	14,170	14,366	14,561	14,756	14,951	15,146	15,341
	19,481	**23,489**	**26,387**	**27,556**	**31,255**	**31,676**	**28,875**	**30,385**	**27,047**	**24,845**	**25,345**	**26,710**	**27,345**	**27,780**	**28,196**	**28,611**
Other reserves include																
Local Plan				835	1,075	828	141	126	246	406	566	726	886	1,046	1,206	1,366
Regeneration of Tonbridge Town Centre				0	650	2,514	9,136	9,058	9,008	9,008	9,008	9,008	9,008	9,008	9,008	9,008
Climate Change				601	878	994	754	754	754	754	754	754	754	754	754	754
Homelessness Accomodation				0	0	1,300	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450
Transformation				434	432	979	851	851	851	851	851	851	851	851	851	851
				1,870	3,035	6,615	12,332	12,239	12,309	12,469	12,629	12,789	12,949	13,109	13,269	13,429


Reserve Balances Actual & Estimated 2019 - 2035
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
(2,000)
2019/20
2020/21
2021/22
2022/23
2023/24
2024/25
2025/26
2026/27
2027/28
2028/29
2029/30
2030/31
2031/32
2032/33
2033/34
2034/35
General Revenue Reserve
Revenue Reserve for Capital Schemes
Building Repairs Reserve
Property Investment Fund Reserve
Other Earmarked Reserves (excl Bus Rates)

Tonbridge & Malling Borough Council

Calculation of Council Tax Requirement for the year 2025/26 including sums required to meet Special Expenses and Parish Council Precepts

That the following amounts be now calculated by the Council for the year 2025/26 in accordance with Section 31A of the Local Government Finance Act 1992:-

		£
(a)	Aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) N.B. Includes Special Expenses and Parish Council Precepts	107,777,461
(b)	Aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) N.B. Includes Local Government Finance Settlement	90,622,494
(c)	Calculation under Section 31A (4), being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above	17,154,967

Memorandum:-

	£
Borough Council	11,972,065
Special Expenses	1,237,295
Parish Council Precepts	3,945,607
Total	17,154,967

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Cabinet

11 February 2025

Part 1 - Public

Recommendation to Council

Cabinet Member	Matt Boughton – Leader of the Council Kim Tanner – Cabinet Member for Housing and Finance
Responsible Officer	Damian Roberts – Chief Executive Sharon Shelton – Director of Finance and Transformation
Report Author	Paul Worden – Chief Financial Services Officer

Setting the Council Tax 2025/26

1 Summary and Purpose of Report

1.1 This report takes Cabinet through the process of setting the level of Council Tax for the financial year 2025/26 and seeks Cabinet's recommendations.

2 Corporate Strategy Priority Area

2.1 Efficient services for all our residents, maintaining an effective council.

2.2 Council Tax provides the major proportion of the Borough Council's Revenue Funding.

3 Recommendations

3.1 Cabinet is asked to:

3.1.1 **NOTE** the draft resolution which will be completed and presented to Full Council at its meeting on 18 February 2025; and

3.1.2 **RECOMMEND** that Full Council approve a 3% or £7.14 per annum increase in the Borough Council's element of the council tax for 2025/26, representing a notional 'average' charge at Band D of £245.30.

4 Introduction and Background

4.1 The legislative framework for the setting of Council Tax is Chapter III of the Local Government Finance Act 1992. Section 30 requires that for each financial year and for each category of dwelling in its area, a billing authority shall set an amount of Council Tax.

4.2 The amount set will be the aggregate of the amount set by the billing authority under Sections 31A and 36 of the Act and the amounts set by major precepting authorities under Sections 42A, 42B and 45 to 47 of the Act.

5 Council Tax Base for 2025/26

5.1 The Council is required to set its tax base for the forthcoming financial year, and notify it to the major precepting authorities, during the period 1 December to 31 January.

5.2 Attached at **[Annex 1]** is the council tax base for the financial year 2025/26 which has been determined by the Director of Finance and Transformation in accordance with her delegated authority (published under decision notice DFT 240032OFF, 06/12/2024). This shows that there are 53,849.82 Band D equivalent properties within the Borough compared to 53,477.93 in the year 2024/25 (an increase of 0.7%).

5.3 All precepting authorities have been notified of the tax base for 2025/26.

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

6.1 The process is that, having determined the billing authority's tax requirement, this sum is initially divided by the tax base to determine the overall level of tax, inclusive of special expenses and parish precepts.

6.2 The resultant figure represents an average charge within the Borough for both Borough and Parish Council requirements. As part of the statutory process, this average is recorded on the Council's council tax resolution, which we refer to later. As Cabinet is aware, however, the average charge does not apply to any of the areas within the Borough other than by coincidence. In order to calculate the levels of tax for each of the areas within the Borough, it is necessary to determine the basic level of Council Tax that will apply to the whole of the Borough, and then calculate the additional charges relating to particular areas. This process determines the tax for Band D properties in each of those areas.

6.3 The tax for the full range of Band A to H properties is then established by using the ratios for each of the Bands as they relate to Band D. The relevant statutory ratios are as follows:

Table 1 - Band Ratio Relative to Band D

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

6.4 Cabinet is advised that, subject to the Draft Budget being recommended as per the earlier agenda item, TMBC's published share of the 2025/26 council tax at Band D will be **£245.30**. This represents a cash increase of £7.14 per annum compared to 2024/25, or 3%.

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

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

7.1 Kent County Council's Cabinet met on 30 January, at which a recommendation concerning its precept was made. The County Council's full Council meeting to confirm the precept is to be held on 13 February.

7.2 The Police & Crime Commissioner for Kent's precept and level of Council Tax is due to be considered at a meeting on 5 February and we await confirmation of the outcome.

7.3 The Kent & Medway Fire & Rescue Authority's precept and level of Council Tax is due to be agreed on the morning of 18 February.

8 Draft Resolution

8.1 Attached at **[Annex 2]** is a draft resolution which seeks to identify for Cabinet the processes which have to be undertaken to arrive at the levels of Council Tax applicable to each part of the Borough. The parts in bold type seek to explain each calculation.

8.2 The resolution itself, incorporating the Borough Council's budget and Parish Council precept information and council tax levels for all major precepting authorities, **will be presented to the meeting of the Council on 18 February 2025**.

9 Financial and Value for Money Considerations

9.1 As set out above.

10 Risk Assessment

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

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

11 Legal Implications

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

11.2 The Localism Act introduced a requirement for council tax referendums to be held if an authority increases its relevant basic amount of council tax in excess of principles determined by the Secretary of State and approved by the House of Commons.

12 Equalities and Diversity

12.1 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.

Background Papers	None
Annexes	Annex 1 – Council Tax Base 2025/26 Annex 2 – Draft Council Tax Resolution 2025/26

COUNCIL TAX - TAX BASE FOR 2025/26

Parish	Tax Base
	Band D Equivalents
ADDINGTON	440.53
AYLESFORD	4,593.21
BIRLING	201.77
BOROUGH GREEN	1,736.49
BURHAM	477.01
DITTON	1,824.19
EAST MALLING & LARKFIELD	5,250.09
EAST PECKHAM	1,349.45
HADLOW	1,587.91
HILDENBOROUGH	2,344.16
IGHTHAM	1,154.46
KINGS HILL	4,751.81
LEYBOURNE	1,919.03
MEREWORTH	465.49
OFFHAM	412.45
PLATT	917.17
PLAXTOL	613.30
RYARSH	375.74
SHIPBOURNE	297.57
SNODLAND	3,944.90
STANSTED	296.64
TROTTISCLIFFE	284.81
WATERINGBURY	961.34
WEST MALLING	1,302.42
WEST PECKHAM	183.15
WOULDHAM	1,301.65
WROTHAM	844.86
TONBRIDGE	14,018.22
TOTAL	**53,849.82**

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Annex 2

COUNCIL TAX

DRAFT RESOLUTION

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

1. It be noted that on 18th February 2025 the Council calculated

(a) the Council Tax Base 2025/26 for the whole Council area as 53,849.82 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")] and,

(b) for dwellings in those parts of its area to which one or more special items (Special expenses and or a Parish precept) relates as follows:

Tonbridge	14,018.22
Addington	440.53
Aylesford	4,593.21
Birling	201.77
Borough Green	1,736.49
Burham	477.01
Ditton	1,824.19
East Malling & Larkfield	5,250.09
East Peckham	1,349.45
Hadlow	1,587.91
Hildenborough	2,344.16
Ightham	1,154.46
Kings Hill	4,751.81
Leybourne	1,919.03
Mereworth	465.49
Offham	412.45
Platt	917.17
Plaxtol	613.30
Ryarsh	375.74
Shipbourne	297.57
Snodland	3,944.90
Stansted	296.64
Trottiscliffe	284.81
Wateringbury	961.34
West Malling	1,302.42
West Peckham	183.15
Wouldham	1,301.65
Wrotham	844.86

2. £ X,XXX,XXX being the Council Tax requirement for the Council's own purposes for 2025/26 (excluding Parish precepts).

Explanatory Notes

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

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

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

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

3. That the following amounts be calculated for the year 2025/26 in accordance with Sections 31 to 36 of the Act:

(a) £ XX,XXX,XXX being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.

(b) £ XX,XXX,XXX being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

(c) £ XX,XXX,XXX being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).

(d) £ XXX.XX being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year including Parish precepts.

(e) £ X,XXX,XXX being the aggregate amount of all special items (Special expenses and Parish precepts) referred to in Section 34(1) of the Act.

(f) £ XXX.XX being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items relate (this is the Council Tax for General Expenses to which Special expenses and Parish precepts are added as applicable).

(g)

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

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

Explanatory Notes

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

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

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

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

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

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

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

(h) **Valuation Bands**

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

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

Explanatory Notes

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

4. That it be noted that for the year 2025/26 The Police & Crime Commissioner for Kent, the Kent & Medway Fire & Rescue Authority and the Kent County Council have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

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

5. That, having calculated the aggregate in each case of the amounts at 3(h) and 4. above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2025/26, for each of the categories of dwellings shown below:

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

Explanatory Notes

4 The Council Tax set by The Police & Crime Commissioner for Kent, Fire Authority and KCC for each band.

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

Cabinet

11 February 2025

Part 1 - Public

Recommendation to Council

Cabinet Member	Cllr. Kim Tanner, Cabinet Member for Finance and Housing
Responsible Officer	Sharon Shelton, Director of Finance and Transformation
Report Author	William Waight, Benefits and Welfare Manager

Local Council Tax Reduction Scheme 2025/26

1 Summary and Purpose of Report

1.1 A report providing the proposed Tonbridge & Malling Working-Age Local Council Tax Reduction Scheme for 2025/26, requesting Cabinet Members to approve and recommend the updated Scheme to Full Council.

2 Corporate Strategy Priority Area

2.1 Efficient services for all our residents, maintaining an effective council.

2.2 The Council's Local Council Tax Reduction scheme provides essential support to residents who are on a low income and, where applicable, provides a reduction based on the personal circumstances of each applicant.

3 Recommendations

3.1 Cabinet is requested to **RECOMMEND** the draft Local Council Tax Reduction Scheme for 2025/26 to Full Council.

4 Introduction and Background

4.1 Each year, Members should approve a Local Council Tax Reduction Scheme at Full Council prior to the beginning of the financial year for which the Scheme is to be effective. Schemes are in two parts: for working-age and pension-age households.

4.2 Governments sets a prescribed Scheme for pension-age households, which, by default, becomes the annual scheme. Government prescribes a maximum level of support for pension-age households up to 100% of the Council Tax liability.

5 Proposal

5.1 For the 2025/26 working-age scheme, changes have been made to bring it in line with statutory prescribed requirements from Government national benefit rates. The scheme has also been uplifted in line with new rates of National Living Wage (NLW) where NLW is used as a factor in calculating income discount bands. The draft scheme is attached at **Annex 1** and the income band table can be found at p104 of the Scheme.

5.2 From April 2025, the National Living Wage will increase from £11.44 per hour to £12.21. This increase – around 6.7% – was based on a recommendation of the Low Pay Commission to Government. Were the Council to increase the Local Council Tax Reduction income bands by a lower amount or not at all, it would effectively penalise those households earning NLW rates of pay. It would be a counter-intuitive approach, when Government has introduced measures aimed at easing the impact of rising costs and living for households with low incomes.

6 Financial and Value for Money Considerations

6.1 Financial effectiveness and cost of the Scheme will be monitored during the coming year.

7 Risk Assessment

7.1 The draft 2025/26 Scheme sets out how the Council will operate its discretionary powers to reduce the risk of legal challenge and provide greater equality in the application of the scheme.

8 Legal Implications

8.1 A scheme must be considered and agreed by 11th March prior to the financial year of operation.

9 Consultation and Communications

9.1 A formal public consultation is not required in order to adopt this scheme as there are no underlying changes to its operation. It has simply been updated to reflect the increase in NLW and other national benefit rates.

9.2 Once adopted the Scheme will be publicised on the Council's website, where it will be available for residents to view.

10 Cross Cutting Issues

10.1 Equalities and Diversity

10.1.1 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.

Background Papers	None
Annexes	Annex 1 – Local CTR Scheme for 25/26

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Tonbridge & Malling Borough Council
Council Tax Reduction Scheme for Working Age Applicants

S13A and Schedule 1a of the Local Government Finance Act 1992

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1.0 Introduction to the Council Tax Reduction Scheme

1.1 The following has been adopted by the Council and details the Council Tax Reduction scheme for the period from 1st April 2025.

1.2 This document details how the scheme will operate for **working age applicants** and in accordance with Section 13A of the Local Government Finance Act 1992 specifies the classes of person who are to be entitled to a reduction under the scheme and is effective from 1st April 2025 for a period of one financial year.

1.3 The scheme in respect of pension age applicants is defined by Central Government within the following:

- Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012;
- Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012;
- Council Tax Reduction Schemes (Transitional Provision) (England) Regulations 2013;
- Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013;
- Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015:
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2016;
- The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017;
- The Council Tax Reduction Schemes (Amendment) (England) Regulations 2018;
- The Council Tax Reduction Schemes (Amendment) (England) Regulations 2020:
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021:
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022;
- The Council Tax (Demand Notices and Reduction Schemes) (England) (amendment) Regulations 2023;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2023;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2024;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2025: and
- Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

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

1.4 There are three main classes under the prescribed pension credit age scheme, for each of which there are a number of qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction, such as a person subject to immigration control with limited leave to remain.

(1) In this scheme—
(a) a person is a "pensioner" if—
(i) he has attained the qualifying age for state pension credit; and
(ii), he is not and, if he has a partner, his partner is not—

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

(2) For the purposes of sub-paragraphs (a)(ii)(bb) and (b)(ii)(bb) in paragraph (1) an award of universal credit is to be disregarded during:
(a)during the relevant period; or
(b)where regulation 60A of the Universal Credit (Transitional Provisions) Regulations 2014 applies in respect of the award the relevant period.

(3) In this scheme—

"assessment period" has the same meaning as in the Universal Credit Regulations 2013;
"relevant period" means the period beginning with the day on which P and each partner of P has attained the qualifying age for state pension credit and ending with the day on which the last assessment period for universal credit ends

The three prescribed classes are as follows;

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

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

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

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

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

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

g. not have capital savings above £16,000; and
h. who has made an application for a reduction under the authority's scheme.

Class C: alternative maximum Council Tax Reduction

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

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

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

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

a. is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount;
b. is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);
c. is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant is a member of that couple or of that marriage and—
    (i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; or
    (ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;
d. is not a person who, jointly with the applicant, falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or
e. is not a person who is residing with two or more persons both or all of whom fall within the same paragraph of section 6(2)(a) to (e) of the 1992 Act where two or more of those persons are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount.

Disregard of certain incomes

1.5 For those who have reached the qualifying age for state pension credit, the Council has resolved to enhance the government scheme (as defined by the Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012 to disregard in full the following:

a. a war disablement pension;
b. a war widow's pension or war widower's pension;
c. a pension payable to a person as a widow, widower or surviving civil partner under any power of His Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
d. a guaranteed income payment;
e. a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
f. a pension paid by the government of a country outside Great Britain which is analogous to

any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;

g. pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

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

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

1.6 The adopted scheme for working age applicants is an income banded / grid scheme means test, which compares income against a range of discounts available. Full details of the working age scheme of the authority are contained within this document from section 2 onwards. The authority is required to specify a scheme for working age and therefore this scheme only applies to a person who;

a. has not attained the qualifying age for state pension credit; or

b. has attained the qualifying age for state pension credit if he, and his partner, is a person on income support, on an income-based Jobseeker's Allowance, on an income-related Employment and Support allowance or on Universal Credit.

1.7 The Council has resolved that there will be ***one*** class of persons who will receive a reduction in line with adopted scheme. The scheme has qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction as specified within section 7 of this scheme.

Class D

To obtain reduction the individual (or partner) must:

a. have not attained the qualifying age for state pension credit; or

b. he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or a person with an award of universal credit.

c. be liable to pay council tax in respect of a dwelling in which he is solely or mainly resident;

d. is not deemed to be absent from the dwelling;

e. not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;

f. be somebody in respect of whom a maximum Council Tax Reduction amount can be calculated;

g. not have capital savings above £16,000;

h. not have income above the levels specified within the scheme;

i. be a person in respect of whom a day in which s/he is liable to pay council tax in respect of which the person's *income* is within a range of incomes specified within Schedule 1; and

j. has made a valid application for reduction.

Council Tax Reduction Scheme

This scheme relates to the financial year beginning with 1 April 2025 and should be cited as Tonbridge & Malling Borough Council – Council Tax Reduction Scheme.

Sections 2- 8
Definitions and interpretation

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

2.1 In this scheme–

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

'the Administration Act' means the Social Security Administration Act 1992;

'**the 1973 Act'** means the Employment and Training Act 1973;

'the 1992 Act' means the Local Government Finance Act 1992;

'the 2000 Act' means the Electronic Communications Act 2000;

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

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

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

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

'application' means an application for a reduction under this scheme:

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

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

'attendance allowance' means–

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

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

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

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

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

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

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

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

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

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

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

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

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

from hepatitis C and other persons eligible for payment in accordance with its provisions;
'child' means a person under the age of 16;
'child benefit' has the meaning given by section 141 of the SSCBA as amended by The Child Benefit (General), Child Tax Credit (Amendment) Regulations 2014 and The Child Benefit (General) (Amendment) Regulations 2015;
'the Children Order' means the Children (Northern Ireland) Order 1995;
'child tax credit' means a child tax credit under section 8 of the Tax Credits Act 2002;
'claim' means a claim for Council Tax Reduction;
'close relative' means a parent, parent-in-law, son, son-in-law, daughter, daughter- in-law, step-parent, step-son, step-daughter, brother, sister, or if any of the preceding persons is one member of a couple, the other member of that couple;
'concessionary payment' means a payment made under arrangements made by the Secretary of State with the consent of the Treasury which is charged either to the National Insurance Fund or to a Departmental Expenditure Vote to which payments of benefit or tax credits under the benefit Acts or the Tax Credits Act are charged;
'the Consequential Provisions Regulations' means the Housing Benefit (Consequential Provisions) Regulations 2006;
'contributory employment and support allowance" means an allowance under Part 1 of the Welfare Reform Act 2007 as amended by the provisions of Schedule 3, and Part 1 of Schedule 14, to the Welfare Reform Act 2012 that remove references to an income-related allowance and a contributory allowance under Part 1 of the Welfare Reform Act 2007 as that Part has effect apart from those provisions;
'council tax benefit' means council tax benefit under Part 7 of the SSCBA;
'council tax reduction scheme' has the same meaning as **'Council Tax Reduction or reduction'**
'Council Tax Reduction' means council tax reduction as defined by S13a Local Government Finance Act 1992 (as amended);
'couple' means;

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

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

'date of claim' means the date on which the application or claim is made, or treated as made, for the purposes of this scheme
'**designated authority**' means any of the following;
the local authority; or a person providing services to, or authorised to exercise any function of, any such authority;
'**designated office**' means the office designated by the authority for the receipt of claims for Council Tax Reduction;

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

'disability living allowance' means a disability living allowance under section 71 of the Act;
'dwelling' has the same meaning in section 3 or 72 of the 1992 Act;
'earnings' has the meaning prescribed in section 22 or, as the case may be, 24;
'the Eileen Trust' means the charitable trust of that name established on 29th March 1993 out of funds provided by the Secretary of State for the benefit of persons eligible for payment in accordance with its provisions;

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

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

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

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

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

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

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

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

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

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

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

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

'Immigration and Asylum Act' means the Immigration and Asylum Act 1999;

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

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

'Income Support Regulations' means the Income Support (General) Regulations 1987**(a)**;

'independent hospital'–

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

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

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

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

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

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

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

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

Welfare Reform Act 2007;

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

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

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

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

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

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

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

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

'member of a couple' means a member of a married or unmarried couple;

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

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

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

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

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

'non-dependant' has the meaning prescribed in section 3;

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

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

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

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

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

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

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

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

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

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

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

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

'partner' in relation to a person, means

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

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

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

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

'payment' includes part of a payment;

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

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

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

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

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

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

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

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

'personal pension scheme' means–

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

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

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

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

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

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

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

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

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

the State Pension Credit Act 2002)–
(a) in the case of a woman, pensionable age; or
(b) in the case of a man, the age which is pensionable age in the case of a woman born on the same day as the man;
'qualifying contributory benefit' means;
(a) severe disablement allowance;
(b) incapacity benefit;
(c) contributory employment and support allowance;
'qualifying course' means a qualifying course as defined for the purposes of Parts 2 and 4 of the Job Seeker's Allowance Regulations 1996
'qualifying income-related benefit' means
(a) income support;
(b) income-based jobseeker's allowance;
(c) income-related employment and support allowance;
'qualifying person' means a person in respect of whom payment has been made from the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
'reduction week' means a period of seven consecutive days beginning with a Monday and ending with a Sunday;
'relative' means a close relative, grandparent, grandchild, uncle, aunt, nephew or niece;
'relevant authority' means an authority administering Council Tax Reduction;
'relevant week' In relation to any particular day, means the week within which the day in question falls;
'remunerative work' has the meaning prescribed in section 6;
'rent' means 'eligible rent' to which regulation 12 of the Housing Benefit Regulations refers less any deductions in respect of non-dependants which fall to be made under regulation 74 (non-dependant deductions) of those Regulations;
'resident' has the meaning it has in Part 1 or 2 of the 1992 Act;
'Scottish basic rate' means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007;
'Scottish taxpayer' has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998
'second authority' means the authority to which a mover is liable to make payments for the new dwelling;
'self-employed earner' is to be construed in accordance with section 2(1)(b) of the Act;
'self-employment route' means assistance in pursuing self-employed earner's employment whilst participating in–
(a) an employment zone programme;
(b) a programme provided or other arrangements made pursuant to section 2 of the 1973 Act (functions of the Secretary of State) or section 2 of the Enterprise and New Towns (Scotland) Act 1990 (functions in relation to training for employment, etc.);
(c) the Employment, Skills and Enterprise Scheme;
(d) a scheme prescribed in regulation 3 of the Jobseeker's Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;
(e) Back to Work scheme.
'Service User' references in this scheme to an applicant participating as a service user are to
(a) a person who is being consulted by or on behalf of—
(i) the Secretary of State in relation to any of the Secretary of State's functions in the field of social security or child support or under section 2 of the Employment and Training Act 1973; or
(ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such functions in their capacity as a person affected or potentially affected by the exercise of those functions or the carer of such a person; or
(b) the carer of a person consulted as described in sub-paragraph (a) where the carer is not being consulted as described in that sub-paragraph.".
'service user group' means a group of individuals that is consulted by or on behalf of;
(a) a Health Board, Special Health Board or the Agency in consequence of a function under

section 2B of the National Health Service (Scotland) Act 1978,

(b) a landlord authority in consequence of a function under section 105 of the Housing Act 1985,

(c) a public authority in Northern Ireland in consequence of a function under section 49A of the Disability Discrimination Act 1995,

(d) a public authority in consequence of a function relating to disability under section 149 of the Equality Act 2010;

(e) a best value authority in consequence of a function under section 3 of the Local Government Act 1999,

(f) a local authority landlord or registered social landlord in consequence of a function under section 53 of the Housing (Scotland) Act 2001,

(g) a relevant English body or a relevant Welsh body in consequence of a function under section 242 of the National Health Service Act 2006,

(h) a Local Health Board in consequence of a function under section 183 of the National Health Service (Wales) Act 2006,

(i) the Care Quality Commission in consequence of a function under section 4 or 5 of the Health and Social Care Act 2008,

(j) the regulator or a private registered provider of social housing in consequence of a function under section 98, 193 or 196 of the Housing and Regeneration Act 2008, or

(k) a public or local authority in Great Britain in consequence of a function conferred under any other enactment,

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

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

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

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

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

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

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

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

'student' has the meaning prescribed in section 43;

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

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

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

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

(a) out of public funds by a Government department or by or on behalf of the Secretary of State, Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise, the Young People's Learning Agency for England, the Chief Executive of Skills Funding or Welsh Ministers;

(b) to a person for his maintenance or in respect of a member of his family; and

(c) for the period, or part of the period, during which he is following a course of training or instruction provided by, or in pursuance of arrangements made with, the department or approved by the department in relation to him or so provided or approved by or on behalf of the Secretary of State, Skills Development Scotland Scottish Enterprise or Highlands and Islands Enterprise or the Welsh Ministers.

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

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

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

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

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

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

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

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

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

'water charges' means;

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

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

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

'Working Tax Credit Regulations' means the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 as amended[1]; and

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

2.2 In this scheme, references to an applicant occupying a dwelling or premises as his home shall be construed in accordance with regulation 7 of the Housing Benefit Regulations 2006.

2.3 In this scheme, where an amount is to be rounded to the nearest penny, a fraction of a penny shall be disregarded if it is less than half a penny and shall otherwise be treated as a whole penny.

2.4 For the purpose of this scheme, a person is on an income-based jobseeker's allowance on any day in respect of which an income-based jobseeker's allowance is payable to him and on any day;

(a) in respect of which he satisfies the conditions for entitlement to an income- based jobseeker's allowance but where the allowance is not paid in accordance with regulation 27A of the Jobseeker's Allowance Regulations or section 19 or 20A or regulations made under section 17A of the Jobseekers Act (circumstances in which a jobseeker's allowance is not payable); or

(b) which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income- based jobseeker's allowance is payable to him or would be payable to him but for regulation 27A of the

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

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

(c) in respect of which he is a member of a joint-claim couple for the purposes of the Jobseekers Act and no joint-claim jobseeker's allowance is payable in respect of that couple as a consequence of either member of that couple being subject to sanctions for the purposes of section 20A of that Act;

(d) in respect of which an income-based jobseeker's allowance or a joint-claim jobseeker's allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).

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

(a) in respect of which he satisfies the conditions for entitlement to an income- related employment and support allowance but where the allowance is not paid in accordance with section 18 of the Welfare Reform Act disqualification; or

(b) which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act and which falls immediately before a day in respect of which an income- related employment and support allowance is payable to him or would be payable to him but for section 18 of that Act.

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

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

3.0 Definition of non-dependant

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

3.2 This paragraph applies to;

(a) any member of the applicant's family;

(b) if the applicant is polygamously married, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;

(c) a child or young person who is living with the applicant but who is not a member of his household by virtue of section 11(membership of the same household);

(d) subject to paragraph 3.3, any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under sections 6, 7 or 75 of the 1992 Act (persons liable to pay council tax);

(e) subject to paragraph 3.3, any person who is liable to make payments on a commercial basis to the applicant or the applicant's partner in respect of the occupation of the dwelling;

(f) a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.

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

(a) a person who resides with the person to whom he is liable to make payments in respect of the dwelling and either;

i. that person is a close relative of his or her partner; or

ii. the tenancy or other agreement between them is other than on a commercial basis;

(b) a person whose liability to make payments in respect of the dwelling appears to the

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

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

4.0 Requirement to provide a National Insurance Number[2]

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

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

(a) the claim for support is accompanied by;

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

ii. information or evidence enabling the national insurance number that has been allocated to the person to be ascertained; or

(b) the person makes an application for a national insurance number to be allocated to him which is accompanied by information or evidence enabling such a number to be so allocated and the application for reduction is accompanied by evidence of the application and information to enable it to be allocated.

4.3 Paragraph 4.2 shall not apply–

(a) in the case of a child or young person in respect of whom Council Tax Reduction is claimed;

(b) to a person who;

i. is a person in respect of whom a claim for Council Tax Reduction is made;

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

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

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

5.1 This scheme applies to a person if:

(i) he has not attained the qualifying age for state pension credit; or

(ii) he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is;

(a) a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or

(b) a person with an award of universal credit.

5.2 For the purpose of this scheme an award of universal credit shall be disregarded where regulation 60A of the Universal Credit (Transitional Provisions) Regulations 2014 applies in respect of the award

6.0 Remunerative work

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

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

payment is made or which is done in expectation of payment.

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

(a) if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);

(b) in any other case, the period of 5 weeks immediately prior to that date of claim, or such other length of time as may, in the particular case, enable the person's weekly average hours of work to be determined more accurately,

6.3 Where, for the purposes of paragraph 6.2 a), a person's recognisable cycle of work at a school, other educational establishment or other place of employment is one year and includes periods of school holidays or similar vacations during which he does not work, those periods and any other periods not forming part of such holidays or vacations during which he is not required to work shall be disregarded in establishing the average hours for which he is engaged in work.

6.4 Where no recognisable cycle has been established in respect of a person's work, regard shall be had to the number of hours or, where those hours will fluctuate, the average of the hours, which he is expected to work in a week.

6.5 A person shall be treated as engaged in remunerative work during any period for which he is absent from work referred to in paragraph 6.1 if the absence is either without good cause or by reason of a recognised customary or other holiday.

6.6 A person on Income Support, an income-based Jobseeker's Allowance or an income-related Employment and Support Allowance for more than 3 days shall be treated as not being in remunerative work in that week.

6.7 A person shall not be treated as engaged in remunerative work on any day on which the person is on maternity leave, paternity leave or adoption leave, or is absent from work because he is ill.

6.8 A person shall not be treated as engaged in remunerative work on any day on which he is engaged in an activity in respect of which;

(a) a sports award has been made, or is to be made, to him; and

(b) no other payment is made or is expected to be made to him.

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

Persons treated as not being in Great Britain

7.1 Persons treated as not being in Great Britain are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.

7.2 Except where a person falls within paragraph (5) or (6), a person is to be treated as not being in Great Britain if the person is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland.

7.3 A person must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland unless the person has a right to reside in one of those places.

7.4 For the purposes of paragraph (3), a right to reside does not include a right, which exists by virtue of, or in accordance with—

(a) regulation 13 of the EEA Regulations;

(aa) regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is—

(i) a jobseeker for the purpose of the definition of "qualified person" in regulation 6(1) of those Regulations, or

(ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;

(b) regulation 15A(1) of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph (5) of that regulation of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of their rights as a European Union citizen).

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

(a) (Removed by the Council Tax Reductions Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021

(b) Appendix EU to the immigration rules made under section 3(2) of that Act;

(c) being a person with a Zambrano right to reside as defined in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of that Act; or

(d) having arrived in the United Kingdom with an entry clearance that was granted under Appendix EU (Family Permit) to the immigration rules made under section 3(2) of that Act.

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

(za) a person granted leave in accordance with the immigration rules made under section 3(2) of the Immigration Act 1971, where such leave is granted by virtue of—

(i)the Afghan Relocations and Assistance Policy; or

(ii)the previous scheme for locally employed staff in Afghanistan (sometimes referred to as the ex-gratia scheme);

(zb) a person in Great Britain not coming within sub-paragraph (za) or (e) who left Afghanistan in connection with the collapse of the Afghan government that took place on 15th August 2021;

(zc) a person in Great Britain who was residing in Ukraine immediately before 1st January 2022, left Ukraine in connection with the Russian invasion which took place on 24th February 2022 and—

(i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;

(ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or

(iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;

(zd) a person who was residing in Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights or Lebanon immediately before 7th October 2023, left Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights or Lebanon in connection with the Hamas terrorist attack in Israel on 7th October 2023 or the violence which rapidly escalated in the region following the attack and—

(i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971,

(ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act, or

(iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;

(ze) a person who was residing in Sudan before 15th April 2023, left Sudan in connection with the violence which rapidly escalated on 15th April 2023 in Khartoum and across Sudan and—

(i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;
(ii)has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or
(iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act

(a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
(b) a family member of a person referred to in sub-paragraph (a);
(c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;
(ca) a family member of a relevant person of Northern Ireland, with a right to reside which falls within paragraph (4A)(b), provided that the relevant person of Northern Ireland falls within paragraph (5)(a), or would do so but for the fact that they are not an EEA national;
(cb) a frontier worker within the meaning of regulation 3 of the Citizens' Rights (Frontier Workers) (EU Exit) Regulations 2020;
(cc) a family member of a person referred to in sub-paragraph (cb), who has been granted limited leave to enter, or remain in, the United Kingdom by virtue of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971
(d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;
(e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971
(f) a person who has humanitarian protection granted under those rules;
(g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom;
(h) in receipt of income support or on an income-related employment and support allowance; or
(ha) in receipt of an income-based jobseeker's allowance and has a right to reside other than a right to reside falling within paragraph (4);

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

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

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

Persons subject to immigration control

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

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

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

7A.0 Transitional provision

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

(a) is liable to pay council tax at a reduced rate by virtue of a Council Tax Reduction under an authority's scheme established under section 13A (2) of the Act; and

(b) is entitled to an income-based jobseeker's allowance, until the first of the events in paragraph 7A.2 occurs.

7A.2 The events are—

(a) the person makes a new application for a reduction under an authority's scheme established under section 13A (2) of the Act; or

(b) the person ceases to be entitled to an income-based jobseeker's allowance.

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

8.0 Temporary Absence (period of absence)

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

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

8.3 In paragraph 8.2, a 'period of temporary absence' means–

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

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

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

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

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

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

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

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

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

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

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

8.3C This paragraph applies where—

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

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

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

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

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

8.4 This paragraph applies to a person who is;

(a) detained in custody on remand pending trial or required, as a condition of bail, to reside;
    i. in a dwelling, other than the dwelling referred to in paragraph 8.1, or
    ii. in premises approved under section 13 of the Offender Management Act 2007, or, detained in custody pending sentence upon conviction;
(b) resident in a hospital or similar institution as a patient;
(c) undergoing, or his partner or his dependent child is undergoing, in Great Britain or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
(d) following, in Great Britain or elsewhere, a training course;

(e) undertaking medically approved care of a person residing in Great Britain or elsewhere;
(f) undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care of medical treatment;
(g) in Great Britain, receiving medically approved care provided in accommodation other than residential accommodation;
(h) a student;
(i) receiving care provided in residential accommodation other than a person to whom paragraph 8.3a) applies; or
(j) has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.

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

8.6 Where paragraph 8.5 applies to a person, then, for any day when he is on temporary release–
(a) if such temporary release was immediately preceded by a period of temporary absence under paragraph 8.3 b) or c), he shall be treated, for the purposes of paragraph 8.1, as if he continues to be absent from the dwelling, despite any return to the dwelling;
(b) for the purposes of paragraph 8.4 a), he shall be treated as if he remains in detention;
(c) If he does not fall within sub-paragraph a), he is not considered to be a person who is liable to pay Council Tax in respect of a dwelling of which he is resident.

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

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

a) the employment in that capacity is for the purposes of that ship or vessel or its crew or any passengers or cargo or mails carried by the ship or vessel; and
b) the contract is entered into in the United Kingdom with a view to its performance (in whole or in part) while the ship or vessel is on its voyage

- 'patient' means a person who is undergoing medical or other treatment as an in- patient in any hospital or similar institution; 'residential accommodation' means accommodation which is provided;
(a) in a care home;
(b) in an independent hospital;
(c) in an Abbeyfield Home; or
(d) in an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services

authority;

- prescribed area" means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed and subsoil and exploiting their natural resources, being an area outside the territorial seas of Norway or such member State or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998
- 'training course' means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department or the Secretary of State.

Sections 9 - 11
The family for Council Tax Reduction purposes

9.0 Membership of a family

9.1 Within the support scheme adopted by the Council 'family' means;

(a) a married or unmarried couple;

(b) married or unmarried couple and a member of the same household for whom one of them is or both are responsible and who is a child or a young person;

(c) two people of the same sex who are civil partners of each other and are members of the same household (with or without children);

(d) two people of the same sex who are not civil partners of each other but are living together as if they were civil partners (with or without children),

(e) and for the purposes of sub-paragraph (d) two people of the same sex are to be regarded as living together as if they were civil partners if, but only if, they would be regarded as living together as husband and wife were they instead two people of the opposite sex;

(f) except in prescribed circumstances, a person who is not a member of a married or unmarried couple and a member of the same household for whom that person is responsible and who is a child or a young person;

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

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

9.2 Paragraph 9.1 the definition of child or young person shall not apply to a person who is;

(a) on income support;

(b) an income-based Jobseeker's Allowance or an income-related Employment and Support allowance; or has an award of Universal Credit; or

(c) a person to whom section 6 of the Children (Leaving Care) Act 2000 (exclusion from benefits) applies.

9.3 The definition also includes a child or young person in respect of whom there is an entitlement to child benefit but only for the period that Child Benefit is payable

.

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

10.1 Subject to the following paragraphs a person shall be treated as responsible for a child or young person who is normally living with him and this includes a child or young person to whom paragraph 9.3 applies

10.2 Where a child or young person spends equal amounts of time in different households, or where there is a question as to which household he is living in, the child or young person shall be treated for the purposes of paragraph 9.1 as normally living with;

(a) the person who is receiving child benefit in respect of him; or

(b) if there is no such person;

i. where only one claim for child benefit has been made in respect of him, the person who made that claim; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13.1 In determining the income of an applicant
(a) who has, or
(b) who (jointly with his partner) has,
an award of universal credit the authority may subject to the following provisions of this paragraph use the calculation or estimate of the income of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.

13.2 The authority may adjust the amount referred to in sub-paragraph (1) to take account of
(a) income consisting of the award of universal credit, determined in accordance with subparagraph (3) and a sum determined as an amount for housing costs;
(b) any sum to be disregarded under paragraphs of Schedule 2 to this scheme (sums to be disregarded in the calculation of earnings);
(c) any sum to be disregarded under Schedule 3 to this scheme (sums to be disregarded in the calculation of income other than earnings);
(d) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable)

13.3 The amount for the award of universal credit is to be determined by multiplying the amount of the award by 12 and dividing the product by 52.

13.4 Sections 14 (income and capital of non-dependant to be treated as applicant's) apply (so far as relevant) for the purpose of determining any adjustments, which fall to be made to the figure for income under sub-paragraph (2)

13.5 In determining the capital of an applicant;
(a) who has, or
(b) who (jointly with his partner) has,
an award of universal credit, the authority must use the calculation or estimate of the capital of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining that award

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

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

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

15.0 Calculation of income on a weekly basis

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

15.2 The conditions of this paragraph are that;

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

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

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

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

16.0 Average weekly earnings of employed earners

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

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

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

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

(a) if he has received any earnings for the period that he has been in that employment and those earnings are likely to represent his average weekly earnings from that employment his average weekly earnings shall be estimated by reference to those earnings;

(b) in any other case, the authority shall require the applicant's employer to furnish an estimate of the applicant's likely weekly earnings over such period as the authority may require and the applicant's average weekly earnings shall be estimated by reference to that estimate.

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

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

17.0 Average weekly earnings of self-employed earners

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

17A.0 Average weekly income other than earnings

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

18.0 Treatment of child care charges

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

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

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

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

18.3 This paragraph applies to a person who was engaged in remunerative work immediately before
a. the first day of the period in respect of which he was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or
b. the first day of the period in respect of which earnings are credited, as the case may be.

18.4 In a case to which paragraph 18.2 d) or e) applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.

18.5 Relevant child care charges are those charges for care to which paragraphs 18.6 and 18.7 apply, and shall be calculated on a weekly basis in accordance with paragraph 18.10.

18.6 The charges are paid by the applicant for care, which is provided
a. in the case of any child of the applicant's family who is not disabled, in respect of the period beginning on that child's date of birth and ending on the day preceding the first Monday in September following that child's fifteenth birthday; or
b. in the case of any child of the applicant's family who is disabled, in respect of the period beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday.

18.7 The charges are paid for care, which is provided by one, or more of the care providers listed in paragraph 18.8 and are not paid–
a. in respect of the child's compulsory education;
b. by an applicant to a partner or by a partner to an applicant in respect of any child for whom either or any of them is responsible in accordance with section 10 (circumstances in which a person is treated as responsible or not responsible for another); or
c. in respect of care provided by a relative of the child wholly or mainly in the child's home.

18.8 The care to which paragraph 18.7 refers may be provided;
a. out of school hours, by a school on school premises or by a local authority;
i. for children who are not disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or
ii. for children who are disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or
b. by a child care provider approved in accordance with by the Tax Credit (New Category of Child Care Provider) Regulations 1999;
c. by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
d. by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) order 2010; or
e. by;
i. persons registered under section 59(1) of the Public Services Reform Scotland Act 2010;
or
ii. local authorities registered under section 8(1) of that Act, where the care provided is child minding or daycare within the meaning of that Act; or
f. by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002 or
g. by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
h. by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in

circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or

i. by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or

j. by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of 'childcare' for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or

k. by a foster parent or kinship carer under the Fostering Services Regulations 2002, the Fostering Services (Wales) Regulations 2003 or the Looked After Children (Scotland) Regulations 2009 in relation to a child other than one whom the foster parent is fostering or kinship carer is looking after; or

l. by a domiciliary care worker under the Domiciliary Care Agencies Regulations 2002 or the Domiciliary Care Agencies (Wales) Regulations 2004; or

m. by a person who is not a relative of the child wholly or mainly in the child's home.

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

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

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

a. the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work- related activity component on account of his having limited capability for work

b. the applicant's applicable amount would include a disability premium on account of the other member's incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulation made under section 171E of the Act;

c. the applicant's applicable amount would include the support component or the work-related activity component on account of the other member having limited capability for work but for that other member being treated as not having limited capability for work by virtue of a determination made in accordance with the Employment and Support Allowance Regulations 2008 or Employment and Support Regulations 2013;

d. the applicant (within the meaning of this scheme) is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;

e. the applicant (within the meaning of this scheme) has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 20018 or Employment and Support Regulations 2013 for a continuous period of not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;

f. there is payable in respect of him one or more of the following pensions or allowances–

   i. long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the Act;

   ii. attendance allowance under section 64 of the Act;

   iii. severe disablement allowance under section 68 of the Act;

   iv. disability living allowance under section 71 of the Act;

v. personal independence payment under the Welfare Reform Act 2012;
vi. an AFIP;
vii. increase of disablement pension under section 104 of the Act;
viii. a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under head (ii), (iv) or (vii) above;
ix. main phase employment and support allowance;

g. a pension or allowance to which head (ii), (iv). (vi) or (viii) of sub-paragraph (f) above refers was payable on account of his incapacity but has ceased to be payable in consequence of his becoming a patient, which in this section shall mean a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of social security (Hospital In-Patients) Regulations 2005.

h. an AFIP would be payable to that person but for any suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;

i. paragraphs (f) or (g) would apply to him if the legislative provisions referred to in those sub-paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or

j. he has an invalid carriage or other vehicle provided to him by the Secretary of State under section 5(2)(a) of and Schedule 2 to the National Health Service Act 1977 or under section 46 of the National Health Service (Scotland) Act 1978 or provided by the Department of Health, Social Services and Public Safety in Northern Ireland under Article 30(1) of the Health and Personal Social Services (Northern Ireland) Order 1972.

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

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

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

a. in respect of whom disability living allowance or personal independence payment is payable, or has ceased to be payable solely because he is a patient;

b. who is registered as blind in a register compiled under section 29 of the National Assistance Act 1948 welfare services) or, in Scotland, has been certified as blind and in consequence he is registered as blind in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or

c. who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.

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

a. in the week before the period of maternity leave, paternity leave, shared parental leave or adoption leave began the person was in remunerative work or adoption leave began they were in remunerative work;

b. the applicant is incurring relevant child care charges within the meaning of paragraph 18.5; and

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

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

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

whichever shall occur first.

18.16 In paragraphs 18.14 and 18.15

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

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

a. who has, or
b. who (jointly with his partner) has,

an award of universal credit

19.0 Calculation of average weekly income from tax credits

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

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

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

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

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

20.0 Calculation of weekly income

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

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

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

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

21.0 Disregard of changes in tax, contributions etc.

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

(a) in the basic or other rates of income tax;
(b) in the amount of any personal tax relief;
(c) in the rates of national insurance contributions payable under the Act or in the lower earnings limit or upper earnings limit for Class 1 contributions under the Act, the lower or upper limits applicable to Class 4 contributions under the Act or the amount specified in section11(4) of the Act (small profits threshold in relation to Class 2 contributions);
(d) in the amount of tax payable as a result of an increase in the weekly rate of Category A, B, C or D retirement pension or any addition thereto or any graduated pension payable under the Act
(e) in the maximum rate of child tax credit or working tax credit,

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

22.0 Earnings of employed earners

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

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

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

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

22.2 Earnings shall not include–

(a) subject to paragraph 22.3, any payment in kind;

(b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of employment;

(c) any occupational pension

(d) any payment in respect of expenses arising out of the applicant's participation in a service user group or an applicant participating as a service user

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

23.0 Calculation of net earnings of employed earners

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

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

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

(a) any amount deducted from those earnings by way of

i) income tax;

ii) primary Class 1 contributions under the Act;

(b) any sum paid by the applicant by way of a contribution towards an occupational pension scheme;

(c) the amount calculated in accordance with paragraph 23.5 in respect of any qualifying contribution payable by the applicant; and

(d) where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted for those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the Act.

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

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

a. where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;

b. in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.

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

23.6 Where the earnings of an applicant are estimated under sub-paragraph (b) of paragraph 2) of the section 16 (average weekly earnings of employment earners), his net earnings shall be calculated by taking into account those earnings over the assessment period, less–

(a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988(personal allowances) as is appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rata basis;

(b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and

(c) any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated were actual earnings.

24.0 Earnings of self-employed earners

24.1 Subject to paragraph 24.2, 'earnings', in the case of employment as a self- employed earner, means the gross income of the employment plus any allowance paid under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 to the applicant for the purpose of assisting him in carrying on his business unless at the date of claim the allowance has been terminated.

24.2 'Earnings' shall not include any payment to which Schedule 3 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant's care) nor shall it include any sports award.

24.3 This paragraph applies to–

(a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trademark; or

(b) any payment in respect of any–

(i) book registered under the Public Lending Right Scheme 1982; or

(ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trademark, or an original contributor to the book of work concerned.

24.4 Where the applicant's earnings consist of any items to which paragraph 24.3 applies, those earnings shall be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction is to be treated as a corresponding fraction of a week) by dividing the earnings by

(a) the amount of the reduction under this scheme which would be payable had the payment not been made, plus

(b) an amount equal to the total of the sums which would fall to be disregarded from the payment under Schedule 2 (sums to be disregarded in the calculation of earnings) as appropriate in the applicant's case.

25.0 Calculation of net profit of self-employed earners

25.1 For the purposes of section 17 (average weekly earnings of self- employed earners) the earnings of an applicant to be taken into account shall be

(a) in the case of a self-employed earner who is engaged in employment on his own account,

the net profit derived from that employment;

(b) in the case of a self-employed earner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less–

i. an amount in respect of income tax and of national insurance contributions payable under the Act calculated in accordance with section 26 (deduction of tax and contributions for self-employed earners); and

ii. the amount calculated in accordance with paragraph (11) in respect of any qualifying premium.

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

25.3 For the purposes of paragraph 25.1 a) the net profit of the employment must, except where paragraph 25.9 applies, be calculated by taking into account the earnings for the employment over the assessment period less

(a) subject to paragraphs 25.5 to 25.7, any expenses wholly and exclusively incurred in that period for the purposes of that employment;

(b) an amount in respect of;

(i) income tax, and

(ii) national insurance contributions payable under the Act, calculated in accordance with section 26 (deduction of tax and contributions for self-employed earners); and

(c) the amount calculated in accordance with paragraph (25.11) in respect of any qualifying premium.

25.4 For the purposes of paragraph 25.1b) the net profit of the employment shall be calculated by taking into account the earnings of the employment over the assessment period less, subject to paragraphs 25.5 to 25.8, any expenses wholly and exclusively incurred in that period for the purposes of the employment.

25.5 Subject to paragraph 25.6 no deduction shall be made under paragraph 25.3 a) or 25.4, in respect of–

(a) any capital expenditure;

(b) the depreciation of any capital asset;

(c) any sum employed or intended to be employed in the setting up or expansion of the employment;

(d) any loss incurred before the beginning of the assessment period;

(e) the repayment of capital on any loan taken out for the purposes of the employment;

(f) any expenses incurred in providing business entertainment, and

(g) any debts, except bad debts proved to be such, but this sub-paragraph shall not apply to any expenses incurred in the recovery of a debt.

25.6 A deduction shall be made under paragraph 25.3 a) or 25.4 in respect of the repayment of capital on any loan used for–

(a) the replacement in the course of business of equipment or machinery; and

(b) the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.

25.7 The authority shall refuse to make deductions in respect of any expenses under paragraph 25.3 a. or 25.4 where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.

25.8 For the avoidance of doubt–

(a) deductions shall not be made under paragraph 25.4 in respect of any sum unless it has been expended for the purposes of the business;

(b) a deduction shall be made thereunder in respect of–

i. the excess of any value added tax paid over value added tax received in the

assessment period;

ii. any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;

iii. any payment of interest on a loan taken out for the purposes of the employment

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

(a) income tax; and

(b) national insurance contributions payable under the Act, calculated in accordance with section 26 (deduction of tax and contributions for self-employed earners); and

(c) the amount calculated in accordance with paragraph 25.1 in respect of any qualifying contribution.

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

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

(a) where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and divided the product by 365;

(b) in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.

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

26.0 Deduction of tax and contributions of self-employed earners

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

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

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

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

26.3 In this section 'chargeable income' means–

(a) except where sub-paragraph (b) applies, the earnings derived from the employment less any expenses deducted under paragraph 25.3(a) or, as the case may be, 25.4 of section 25;

(b) in the case of employment as a child minder, one-third of the earnings of that employment.

27.0 Minimum Income Floor

27.1 Where no start up period (as defined within 27.2) applies to the applicant or partner, the income used by the Council in the calculation of their award will be the gross amount declared by the applicant or a substituted amount whichever is the higher. This substituted amount shall not be less than 35 hours multiplied by the national living wage (or national minimum wage as appropriate) From that, the Council will deduct only an estimate for tax, national insurance and any amount of a pension contribution (where a pension contribution is being made).

27.2 The Council shall determine an appropriate start up period for the employment activity being conducted by the applicant or partner. This will normally be one year from the date of commencement of the employment activity. During this period, no Minimum Income Floor shall be applied. The start-up period ends where the person is no longer in gainful self-employment.

27.3 Where an applicant or partner holds a position in a company that is analogous to that of a sole owner or partner in the business of that company, he shall be treated as if he were such sole owner or partner and in such a case be subject to the substituted amount where appropriate.

27.4 No start-up period may be applied in relation to an applicant where a start-up period has previously been applied, whether in relation to a current or previous award of a Council Tax Reduction.

27.5 In order to establish whether to award a start up period, the applicant must satisfy the Council that the employment is

- Genuine and effective. The Council must be satisfied that the employment activity is being conducted; and
- Being conducted with the intention of increasing the income received to the level that would be conducive with that form of employment.

27.6 For the purposes of determining whether an applicant is in gainful self-employment or meets the conditions for a start up-period, the Council will require the applicant to provide such evidence or information that it reasonably requires to make that decision, the Council may also require the self employed person to attend an interview for the purpose of establishing whether the employment is gainful or whether the conditions for a start up period are met.

28.0 Calculation of income other than earnings

28.1 For the purposes of calculating the average weekly income other than earnings, the income of an applicant which does not consist of earnings to be taken into account shall be his gross income and any capital treated as income.

28.2 There is to be disregarded from the calculation of an applicant's gross income under paragraph 28.1, any sum, where applicable, specified in Schedule 3.

28.3 Where the payment of any benefit under the benefit Acts is subject to any deduction by way

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

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

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

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

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

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

$$\frac{A - (BxC)}{D}$$

Where

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

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

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

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

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

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

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

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

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

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

whichever of these dates is earlier

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

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

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

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

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

29.0 Capital treated as income

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

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

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

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

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

30.0 Notional income

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

30.2 Except in the case of–

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

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

30.3 Any payment of income, made–

(a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under or by a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;

(b) to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in sub-paragraph a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;

(c) to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.

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

(a) under the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);

(b) pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);

(c) pursuant to section 2 of the 1973 Act in respect of a person's participation–
(i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
(ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
(iii) in the Intense Activity Period specified in regulation75(1)(a)(iv) of those Regulations;
(iv) in a qualifying course within the meaning specified in regulation 17A (7) of those Regulations or;
(v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;

(d) in respect of a person's participation in the Work for Your Benefit Pilot Scheme

(e) in respect of a previous participation in the Mandatory Work Activity Scheme;

(f) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;

(g) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where–
(i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
(ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
(iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

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

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

30.6 Subject to paragraph 30.7, where–

(a) applicant performs a service for another person; and

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

30.7 Paragraph 30.6 shall not apply–

(a) to an applicant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or

(b) in a case where the service is performed in connection with–

(i) the applicant's participation in an employment or training programme in accordance with regulation 19(1)(q) of the Jobseeker's Allowance Regulations, other than where the service is performed in connection with the applicant's participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or

(ii) the applicant's or the applicant's partner's participation in an employment or training programme as defined in regulation 19(3) of those Regulations for which a training allowance is not payable or, where such an allowance is payable, it is payable for the sole purpose of reimbursement of travelling or meal expenses to the person participating in that programme ; or

(c) to an applicant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.

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

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

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

(a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the starting rate or, as the case may be, the starting rate and the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the starting rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rate basis;

(b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and

(c) any sum payable by the applicant by way of a contribution towards an occupational or personal pension scheme.

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

service user group or an applicant participating as a service user

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

31.0 Capital limit

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

32.0 Calculation of capital

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

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

33.0 Disregard of capital of child and young person

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

34.0 Income treated as capital

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

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

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

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

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

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

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

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

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

35.0 Calculation of capital in the United Kingdom

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

(a) where there would be expenses attributable to the sale, 10 per cent.; and

(b) the amount of any encumbrance secured on it;

36.0 Calculation of capital outside the United Kingdom

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

(a) in a case where there is no prohibition in that country against the transfer to the United Kingdom of an amount equal to its current market or surrender value in that country, at that value.

(b) in a case where there is such a prohibition, at the price which it would realise if sold in the United Kingdom to a willing buyer,

less, where there would be expenses attributable to sale, 10 per cent. and the amount of any encumbrances secured on it.

37.0 Notional capital

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

37.2 Except in the case of

(a) a discretionary trust; or

(b) a trust derived from a payment made in consequence of a personal injury; or

(c) any loan which would be obtained only if secured against capital disregarded under Schedule 4; or

(d) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund; or

(e) any sum to which paragraph 47(2)(a) of Schedule 4 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a); or

(f) any sum to which paragraph 48(a) of Schedule 4 refers; or

(g) child tax credit; or

(h) working tax credit,

any capital which would become available to the applicant upon application being made, but which has not been acquired by him, shall be treated as possessed by him but only from the date on which it could be expected to be acquired were an application made.

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

(a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;

(b) to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in sub-paragraph (a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;

(c) to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.

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

(a) under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;

(b) pursuant to section 2 of the 1973 Act in respect of a person's participation

(i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
(ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
(iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
(iv) in a qualifying course within the meaning specified in regulation17A(7) of those Regulations; or
(v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;

(bb) in respect of a person's participation in the Mandatory Work Activity Scheme;
Enterprise Scheme;

(bc) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;

(c) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where–
(i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
(ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
(iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

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

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

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

38.0 Diminishing notional capital rule

38.1 Where an applicant is treated as possessing capital under section 37.1 (notional capital), the amount which he is treated as possessing;
(a) in the case of a week that is subsequent to
(i) the relevant week in respect of which the conditions set out in paragraph 38.2 are satisfied; or
(ii) a week which follows that relevant week and which satisfies those conditions, shall be reduced by an amount determined under paragraph 38.3;
(b) in the case of a week in respect of which paragraph 38.1(a) does not apply but where
(i) that week is a week subsequent to the relevant week; and
(ii) that relevant week is a week in which the condition in paragraph 38.4 is satisfied, shall be reduced by the amount determined under paragraph 38.4.

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

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

38.3 In a case to which paragraph 38.2 applies, the amount of the reduction for the purposes of paragraph 38.1(a) shall be equal to the aggregate of
(a) the additional amount to which sub-paragraph 38.2 (b) refers;
(b) where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 38.2 refers but for the application of regulation 49(1) of the Housing Benefit Regulations 2006 (notional capital);
(c) where the applicant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 38.2 refers but for the application of regulation 51(1) of the Income Support Regulations (notional capital);
(d) where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital) and
(e) where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the whole or part of reduction week to which paragraph 38.2 refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).

38.4 Subject to paragraph 38.5, for the purposes of paragraph 38.1(b) the condition is that the applicant would have been entitled to Council Tax Reduction in the relevant week but for paragraph 37.1, and in such a case the amount of the reduction shall be equal to the aggregate of
(a) the amount of Council Tax Reduction to which the applicant would have been entitled in the relevant week but for paragraph 37.1; and for the purposes of this sub-paragraph is the amount is in respect of a part-week, that amount shall be determined by dividing the amount of Council Tax Reduction to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7;
(b) if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the reduction week which includes the last day of the relevant week, the amount which is equal to–
    (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
    (ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled,
    and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of housing benefit to which he would have been so entitled by the number equal to that number of days in the part-week and multiplying the quotient so obtained by 7;
(c) if the applicant would, but for regulation 51(1) of the Income Support Regulations, have been entitled to income support in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub- paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income support to which he would have been so entitled by the number equal to the number of days in the part- week and multiplying the quotient so obtained by 7
(d) if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the reduction week, within the meaning of this scheme, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph,

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

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

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

a. sub-paragraphs (a) to (d) of paragraph 38.4 shall apply as if for the words 'relevant week' there were substituted the words 'relevant subsequent week'; and

b. subject to paragraph 38.7, the amount as re-determined shall have effect from the first week following the relevant subsequent week in question.

38.6 The conditions are that

(a) a further claim is made 26 or more weeks after

(i) the date on which the applicant made a claim for Council Tax Reduction in respect of which he was first treated as possessing the capital in question under paragraph 39.1;

(ii) in a case where there has been at least one re-determination in accordance with paragraph 38.5, the date on which he last made a claim for Council Tax Reduction which resulted in the weekly amount being re-determined, or

(iii) the date on which he last ceased to be entitled to Council Tax Reduction, whichever last occurred; and

(b) the applicant would have been entitled to Council Tax Reduction but for paragraph 37.1.

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

38.8 For the purposes of this section

(a) 'part-week'

(i) in paragraph 38.4(a)means a period of less than a week for which Council Tax Reduction is allowed;

(ii) in paragraph 38.4(b)means a period of less than a week for which housing benefit is payable;

(iii) in paragraph 38.4 (c) (d)and(e)means–

aa. a period of less than a week which is the whole period for which income support an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and

bb. any other period of less than a week for which it is payable;

(b) 'relevant week' means the reduction week or part-week in which the capital in question of which the applicant has deprived himself within the meaning of section 37.1

(i) was first taken into account for the purpose of determining his entitlement to Council Tax Reduction; or

(ii) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to Council Tax Reduction on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, Council Tax Reduction;

and where more than one reduction week is identified by reference to heads (i) and (ii)

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

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

39.0 Capital jointly held

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

40.0 Tariff Income from Capital

40.1 Where the applicant's capital calculated in accordance with this scheme exceeds £6,000 it shall be treated as equivalent to a weekly income of £1 for each complete £250 of in excess of £6,000 but not exceeding £16,000

40.2 Notwithstanding paragraph 40.1 where any part of the excess is not a complete £250 that part shall be treated as equivalent to a weekly tariff income of £1.

40.3 For the purposes of paragraph 40.1, capital includes any income treated as capital.

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

41.0 Student related definitions

41.1 In this scheme the following definitions apply;

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

'access funds' means;

(a) grants made under section 68 of the Further and Higher Education Act 1992 for the purpose of providing funds on a discretionary basis to be paid to students;

(b) grants made under section 73(a) and (c) and 74(1) of the Education (Scotland) Act 1980;

(c) grants made under Article 30 of the Education and Libraries (Northern Ireland) Order 1993 or grants, loans or other payments made under Article 5 of the Further Education (Northern Ireland) Order 1997in each case being grants, or grants, loans or other payments as the case may be, for the purpose of assisting students in financial difficulties;

(d) discretionary payments, known as "learner support funds", which are made available to students in further education by institutions out of funds provided by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding under sections 100 and 101 of the Apprenticeships, Skills, Children and Learning Act 2009; or

e Financial Contingency Funds made available by the Welsh Ministers;

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

'contribution' means;

(a) any contribution in respect of the income of a student or any person which the Secretary of State, the Scottish Ministers or an education authority takes into account in ascertaining the amount of a student's grant or student loan; or

(b) any sums, which in determining the amount of a student's allowance or bursary in Scotland under the Education (Scotland) Act 1980, the Scottish Ministers or education authority takes into account being sums which the Scottish Ministers or education authority consider that it is reasonable for the following person to contribute towards the holder's expenses;

(i) the holder of the allowance or bursary;

(ii) the holder's parents;

(iii) the holder's parent's spouse, civil partner or a person ordinarily living with the holder's parent as if he or she were the spouse or civil partner of that parent; or

(iv) the holder's spouse or civil partner;

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

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

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

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

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

(b) is funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers if it involves more than 16 guided learning hours per week for the student in question, according to the number of guided learning hours per week for that student set out—

(i) in the case of a course funded by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding, in the student's learning agreement signed on behalf of the establishment which is funded by either of those persons for the delivery of that course; or

(ii) in the case of a course funded by the Welsh Ministers, in a document signed on behalf of the establishment which is funded by that Council for the delivery of that course; or

(c) is not higher education and is funded in whole or in part by the Scottish Ministers at a college of further education and involves—

(i) more than 16 hours per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff according to the number of hours set out in a document signed on behalf of the college; or

(ii) 16 hours or less per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff and additional hours using structured learning packages supported by the teaching staff where the combined total of hours exceeds 21 hours per week, according to the number of hours set out in a document signed on behalf of the college;

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

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

'grant income' means

(a) any income by way of a grant;

(b) any contribution whether or not it is paid;

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

'last day of the course' means;

(a) in the case of a qualifying course, the date on which the last day of that course falls or the date on which the final examination relating to that course is completed, whichever is the later;

(b) in any other case, the date on which the last day of the final academic term falls in respect of the course in which the student is enrolled;

'period of study' means–

(a) in the case of a course of study for one year or less, the period beginning with the start of the course and ending with the last day of the course;

(b) in the case of a course of study for more than one year, in the first or, as the case may be, any subsequent year of the course, other than the final year of the course, the period beginning with the start of the course or, as the case may be, the year's start and ending with either–

(i) the day before the start of the next year of the course in a case where the student's grant or loan is assessed at a rate appropriate to his studying throughout the year, or, if he does not have a grant or loan, where a loan would have been assessed at such a rate had he had one; or

(ii) in any other case, the day before the start of the normal summer vacation appropriate to his course;

(c) in the final year of a course of study of more than one year, the period beginning with that year's start and ending with the last day of the course;

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

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

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

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

'standard maintenance grant' means–

(a) except where paragraph (b) or (c) applies, in the case of a student attending or undertaking a course of study at the University of London or an establishment within the area comprising the City of London and the Metropolitan Police District, the amount specified for the time being in paragraph 2(2)(a) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 ('the 2003 Regulations') for such a student;

(b) except where paragraph (c) applies, in the case of a student residing at his parent's home, the amount specified in paragraph 3 thereof;

(c) in the case of a student receiving an allowance or bursary under the Education (Scotland) Act 1980**,** the amount of money specified as 'standard maintenance allowance' for the relevant year appropriate for the student set out in the Student Support in Scotland Guide issued by the student Awards Agency for Scotland, or its nearest equivalent in the case of a bursary provided by a college of further education or a local education authority;

(d) in any other case, the amount specified in paragraph 2(2) of Schedule 2 to the 2003 Regulations other than in sub-paragraph (a) or (b) thereof;

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

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

(b) a qualifying course;

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

41.2 For the purposes of the definition of 'full-time student', a person shall be regarded as attending or, as the case may be, undertaking a full-time course of study or as being on a sandwich course

(a) in the case of a person attending or undertaking a part of a modular course which would be a full-time course of study for the purposes of this Part, for the period beginning on the day on which that part of the course starts and ending;

(i) on the last day on which he is registered with the educational establishment as attending or undertaking that part as a full-time course of study; or

(ii) on such earlier date (if any) as he finally abandons the course or is dismissed from it;

(b) in any other case, throughout the period beginning on the date on which he starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as he finally abandons it or is dismissed from it.

41.3 For the purposes of sub-paragraph (a) of paragraph 41.2, the period referred to in that sub-paragraph shall include;

(a) where a person has failed examinations or has failed to successfully complete a module relating to a period when he was attending or undertaking a part of the course as a full-time course of study, any period in respect of which he attends or undertakes the course for the purpose of retaking those examinations or that module;

(b) any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.

42.0 Treatment of students

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

43.0 Students who are excluded from entitlement to Council Tax Reduction

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

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

43.3 Paragraph 43.2 shall not apply to a student

(a) who is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance;

(b) who is a lone parent;

(c) **but for the implementation of this scheme**, whose applicable amount would, but for this section, include the disability premium or severe disability premium;

(d) **but for the implementation of this scheme**, whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the Act;

(e)who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;

(f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period.

(g) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;

(h)who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989, or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;

(i) who is;

i) aged under 21 and whose course of study is not a course of higher education

ii) aged 21 and attained that age during a course of study which is not a course of higher education – this condition needs adding

iii) a qualifying young person or child within the meaning of section 142 of the Act (child and qualifying young person)

(j) in respect of whom

i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;

(ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) or regulation 4 of the Students' Allowances (Scotland) Regulations 1999 or, as the case may be, under paragraph (1)(d) of regulation 4 of the Education Authority (Bursaries) (Scotland) Regulations 1995, in respect of expenses incurred;

(iii) a payment has been made under section 2 of the Education Act 1962 or under or by virtue of regulations made under the Teaching and Higher Education Act 1998;

(iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005 or under regulation 13 of the Education (Student Support) Regulations (Northern Ireland) 2000; or

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

on account of his disability by reason of deafness.

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

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

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

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

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

(a) at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is;
(i) engaged in caring for another person; or
(ii) ill;

(b) he has subsequently ceased to be engaged in engaging in caring for that person or, as the case may be, he has subsequently recovered from that illness; and

(c) he is not eligible for a grant or a student loan in respect of the period specified in paragraph 43.8.

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

(a) the day on which he resumes attending or undertaking the course; or

(b) the day from which the relevant educational establishment has agreed that he may resume attending or undertaking the course,

which shall first occur.

44.0 Calculation of grant income

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

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

(a) intended to meet tuition fees or examination fees;

(b) in respect of the student's disability;

(c) intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;

(d) on account of the student maintaining a home at a place other than that at which he resides during his course;

(e) on account of any other person but only if that person is residing outside of the United

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

(f) intended to meet the cost of books and equipment;

(g) intended to meet travel expenses incurred as a result of his attendance on the course;

(h) intended for the childcare costs of a child dependant.

(i) of higher education bursary for care leavers made under Part III of the Children Act 1989.

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

(a) the sum of £303 per academic year in respect of travel costs; and

(b)the sum of £390 per academic year towards the costs of books and equipment, whether or not any such costs are incurred.

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

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

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

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

(b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.

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

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

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

45.0 Calculation of covenant income where a contribution is assessed

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

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

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

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

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

46.2 Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income shall be calculated in accordance with sub-paragraphs (a) to (d) of paragraph 46.1, except that;
(a) the value of the standard maintenance grant shall be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 44.2 (a) to (e); and
(b) the amount to be disregarded under paragraph 46.1(c) shall be abated by an amount equal to the amount of any sums disregarded under paragraph 44.2(f) and (g) and 44.3.

47.0 Student Covenant Income and Grant income – non disregard

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

48.0 Other amounts to be disregarded

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

49.0 Treatment of student loans

49.1 A student loan shall be treated as income.

50.0 Calculating loan Income weekly

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

(a) in respect of a course that is of a single academic year's duration or less, a loan which is payable in respect of that period shall be apportioned equally between the weeks in the period beginning with;

(i) except in a case where (ii) applies, the reduction week , the first day of which coincides with, or immediately follows, the first day of the single academic year;

(ii) where the student is required to start attending the course in August or where the course is less than an academic year's duration, the reduction week, the first day of which coincides with, or immediately follows, the first day of the course, and ending with the reduction week, the last day of which coincides with, or immediately precedes with last day of the course,

(b) in respect of an academic year of a course which starts other than on 1st September, a loan which is payable in respect of that academic year shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year and ending with the reduction week, the last day of which coincides with or immediately precedes, the last day of that academic year but excluding any reduction weeks falling entirely within the quarter during which, in the opinion of the Secretary of State, the longest of any vacation is taken and for the purposes of this sub-paragraph, 'quarter' shall have the same meaning as for the purposes of the Education (Student Support) Regulations 2005;

(c) in respect of the final academic year of a course (not being a course of a single year's duration), a loan which is payable in respect of that final academic year shall be apportioned equally between the weeks in the period beginning with;

(i) except in a case where (ii) applies, the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year;

(ii) where the final academic year starts on 1st September, the reduction week, the first day of which coincide with, or immediately follows, the earlier of 1st September or the first day of the autumn term,

and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;

(d) in any other case, the loan shall be apportioned equally between the weeks in the period beginning with the earlier of;

(i) the first day of the first reduction week in September; or

(ii) the reduction week, the first day of which coincides with, or immediately follows the first day of the autumn term,

and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of June,

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

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

(a) a student loan has been made to him in respect of that year; or

(b) he could acquire such a loan in respect of that year by taking reasonable steps to do so.

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

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

50.4 There shall be deducted from the amount of income taken into account
(a) the sum of £303 per academic year in respect of travel costs; and
(b) the sum of £390 per academic year towards the cost of books and equipment, whether or not any such costs are incurred.

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

51.0 Treatment of fee loans

51. 1 loan for fees, known as a fee loan or a fee contribution loan, made pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998, section 22 of the Teaching and Higher Education Act 1998 or section 73(f) of the Education (Scotland) Act 1980, shall be disregarded as income.

52.0 Treatment of payments from access funds

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

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

52.3 Subject to paragraph 52.4 of this section and paragraph 35 of Schedule 4,
a) any payments from access funds which are intended and used for an item of food, ordinary clothing or footwear, household fuel, or rent of a single applicant or, as the case may be, of the applicant or any other member of his family and
b) any payments from access funds which are used for any council tax or water charges for which that applicant or member is liable, shall be disregarded as income to the extent of £20 per week.

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

that payment shall be disregarded as income.

53.0 Disregard of contribution

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

54.0 Further disregard of student's income

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

55.0 Income treated as capital

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

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

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

56.0 Disregard of changes occurring during summer vacation

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

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

57.0 Maximum Council Tax Reduction

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

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

(b) B is the number of days in that financial year,

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

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

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

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

58.0 Non-dependant deductions

58.1 A standard deduction of £10 x1/7 shall be applied for non dependant for each day that the non dependant resides in the premises.

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

58.3 Where in respect of a day–

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

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

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

ii. an abatement as a result of hospitalisation; or

c. the daily living component of personal independence payment, or would be receiving that allowance but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);

d. an AFIP, or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allows for a suspension because a person is undergoing medical treatment in a hospital or similar institution;

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

a. although he resides with the applicant, it appears to the authority that his normal home is elsewhere; or

b. he is in receipt of a training allowance paid in connection with a youth training established under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or

c. he is a full time student within the meaning of section 41.0 (Students); or

d. he is not residing with the applicant because he has been a patient for a period of excess of 52 weeks, and for these purposes;

e. 'patient' has the meaning given within this scheme, and

f. where a person has been a patient for two or more distinct periods separated by one or more intervals each not exceeding 28 days, he shall be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods;

g. he is not residing with the claimant because he is a member of the armed forces away on operations

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

(a) who is on income support, state pension credit, an income-based jobseeker's allowance or an income-related employment and support allowance;

(b) to whom Schedule 1 of the 1992 Act applies (persons disregarded for purposes of discount) but this sub-paragraph shall not apply to a non-dependant who is a student to whom paragraph 4 of that Schedule refers;

(c) who is entitled to an award of universal credit where the award is calculated on the basis that the person does not have any earned income.";

a. For the purposes of sub-paragraph (c), "earned income" has the meaning given in regulation 52 of the Universal Credit Regulations 2013.

59.0 Extended reductions: movers into the authority's area

59.1 Where;

(a) an application is made to the authority for a reduction under its scheme, and

(b) the applicant or the partner of the applicant, is in receipt of an extended reduction from;

(i) another billing authority in England; or

(ii) a billing authority in Wales,

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

60.0 Extended reductions

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

(a) the applicant or the applicant's partner was entitled to a qualifying income- related benefit;

(b) entitlement to a qualifying income-related benefit ceased because the applicant or the applicant's partner–

(i) commenced employment as an employed or self-employed earner;

(ii) increased their earnings from such employment; or

(iii) increased the number of hours worked in such employment,
and that employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more; and

(c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying income-related benefit, jobseeker's allowance or a combination of those benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying income-related benefit ceased.

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

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

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

(a) the applicant ceased to be entitled to council tax reduction because the applicant vacated the dwelling in which the applicant was resident;

(b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying income-related benefit ceased, or in the preceding week; and

(c) entitlement to the qualifying income-related benefit ceased in any of the circumstances listed in paragraph 60.1(b).

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

60A.0 Duration of extended reduction period

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

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

60A.3 The extended reduction period ends;

(a) at the end of a period of four weeks; or

(b) on the date on which the applicant to whom the extended reduction is payable has no liability for council tax, if that occurs first.

60B.0 Amount of extended reduction

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

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

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

(c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement, if section 60 did not apply to the applicant.

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

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

60C Extended reductions – movers

60C.1 This section applies;

(a) to a mover; and

(b) from the Monday following the day of the move.

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

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

(a) the second authority; or

(b) the mover directly.

60C.4 Where–

(a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying income-related benefit; and

(b) the mover, or the mover's partner, is in receipt of an extended reduction from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover's partner, is entitled to by a sum equal to the amount of the extended reduction until the end of the extended reduction period.

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

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

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

61.0 Extended reductions (qualifying contributory benefits)

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

(a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;

(b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner;

(i) commenced employment as an employed or self-employed earner;

(ii) increased their earnings from such employment; or

(iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more;

(c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and

(d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.

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

(a) the applicant ceased to be entitled to council tax reduction because the applicant vacated the dwelling in which the applicant was resident;

(b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and

(c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in paragraph 61.1(b).

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

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

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

61A.3 The extended reduction period ends;

(a) at the end of a period of four weeks; or

(b) on the date on which the applicant to whom the extended reduction (qualifying contributory benefits) is payable has no liability for council tax, if that occurs first.

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

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

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

(b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 61 (extended reductions (qualifying contributory benefits)) did not apply to the applicant; or

(c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement, if section 61 did not apply to the applicant.

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

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

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

61C.1 This section applies;

(a) to a mover; and

(b) from the Monday following the day of the move.

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

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

(a) the second authority; or

(b) the mover directly.

61C.4 Where

(a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit; and

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

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

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

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

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

62.0 Date on which entitlement is to begin

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

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

63.0 Date on which change of circumstances is to take effect

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

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

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

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

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

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

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

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

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

64.0 Making an application[4]

64.1 In the case of a couple or members of a polygamous marriage an application is to be made by whichever one of them they agree should so apply or, in default of agreement, by such one of them as the authority determines.

64.2 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and;

(a) a deputy has been appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or

(b) in Scotland, his estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on his behalf; or

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

that deputy, judicial factor, guardian or attorney, as the case may be, may make an application on behalf of that person.

64.3 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act and sub-paragraph (2) does not apply to him, the authority may, upon written application made to them by a person who, if a natural person, is over the age of 18, appoint that person to exercise on behalf of the person who is unable to act, any right to which that person might be entitled under the authority's scheme and to receive and deal on his behalf with any sums payable to him.

64.4 Where a person who is liable to pay council tax in respect of a dwelling is for the time being unable to act and the Secretary of State has appointed a person to act on his behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987 (persons unable to act), the authority may if that person agrees, treat him as if he had been appointed by them under sub-paragraph (3).

64.5 Where the authority has made an appointment under sub-paragraph (3) or treated a person as an appointee under sub-paragraph (4);

(a) it may at any time revoke the appointment;

(b) the person appointed may resign his office after having given 4 weeks notice in writing to the authority of his intention to do so;

(c) any such appointment terminates when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).

64.6 Anything required by the authority's scheme to be done by or to any person who is for the time being unable to act may be done by or to the persons mentioned in sub-paragraph (2) above or by or to the person appointed or treated as appointed under this paragraph and the receipt of any such person so appointed shall be a good discharge to the authority for any sum paid.

64.7 The authority must;

(a) inform any person making an application of the duty imposed by paragraph 9(1)(a) of the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012;

(b) explain the possible consequences (including prosecution) of failing to comply with that duty; and

(c) set out the circumstances a change in which might affect entitlement to the reduction or its amount.

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

65.0 Procedure by which a person may apply for a reduction under the authority's scheme[5]

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

65.2. An application may be made;

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

65.3 (1) An application which is made in writing must be made to the designated office on a properly completed form.

(2) The form must be provided free of charge by the authority for the purpose.

65.4 (1) Where an application made in writing is defective because—

(a) it was made on the form supplied for the purpose but that form is not accepted by the authority as being properly completed; or

(b) it was made in writing but not on the form approved for the purpose and the authority does not accept the application as being in a written form which is sufficient in the circumstances of the case having regard to the sufficiency of the written information and evidence,

the authority may, in a case to which sub-paragraph (a) applies, request the applicant to complete the defective application or, in the case to which sub-paragraph (b) applies, supply the applicant with the approved form or request further information and evidence.

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

65.5. (1) If an application made by electronic communication is defective the authority must provide the person making the application with an opportunity to correct the defect.

(2) An application made by electronic communication is defective if the applicant does not provide all the information the authority requires.

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

65.7 (1) If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect.

(2) An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

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

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

66.0 Backdating

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

66.2 Where good cause is proven, the date of the application shall be the latest of;

(a) the first day from which the applicant had continuous good cause;
(b) the day 1 months before the date the application was made;
(c) the day 1 months before the date when the applicant requested that the application should include a past period

67.0 Date on which an application is made

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

(a) in a case where;

(i) an award of income support, an income-based jobseeker's allowance or an income- related employment and support allowance or an award of universal credit has been made to the applicant or his partner, and

(ii) the application is made within one calendar month of the date on which the claim for that income support, jobseeker's allowance, employment and support allowance or universal credit was received,

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

(b) in a case where;

(i) an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,

(ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and

(iii) the application is received at the designated office within one calendar month of the date of the change,

the date on which the change takes place;

(c) in a case where;

(i) an applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under the authority's scheme, and

(ii) the applicant makes an application for a reduction under that scheme within one calendar month of the date of the death or the separation,

the date of the death or separation;

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

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

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

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

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

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

67.3 Where there is a defect in an application by telephone;
(a) is corrected within one calendar month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance;
(b) is not corrected within one calendar month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide the application.

67.4 The authority is to treat a defective application as if it had been validly made in the first instance if, in any particular case, the conditions specified in sub-paragraph (5)(a), (b) or (c) are satisfied.

67.5 The conditions are that—
(a) where the authority receives the properly completed application or the information requested to complete it or the evidence within one calendar month of the request, or such longer period as the authority may consider reasonable; or
(b) where an application is not on approved form or further information requested by authority applies;
(i) the approved form sent to the applicant is received at the offices of the authority properly completed within one calendar month of it having been sent to him; or, as the case may be;
(ii) the applicant supplies whatever information or evidence was requested within one calendar month of the request; or,
in either case, within such longer period as the authority may consider reasonable; or
(c) where the authority has requested further information, the authority receives at its offices the properly completed application or the information requested to complete it within one calendar month of the request or within such longer period as the authority considers reasonable.

67.6 Except in the case of an application made by a person treated as not being in Great Britain, where a person has not become liable for council tax to the authority but it is anticipated that he will become so liable within the period of 8 weeks (the relevant period), he may apply for a reduction under that authority's scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority must treat the application as having been made on the day on which the liability for the tax arises.

67.7 Except in the case of an application made by a person treated as not being in Great Britain, where the applicant is not entitled to a reduction under the authority's scheme in the reduction week immediately following the date of his application but the authority is of the opinion that unless there is a change of circumstances he will be entitled to a reduction under its scheme for a period beginning not later than;
(a) in the case of an application made by;
(i) a pensioner, or
(ii) a person who has attained, or whose partner has attained, the age which is 17 weeks younger than the qualifying age for state pension credit,
the seventeenth reduction week following the date on which the application is made, or
(b) in the case of an application made by a person who is not a pensioner, the thirteenth reduction week following the date on which the application is made,
the authority may treat the application as made on a date in the reduction week immediately preceding the first reduction week of that period of entitlement and award a reduction accordingly.

68.0 Submission of evidence electronically

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

69. 0 Use of telephone provided evidence

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

70.0 Information and evidence[6]

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

70.2 This sub-paragraph is satisfied in relation to a person if—
(a) the application is accompanied by;
(i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or
(ii) information or evidence enabling the authority to ascertain the national insurance number that has been allocated to the person; or
(b) the person has made an application for a national insurance number to be allocated to him and the application for the reduction is accompanied by;
(i) evidence of the application for a national insurance number to be so allocated; and
(ii) the information or evidence enabling it to be so allocated.

70.3 Sub-paragraph (2) does not apply;
(a) in the case of a child or young person in respect of whom an application for a reduction is made;
(b) to a person who;
(i) is a person treated as not being in Great Britain for the purposes of this scheme;
(ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and
(iii) has not previously been allocated a national insurance number.

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

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

70.6 Where the authority makes a request under sub-paragraph (4), it must;
(a) inform the applicant or the person to whom a reduction under its scheme has been awarded of his duty under paragraph 9 of Schedule 8 the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012 (duty to notify change of circumstances) to

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

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

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

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

71.0 Amendment and withdrawal of application[7]

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

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

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

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

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

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

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

72.0 Duty to notify changes of circumstances[8]

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

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

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

which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under the authority's scheme (a "relevant change of circumstances") by giving notice to the authority;
(a) in writing; or
(b) by telephone—
(i) where the authority has published a telephone number for that purpose unless the authority determines that in any particular case or class of case notification may not be given by telephone; or
(ii) in any case or class of case where the authority determines that notice may be given by telephone; or
(c) by any other means which the authority agrees to accept in any particular case,
within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.

72.3 The duty imposed on a person by sub-paragraph (1) does not extend to notifying
(a) changes in the amount of council tax payable to the authority;
(b) changes in the age of the applicant or that of any member of his family;
(c) in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under the authority's scheme to which he is entitled, other than the cessation of that entitlement to the benefit.

72.4 For the purposes of sub-paragraph (3)(c) "relevant benefit" means income support, an income-based jobseeker's allowance or an income-related employment and support allowance or universal credit.

72.5 Notwithstanding sub-paragraph (3)(b) or (c) an applicant is required by sub-paragraph (1) to notify the authority of any change in the composition of his family arising from the fact that a person who was a member of his family is now no longer such a person because he has ceased to be a child or young person.

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

73.0 Decisions by the authority[9]

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

74.0 Notification of decision[10]

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

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

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

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

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

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

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

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

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

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

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

75.0 Time and manner of granting Council Tax Reduction[11]

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

(a) by reducing, so far as possible, the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers; or

(b) where;

(i) such a reduction is not possible; or

(ii) such a reduction would be insufficient to discharge the entitlement to a reduction under the authority's scheme; or

(iii) the person entitled to the reduction is jointly and severally liable for the council tax and the authority determines that such a reduction would be inappropriate, by making payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.

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

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

(a) if the amount of the council tax for which he remains liable in respect of the chargeable year, after any reduction to which sub-paragraph (1)(a) refers has been made, is insufficient to enable his entitlement to a reduction under the authority's scheme in respect thereof to be discharged, upon the final instalment of that tax becoming due any outstanding reduction;

(i) must be paid to that person if he so requires; or

(ii) in any other case must (as the authority determines) either be repaid or credited against any subsequent liability of the person to make a payment in respect of the authority's council tax as it has effect for any subsequent year;

(b) if that person has ceased to be liable for the authority's council tax and has discharged the liability for that tax, the outstanding balance (if any) of the reduction under the authority's scheme in respect thereof must be paid within 14 days or, if that is not reasonably practicable, as soon as practicable thereafter

(c) in any other case, the reduction under the authority's scheme must be paid within 14 days of the receipt of the application at the offices of the authority or, if that is not reasonably practicable, as soon as practicable thereafter.

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

76.0 Persons to whom reduction is to be paid [12]

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

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

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

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

77.0 Shortfall in reduction[13]

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

(a) make good any shortfall in reduction which is due to that person, by reducing so far as possible the next and any subsequent payments he is liable to make in respect of the council tax of the authority as it has effect for the chargeable financial year until that shortfall is made good; or

(b) where this is not possible or the person concerned so requests, pay the amount of any shortfall in reduction due to that person within 14 days of the revision of the decision being made or if that is not reasonably practicable, as soon as possible afterwards.

78.0 Payment on the death of the person entitled[14]

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

79.0 Offsetting

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

80 .0 Payment where there is joint and several liability[15]

80.1 Where;

(a) a person is entitled to a reduction under the authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year;

(b) the person entitled to the reduction is jointly and severally liable for the council tax; and

(c) the authority determines that discharging his entitlement by reducing the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992(7) refers would be inappropriate,

it may make a payment to him of the amount of the reduction to which he is entitled, rounded where necessary to the nearest penny.

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

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

[13] Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012
[14] Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012
[15] Inserted by Schedule 8 of the Council Tax Reductions Scheme (Prescribed Requirements) (England) Regulations 2012

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

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

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

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

81.2 Where required by the relevant department and where required by law, the authority will share information obtained for Council Tax Reduction with the DWP or HMRC as appropriate and in accordance with Data Protections requirements[16].

82.0 Collection of information

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

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

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

83.0 Recording and holding information

83.1 The authority may

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

84.0 Forwarding of information

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

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

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

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

85.0 Persons affected by Decisions

85.1 A person is to be treated as a person affected by a relevant decision of the authority where that person is;

(a) an applicant;

(b) in the case of a person who is liable to make payments in respect of a dwelling and is unable for the time being to act

(i) a Deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit or support on his behalf,

(ii) in Scotland, a tutor, curator, judicial factor or other guardian acting or appointed in terms of law administering that person's estate, or

(iii) an attorney with a general power or a power to receive benefit or support appointed by the person liable to make those payments under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise;

(c) a person appointed by the authority under this scheme;

86.0 Revisions of Decisions

86.1 Subject to the provisions in this scheme, a relevant decision ('the original decision) may be revised or further revised by the authority, which made the decision where the person affected makes an application for a revision within;

(i) one calendar month of the date of notification of the original decision; or

(ii) such extended time as the authority may allow.

86.2 The authority may revise or further revise that original decision at any time. Where further information is required from the person affected, the authority shall request such information and evidence as it feels is reasonable. Such information must be supplied within;

i) one calendar month of the date of notification of the additional information; or

(ii) such extended time as the authority may allow

87.0 Terminations

87.1 The authority may terminate support in whole or in part the Council Tax Reduction where it appears to the authority that an issue arises whether;

(a) the conditions for entitlement to Council Tax Reduction are or were fulfilled; or

(b) a decision as to an award of such a support should be revised or superseded.

87.2 The authority may terminate, in whole or in part the Council Tax Reduction where it appears to the authority that an issue arises whether;

(a) the conditions for entitlement to Council Tax Reduction are or were fulfilled; or

(b) a decision as to an award of such a support should be revised or superseded.

Where the person fails to provide information to the authority as requested in relation to any matter relating to their liability for Council Tax

Section 88
Appeals against the authority's decisions

88.0 Procedure by which a person may make an appeal against certain decisions of the authority[17]

88.1 A person who is aggrieved by a decision of the authority, which affects;
(a) the person's entitlement to a reduction under its scheme, or
(b) the amount of any reduction to which that person is entitled,
may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.

88.2 The authority must
(a) consider the matter to which the notice relates;
(b) notify the aggrieved person in writing;
(i) that the grievance is not well founded, giving reasons for that belief; or
(ii) that steps have been taken to deal with the grievance, stating the steps taken.

88.3 Where, following notification under sub-paragraph (2)(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with sub-paragraph (2)(b) within two months of the service of his notice, he may appeal to the valuation tribunal under section 16 of the 1992 Act[18].

[17] Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012
[18] As amended by the Tribunal Procedure (Amendment No 3) Rules 2014, The First-tier Tribunal and Upper Tribunal (Chambers) (Amendment) Order 2015 and The Tribunal Procedure (Amendment) Rules 2015

Section 89
Procedure for applying for a discretionary reduction

89.0 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act[19] and Discretionary Relief Scheme.

89.1 Where an application to the authority is made under the Discretionary Relief Scheme, it shall be determined in accordance with the policy of the authority for that year and may be made;

(a) in writing,

(b) by means of an electronic communication in accordance this scheme or

(c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

89.2 Where;

(a) the authority has made a determination under section 13A(1)(c) in relation to a class of case in which liability is to be reduced; and

(b) a person in that class would otherwise be entitled to a reduction under its scheme, that person's application for a reduction under the authority's scheme may also be treated as an application for a reduction under section 13A(1)(c).

89.3 An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made;

(a) in writing,

(b) by means of an electronic communication in accordance with this scheme or

(c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

89.4 Where the authority has determined any additional entitlement under the Discretionary Relief Scheme it shall be treated as an amount under section 13A(1)(a) of the 1992 Act.

[19] Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

Section 90 – 98[20]
Electronic Communication

[20] Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012

90.0 Interpretation

90.1 In this Part;
"information" includes an application, a certificate, notice or other evidence; and
"official computer system" means a computer system maintained by or on behalf of an authority for sending, receiving, processing or storing of any information.

91.0 Conditions for the use of electronic communication

91.1 The authority may use an electronic communication in connection with applications for, and awards of, reductions under its scheme including any or all information received via DWP or HMRC.

91.2 A person other than the authority may use an electronic communication in connection with the matters referred to in paragraph (1) if the conditions specified in paragraphs (3) to (6) are satisfied.

91.3 The first condition is that the person is for the time being permitted to use an electronic communication by an authorisation given by means of a direction of the Chief Executive of the authority.

91.4 The second condition is that the person uses an approved method of;
(a) authenticating the identity of the sender of the communication;
(b) electronic communication;
(c) authenticating any application or notice delivered by means of an electronic communication; and
(d) subject to sub-paragraph (7), submitting to the authority any information.

91.5 The third condition is that any information sent by means of an electronic communication is in a form approved for the purposes.

91.6 The fourth condition is that the person maintains such records in written or electronic form as may be specified in a direction given by the Chief Executive of the authority.

91.7 Where the person uses any method other than the method approved of submitting any information, that information is to be treated as not having been submitted.

92.0 Approval

92.1 In this paragraph "approved" means approved by means of a direction given by the Chief Executive of the authority for the purposes of this section.

93.0 Use of intermediaries

93.1 The authority may use intermediaries in connection with;
(a) the delivery of any information by means of an electronic communication; and
(b) the authentication or security of anything transmitted by such means,
and may require other persons to use intermediaries in connection with those matters.

94.0 Effect of delivering information by means of electronic communication

94.1 Any information which is delivered by means of an electronic communication is to be treated as having been delivered in the manner or form required by any provision of an authority's scheme on the day the conditions imposed;
(a) by this section; and
(b) by or under an enactment,
are satisfied.

94.2 The authority may determine that any information is to be treated as delivered on a different day (whether earlier or later) from the day provided for in sub-paragraph (1).

94.3 Information may not be taken to have been delivered to an official computer system by means of an electronic communication unless it is accepted by the system to which it is delivered.

95.0 Proof of identity of sender or recipient of information

95.1 If it is necessary to prove, for the purpose of any legal proceedings, the identity of—
(a) the sender of any information delivered by means of an electronic communication to an official computer system; or
(b) the recipient of any such information delivered by means of an electronic communication from an official computer system,
the sender or recipient, as the case may be, is to be presumed to be the person whose name is recorded as such on that official computer system.

96.0 Proof of delivery of information

96.1 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any information this is presumed to have been the case where;
(a) any such information has been delivered to the relevant authority, if the delivery of that information has been recorded on an official computer system; or
(b) any such information has been delivered by the relevant authority, if the delivery of that information has been recorded on an official computer system.

96.2 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any such information, this is presumed not to be the case, if that information delivered to the relevant authority has not been recorded on an official computer system.

96.3 If it is necessary to prove, for the purpose of any legal proceedings, when any such information sent by means of an electronic communication has been received, the time and date of receipt is presumed to be that recorded on an official computer system.

97.0 Proof of content of information

97.1 If it is necessary to prove, for the purpose of any legal proceedings, the content of any information sent by means of an electronic communication, the content is presumed to be that recorded on an official computer system.

98.0 Data Protection and consent

98.1 Any application for reduction and associated evidence shall be subject to existing Data Protection rules and requirements.

Section 99
Counter Fraud and Compliance

99.0 Counter Fraud and compliance

99.1 In order to protect the finances of the authority and also in the interests of all council taxpayers, the authority will undertake such actions as allowed by law to;

(a) Prevent and detect fraudulent claims and actions in respect of Council Tax Reduction;
(b) Carry out investigations fairly, professionally and in accordance with the law; and
(c) Ensure that sanctions are applied in appropriate cases

99.2 The authority believes that it is important to minimise the opportunity for fraud and;

(a) will implement rigorous procedures for the verification of claims for Council Tax Reduction;
(b) will employ sufficient Officers to fulfil the authority's commitment to combat fraud;
(c) will actively tackle fraud where it occurs in accordance with this scheme;
(d) will co-operate with the Department for Work and Pensions (DWP), His Majesty's Revenues and Customs and take part in joint working including prosecutions; and
(e) will in all cases seek to recover all outstanding council tax.

99.3 The authority shall put into place such administrative policies, procedures and processes as are necessary to ensure that the actions outlined within paragraph 97.1 and 97.2 can be carried out successfully. In particular the authority shall undertake actions provided by the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

Schedule 1
Calculation of the amount of Council Tax Reduction in accordance with the Discount Scheme

1 The authority's Council Tax Reduction scheme from 2025/26 shall be calculated on the basis of the following Banded Discount Scheme:

Discount Levels

Band		1	2	3	4	5
		80%	**65%**	**50%**	**35%**	**20%**
	Weekly Income levels					
Single	lower	0.00	122.11	183.16	244.21	305.26
	upper	122.10	183.15	244.20	305.25	366.30
Couple	lower	0.00	162.11	223.16	284.21	345.26
	upper	162.10	223.15	284.20	345.25	406.30
Lone Parent with 1 Child	lower	0.00	177.11	238.16	299.21	360.26
	upper	177.10	238.15	299.20	360.25	421.30
Couple with 1 Child	lower	0.00	217.11	278.16	339.21	400.26
	upper	217.10	278.15	339.20	400.25	461.30
Lone Parent with 2 or more Children	lower	0.00	232.11	293.16	354.21	415.26
	upper	232.10	293.15	354.20	415.25	476.30
Couple with 2 or more Children	lower	0.00	272.11	333.16	394.21	455.26
	upper	272.10	333.15	394.20	455.25	516.30

2 The amount of discount to be granted is to be based on the following factors:
   a. The maximum Council Tax Reduction as defined within this scheme;
   b. The Council Tax family as defined within this scheme
   c. The income of the applicant as defined within this scheme;
   d. The capital of the applicant as defined within this scheme.

3 For the sake of clarity all incomes shown within the table above are weekly in accordance with the scheme requirements and definitions.

4 Discount bands vary depending on both weekly income and the household (family as defined within this scheme). For the sake of clarity, it should be noted that in any application for reduction is limited to a maximum of two dependant children or young persons.

5 Any applicant whose capital is greater than £16,000 shall not be entitled to any Council Tax Reductions whatsoever.

6 The authority **may** increase the level of incomes within the grid specified in paragraph 1 on an annual basis by the appropriate level of inflation measured by the Consumer Price Index (CPI) at September preceding the effective financial year **or** by a percentage representing the increase in personal allowance within the applicable amounts for Housing Benefit for the relevant financial year, **whichever is the lowest**. Where the levels of income are amended,

they shall be rounded up to the nearest whole pound (£).

7 Where an applicant or partner is in receipt of a 'passporting benefit' namely Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance, discount will be awarded at Band 1 level.

Schedule 2
Sums to be disregarded in the calculation of earnings

1. There shall be £25 per week disregarded from an applicant's net earnings as follows:

2. Only one disregard shall be applied to each claim.

Schedule 3
Sums to be disregarded in the calculation of income other than earnings

1. Any amount paid by way of tax on income, which is to be taken into account under section 28 (calculation of income other than earnings).

2. Any payment made to the applicant and in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.

3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme, but only for 52 weeks beginning with the date of receipt of the payment.

4. Any payment in respect of any expenses incurred or to be incurred by an applicant who is–

(a) engaged by a charitable or voluntary organisation, or

(b) volunteer,

if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under section 30.0 (notional income).

5. Any payment in respect of expenses arising out of the applicant's participation in a service user group or where the applicant is participating as a service user.

6. In the case of employment as an employed earner, any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment.

7. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance the whole of his income.

8. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act and his partner is on an income-based jobseeker's allowance, the whole of the applicant's income.

9. Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999 as in force at that date, the whole of his income.

10. Any disability living allowance, personal independence payment or AFIP.

11. Carers Allowance

12. Any Windrush compensation payment

13. Any concessionary payment made to compensate for the non-payment of;

(a) any payment specified in paragraph 7 or 10;

(b) income support;

(c) an income-based jobseeker's allowance.

(d) an income-related employment and support allowance.

14. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983or any payment intended to compensate for the non-payment of such a supplement.

15. Any attendance allowance.

16. Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any

analogous payment.

17. (1) Any payment–

(a) by way of an education maintenance allowance made pursuant to;
(i) regulations made under section 518 of the Education Act 1996 (payment of school expenses; grant of scholarships etc);
(ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational facilities);
(iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992

(b) corresponding to such an education maintenance allowance, made pursuant to;
(i) section14 or section181 of the Education Act 2002(power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
(ii) regulations made under section 181 of that Act; or

(iii) in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.

(2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
(a) regulations made under section 518 of the Education Act 1996;
(b) regulations made under section 49 of the Education (Scotland) Act 1980; or
(c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992,
in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).

18. Any payment made to the applicant by way of a repayment under regulation 11(2) of the Education (Teacher Student Loans) (Repayment etc.) Regulations 2002.

19 (1) Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 except a payment;
(a) made as a substitute for income support, a jobseeker's allowance, incapacity benefit, severe disablement allowance or an employment and support allowance;
(b) of an allowance referred to in section 2(3) of the 1973 Act or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or
(c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst an applicant is participating in an education, training or other scheme to help him enhance his employment prospects unless the payment is a Career Development Loan paid pursuant to section 2 of the 1973 Act and the period of education or training or the scheme, which is supported by that loan, has been completed.
(2) The items specified in this sub-paragraph for the purposes of sub-paragraph (1)(c) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.

20 (1) Subject to sub-paragraph (2), any of the following payments;
(a) a charitable payment;
(b) a voluntary payment;
(c) a payment (not falling within sub-paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
(d) a payment under an annuity purchased;
(i) pursuant to any agreement or court order to make payments to the

applicant; or

(ii) from funds derived from a payment made,

in consequence of any personal injury to the applicant; or

(e) a payment (not falling within sub-paragraphs (a) to (d) received by virtue of any agreement or court order to make payments to the applicant in consequence of any personal injury to the applicant.

(2) Sub-paragraph (1) shall not apply to a payment, which is made or due to be made by–

(a) a former partner of the applicant, or a former partner of any member of the applicant's family; or

(b) the parent of a child or young person where that child or young person is a member of the applicant's family.

21. 100% of any of the following, namely

(a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 9 or 10);

(b) a war widow's pension or war widower's pension;

(c) a pension payable to a person as a widow, widower or surviving civil partner under any power of His Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;

(d) a guaranteed income payment;

(e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;

(f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;

(g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

22. Subject to paragraph 35, £15 of any;

(a) widowed mother's allowance paid pursuant to section 37 of the Act;

(b) widowed parent's allowance paid pursuant to section 39A of the Act.

23. (1) Any income derived from capital to which the applicant is or is treated under section 39 (capital jointly held) as beneficially entitled but, subject to sub- paragraph (2), not income derived from capital disregarded under Schedule 4.

(2) Income derived from capital disregarded under Schedule 4 but only to the extent of–

(a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or

(b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.

(3) The definition of 'water charges' in paragraph 2(1) shall apply to sub-paragraph (2) of this paragraph with the omission of the words 'in so far as such charges are in respect of the dwelling which a person occupies as his home'.

24. Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating–

(a) under, or pursuant to regulations made under powers conferred by, sections 1 or 2 of the Education Act 1962 or section 22 of the Teaching and Higher Education Act 1998, that student's award;

(b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or

(c) the student's student loan,

an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.

25. (1) Where the applicant is the parent of a student aged under 25 in advanced education who either;

(a) is not in receipt of any award, grant or student loan in respect of that education; or

(b) is in receipt of an award under section 2 of the Education Act 1962 (discretionary awards) or an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,

and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution, an amount specified in sub-paragraph (2) in respect of each week during the student's term.

(2) For the purposes of sub-paragraph (1), the amount shall be equal to–

(a) the weekly amount of the payments; or

(b) the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),

whichever is less.

26. Any payment made to the applicant by a child or young person or a non- dependant.

27. Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family–

(a) where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or

(b) where the aggregate of any such payments is £20 or more per week, £20.

28. (1) Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for which such accommodation is provided for the whole or any part of a week, equal to–

(a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20.00, 100 per cent. of such payments;

(b) where the aggregate of any such payments exceeds £20.00, £20.00 and 50 per cent. of the excess over £20.00.

(2) In this paragraph, 'board and lodging accommodation' means accommodation provided to a person or, if he is a member of a family, to him or any other member of his family, for a charge which is inclusive of the provision of that accommodation and at least some cooked or prepared meals which both are cooked or prepared (by a person other than the person to whom the accommodation is provided or a member of his family) and are consumed in that accommodation or associated premises.

29. (1) Any income in kind, except where regulation 30(11)(b) (provision of support under section 95 or 98 of the Immigration and Asylum Act in the calculation of income other than earnings) applies.

(2) The reference in sub-paragraph (1) to 'income in kind' does not include a payment to a third party made in respect of the applicant which is used by the third party to provide benefits in kind to the applicant.

30. Any income which is payable in a country outside the United Kingdom for such period during

which there is a prohibition against the transfer to the United Kingdom of that income.

31. (1) Any payment made to the applicant in respect of a person who is a member of his family–

(a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002 or in accordance or with a scheme approved by the Scottish Ministers under section 51A of the Adoption (Scotland) Act 1978(**b**) (schemes for payments of allowances to adopters); or in accordance with an Adoption Allowance Scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (Adoption Allowances Schemes)
which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child's maintenance where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);

(b) which is a payment made by an authority, as defined in Article 2 of the Children Order, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child's maintenance);

(c) in accordance with regulations made pursuant to section 14F of the Children Act 1989(**c**) (special guardianship support services);

(2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

32. Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made

(a) by a local authority under–

(i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),

(ii) section 26 of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or

(iii) regulations 33 or 51 of the Looked After Children (Scotland)Regulations 2009 (fostering and kinship care allowances and fostering allowances); or

(b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).

33. Any payment made to the applicant or his partner for a person ('the person concerned'), who is not normally a member of the applicant's household but is temporarily in his care, by–

(a) a health authority;

(b) a local authority but excluding payments of housing benefit made in respect of the person concerned;

(c) a voluntary organisation;

(d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;

(e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or

(f) a Local Health Board established under section 16BA of the National Health Service Act 1977 or established by an order made under section 11 of the National Health Service (Wales) Act 2006

34. Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968or section 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).

35. (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989(**e**) or section 29 of the Children (Scotland) Act 1995(local authorities' duty to promote welfare of children and powers to grant

financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the applicant.

(2) Sub-paragraph (1) applies only where A;

(a) was formerly in the applicant's care, and

(b)is aged 18 or over, and

(c)continues to live with the applicant.

36. (1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments;

(a) on a loan which is secured on the dwelling which the applicant occupies as his home; or

(b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974 or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964.

(2) A payment referred to in sub-paragraph (1) shall only be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to–

(a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (b); and

(b) meet any amount due by way of premiums on–

(i) that policy; or

(ii) in a case to which sub-paragraph(1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the applicant as his home and which is required as a condition of the loan referred to in sub-paragraph (1)(a).

37. Any payment of income which, by virtue of section 34 (income treated as capital) is to be treated as capital.

38. Any social fund payment made pursuant to Part 8 of the Act (the Social Fund) or any local welfare fund provision

39. Where a payment of income is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.

40. The total of an applicant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 15.2 (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 45.2(b) and paragraph 46.1(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 49(2) (treatment of student loans), paragraph 49(3) (treatment of payments from access funds) and paragraphs 17 shall in no case exceed £20 per week.

41. (1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).

(2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of–

(a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;

(b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or

(c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of;

(a) the person who is suffering from haemophilia or who is a qualifying person;

(b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or

(c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

(a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and

(b) the payment is made either;

(i) to that person's parent or step-parent, or

(ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,

but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

(a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who was or had been a member of his family; and

(b) the payment is made either

(i) to that person's parent or step-parent, or

(ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any income which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation and the London Bombings Relief Charitable Fund.

42. Any housing benefit or council tax benefit.

43. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

44. Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.

45. Any payment in consequence of a reduction of council tax under section 13 or section 80 of the

1992 Act (reduction of liability for council tax).

46. (1) Any payment or repayment made–

(a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);

(b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);

(c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).

(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment or repayment, mentioned in sub-paragraph (1).

47. Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).

48. Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.

49. (1)Where**, but for the implementation of this scheme,** an applicant's applicable amount includes an amount by way of a family premium, £15 of any payment of maintenance, other than child maintenance, whether under a court order or not, which is made or due to be made by the applicant's former partner, or the applicant's partner's former partner.

(2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments such be aggregated and treated as if they were a single payment.

(3) A payment made by the Secretary of State in lieu of maintenance shall, for the purpose of sub-paragraph (1), be treated as a payment of maintenance made by a person specified in sub-paragraph (1).

50. (1) Any payment of child maintenance made or derived from a liable relative where the child or young person in respect of whom the payment is made is a member of the applicant's family, except where the person making the payment is the applicant or the applicant's partner.

(2) In paragraph (1)

'child maintenance' means any payment towards the maintenance of a child or young person, including any payment made voluntarily and payments made under;

(a) the Child Support Act 1991;

(b) the Child Support (Northern Ireland) Order 1991;

(c) a court order;

(d) a consent order;

(e) a maintenance agreement registered for execution in the Books of Council and Session or the sheriff court books;

'liable relative' means a person listed in regulation 54 (interpretation) of the Income Support (General) Regulations 1987, other than a person falling within sub-paragraph (d) of that definition.

51. Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.

52. Any guardian's allowance.

53. (1) If the applicant is in receipt of any benefit under Parts 2, 3 or 5 of the Act, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of the Act, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.

(2) If the applicant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006, any increase in the rate of that pension or allowance under that Order, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.

54. Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.

55. In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983(**a**) (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

56 (1) Any payment which is

(a) made under any of the Dispensing Instruments to a widow, widower or

(b)surviving civil partner of a person;

(i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and

(ii) whose service in such capacity terminated before 31st March 1973; and equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.

(2) In this paragraph 'the Dispensing Instruments' means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).

57. Any Council Tax Reduction or council tax benefit to which the applicant is entitled.

58. Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).

59. (1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person–

(a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;

(b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity,

in respect of which such assistance is or was received.

(2) Sub-paragraph (1) shall apply only in respect of payments, which are paid to that person from the special account

60. (1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).

(2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.

(3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.

61. Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.

62. In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.

63. Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001 as amended by the Welfare Reform Act 2012 (Consequential Amendments) Regulations 2013.

64. (1) Any payment made by a local authority or by the Welsh Ministers to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.
(2) For the purposes of sub-paragraph (1) 'local authority' includes, in England, a county council.

65. Any bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017

66. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)

67. Any payments made by the London Emergencies Trust" means the company of that name (number 09928465) incorporated on 23rd December 2015 and the registered charity of that name (number 1172307) established on 28th March 2017 or the We Love Manchester Emergency Fund" means the registered charity of that name (number 1173260) established on 30th May 2017

68. Any payment of child benefit.

69. Any payments disregarded for Housing Benefits under the Social Security *(Emergency Funds)* Amendment) *Regulations 2017*

70. where the applicant (or any partner or dependant) is in receipt of carer's allowance, personal independence payment, or disability living allowance, an amount of £40 per week

71. Any amount of Carer's Allowance.

72. Any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:
(a)an applicant's entitlement to a reduction under the scheme; or
(b)the amount of any reduction to which the applicant is entitled.
"The Energy Rebate Scheme 2022" means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022

73. **Provision for all applicants: Homes for Ukraine scheme**

(1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—

(a) an applicant's entitlement to a reduction under the scheme; or
(b) the amount of any reduction to which the applicant is entitled.

(2) In this regulation—
"the Homes for Ukraine scheme" means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022

Schedule 4
Capital to be disregarded

1. The dwelling together with any garage, garden and outbuildings, normally occupied by the applicant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of polygamous marriage), only one dwelling shall be disregarded under this paragraph.

2. Any premises acquired for occupation by the applicant, which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.

3. Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the applicant as his home which is to be used for the purchase of other premises intended for such occupation within 26 weeks of the date of sale or such longer period as is reasonable in the circumstances to enable the applicant to complete the purchase.

4. Any premises occupied in whole or in part–

(a) by a partner or relative of a single applicant or any member of the family as his home where that person has attained the qualifying age for state pension credit or is incapacitated;

(b) by the former partner of the applicant as his home; but this provision shall not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.

5. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his capital.

6. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and his partner is on income-based jobseeker's allowance, the whole of the applicant's capital.

7. Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub- leases or sub-tenancies.

8. (1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

(2) The assets of any business owned in whole or in part by the applicant where–

(a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but

(b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business;

for a period of 26 weeks from the date on which the claim for Council Tax Reduction is made, or is treated as made, or, if it is unreasonable to expect him to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

(3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.

(4) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

9. (1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of;

(a) any payment specified in Schedule 4;
(b) an income-related benefit under Part 7 of the Act;
(c) an income-based jobseeker's allowance;
(d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
(e) working tax credit and child tax credit
(f) an income-related employment and support allowance

but only for a period of 52 weeks from the date of the receipt of arrears or of the concessionary payment.

(2) In a case where the total of any arrears and, if appropriate, any concessionary payment referred to in sub-paragraph (1) relating to one of the specified payments, benefits or allowances amounts to £5,000 or more (referred to in this sub-paragraph and in sub-paragraph (3) as 'the relevant sum') and is

(a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Decisions and Appeals Regulations; and
(b) received by the applicant in full on or after 14th October 2001,

sub-paragraph (1) shall have effect in relation to such arrears or concessionary payment either for a period of 52 weeks from the date of receipt, or, if the relevant sum is received in its entirety during the award of Council Tax Reduction, for the remainder of that award if that is a longer period.

(3) For the purposes of sub-paragraphv (2),'the award of Council Tax Reduction' means–

(a) the award in which the relevant sum is first received (or the first part thereof where it is paid in more than one instalment); and
(b) where that award is followed by one or more further awards which, or each of which, begins immediately after the end of the previous award, such further award provided that for that further award the applicant;
(i) is the person who received the relevant sum; or
(ii) is the partner of the person who received the relevant sum or was that person's partner at the date of his death.

10. Any sum

(a) paid to the applicant in consequence of damage to, or loss of the home or any personal possession and intended for its repair or replacement; or
(b) acquired by the applicant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvement to the home, which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to effect the repairs, replacement or improvement.

11. Any sum–

(a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 or section 338(1) of the Housing (Scotland) Act 1987 as a condition of occupying the home;
(b) which was so deposited and which is to be used for the purchase of another home,

for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the applicant to complete the purchase.

12. Any personal possessions except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to Council Tax Reduction or to increase the amount of that support.

13. The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.

14. Where the funds of a trust are derived from a payment made in consequence of any personal injury to the applicant or applicant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.

14A. (1) Any payment made to the applicant or the applicant's partner in consequence of any personal injury to the applicant or, as the case may be, the applicant's partner.

(2) But sub-paragraph (1)

(a) applies only for the period of 52 weeks beginning with the day on which the applicant first receives any payment in consequence of that personal injury;

(b) does not apply to any subsequent payment made to him in consequence of that injury (whether it is made by the same person or another);

(c) ceases to apply to the payment or any part of the payment from the day on which the applicant no longer possesses it;

(d) does not apply to any payment from a trust where the funds of the trust are derived from a payment made in consequence of any personal injury to the applicant.

(3) For the purposes of sub-paragraph (2)(c), the circumstances in which an applicant no longer possesses a payment or a part of it include where the applicant has used a payment or part of it to purchase an asset.

(4) References in sub-paragraphs (2) and (3) to the applicant are to be construed as including references to his partner (where applicable).

15. The value of the right to receive any income under a life interest or from a life rent.

16. The value of the right to receive any income, which is disregarded under Schedule 4.

17. The surrender value of any policy of life insurance.

18. Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.

19. Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).

19A. (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the applicant.

(2) Sub-paragraph (1) applies only where A;

(a) was formerly in the applicant's care, and

(b) is aged 18 or over, and

(c) continues to live with the applicant.

20. Any social fund payment made pursuant to Part 8 of the Act.

21. Any refund of tax which falls to be deducted under section 369 of the Income and Corporation Taxes Act 1988 (deduction of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.

22. Any capital which, by virtue of sections 34 or 49 (capital treated as income, treatment of student loans) is to be treated as income.

23. Where any payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.

24. (1) Any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the Charitable Fund.

(2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of–

(a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;

(b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or

(c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of–

(a) the person who is suffering from haemophilia or who is a qualifying person;

(b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or

(c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where–

(a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and

(b) the payment is made either;

(i) to that person's parent or step-parent; or

(ii) where that person at the date of the payment is a child ,a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,

but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or any of the Trusts to which sub-paragraph (1) refers, where

(a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he had formed a civil partnership that had not been dissolved, nor any child or young person who was

or had been a member of his family; and

(b) the payment is made either;

(i) to that person's parent or step-parent; or

(ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited the Skipton Fund , the Caxton Foundation, and the London Bombings Relief Charitable Fund.

25. (1) Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from, or dissolution of his civil partnership with, his former partner, that dwelling for a period of 26 weeks from the date on which he ceased to occupy that dwelling or, where the dwelling is occupied as the home by the former partner who is a lone parent, for so long as it is so occupied.

(2) In this paragraph 'dwelling' includes any garage, garden and outbuildings, which were formerly occupied by the applicant as his home and any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated.

26. Any premises where the applicant is taking reasonable steps to dispose of those premises, for a period of 26 weeks from the date on which he first took such steps, or such longer period as is reasonable in the circumstances to enable him to dispose of those premises.

27. Any premises which the applicant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a view to obtaining possession, for a period of 26 weeks from the date on which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.

28. Any premises which the applicant intends to occupy as his home to which essential repairs or alterations are required in order to render them fit for such occupation, for a period of 26 weeks from the date on which the applicant first takes steps to effect those repairs or alterations, or such longer period as is necessary to enable those repairs or alterations to be carried out.

29. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

30. Any Windrush Compensation Payment

31. The value of the right to receive an occupational or personal pension.

32. The value of any funds held under a personal pension scheme

33. The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.

34. Any payment in kind made by a charity or under or by the Trusts, the Fund, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).

35. Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990, but only for the period of 52 weeks beginning on the date of receipt of the payment.

36. Any payment made to the applicant in respect of any travel or other expenses incurred or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme but only for 52 weeks beginning with the date of receipt of the payment but only for 52 weeks beginning with the date of receipt of payment.

37. Any payment in consequence of a reduction of council tax under section 13 or, as the case may be, section 80 of the Local Government Finance Act 1992 (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.

38. Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988 or section 66 of the Housing (Scotland) Act 1988 (schemes for payments to assist local housing authority and local authority tenants to obtain other accommodation) which is to be used–

(a) to purchase premises intended for occupation as his home; or

(b) to carry out repairs or alterations which are required to render premises fit for occupation as his home,

for a period of 26 weeks from the date on which he received such a grant or such longer period as is reasonable in the circumstances to enable the purchase, repairs or alterations to be completed and the applicant to commence occupation of those premises as his home.

39. Any arrears of supplementary pension which is disregarded under Schedule 3 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 54 or 55 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.

40. (1) Any payment or repayment made–

(a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);

(b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);

(c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies),

but only for a period of 52 weeks from the date of receipt of the payment or repayment.

(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment, or repayment mentioned in sub-paragraph (1), but only for a period of 52 weeks from the date of the receipt of the payment or repayment.

41. Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins), but only for a period of 52 weeks from the date of receipt of the payment.

42. Any payment made under Part 8A of the Act (entitlement to health in pregnancy grant).

43. Any payment made either by the Secretary of State for Justice or by Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of the receipt of the payment.

44. Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.

45. Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958 to homeworkers assisted under the Blind Homeworkers' Scheme.

46. (1) Subject to sub-paragraph (2), where an applicant satisfies the conditions in section 131(3) and (6) of the Act (entitlement to alternative maximum Council Tax Reduction), the whole of his capital.
(2) Where in addition to satisfying the conditions in section 131(3) and (6) of the Act the applicant also satisfies the conditions in section 131(4) and (5) of the Act (entitlement to the maximum Council Tax Reduction), sub-paragraph (1) shall not have effect.

47. (1) Any sum of capital to which sub-paragraph (2) applies and
(a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 (as amended by the Civil Procedure (Amendment No. 7) Rule 2013) or by the Court of Protection;
(b) which can only be disposed of by order or direction of any such court; or
(c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.
(2) This sub-paragraph applies to a sum of capital which is derived from;
(a) an award of damages for a personal injury to that person; or
(b) compensation for the death of one or both parents where the person concerned is under the age of 18.

48. Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from
(a) award of damages for a personal injury to that person; or
(b) compensation for the death of one or both parents where the person concerned is under the age of 18.

49. Any payment to the applicant as holder of the Victoria Cross or George Cross.

50. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme but only for 52 weeks beginning with the date of receipt of the payment.

51. In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on which that sum was acquired.

52. (1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).

(2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.

(3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.

53. (1) Any payment;

(a) by way of an education maintenance allowance made pursuant to–

(i) regulations made under section 518 of the Education Act 1996;

(ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980;

(iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;

(b) corresponding to such an education maintenance allowance, made pursuant to;

(i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or

(ii) regulations made under section 181 of that Act ;

or in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.

(2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;

(a) regulations made under section 518 of the Education Act 1996;

(b) regulations made under section 49 of the Education (Scotland) Act 1980; or

(c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992,

in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).

54. In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise, but only for the period of 52 weeks from the date of receipt of the payment.

55. Any arrears of subsistence allowance paid as a lump sum but only for the period of 52 weeks from the date of receipt of the payment.

56. Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or interment of–

(a) the applicant;

(b) the applicant's partner;

(c) the applicant's deceased spouse or deceased civil partner; or

(d) the applicant's partner's deceased spouse or deceased civil partner,

by the Japanese during the Second World War, £10,000.

57. (1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or a member of an applicant's family who is

(a) a diagnosed person;

(b) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;

(c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or

(d) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death.

(2) Where a trust payment is made to;

(a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;

(b) a person referred to in sub-paragraph (1)(c), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and

ending two years after that date;

(c) a person referred to in sub-paragraph (1)(d), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending–

(i) two years after that date; or

(ii) on the day before the day on which that person–

(aa) ceases receiving full-time education; or

(bb) attains the age of 20,

whichever is the latest.

(3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or a member of an applicant's family who is–

(a) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;

(b) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or

(c) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death,

but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.

(4) Where a payment as referred to in sub-paragraph (3) is made to–

(a) a person referred to in sub-paragraph (3)(a), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending on the date on which that person dies;

(b) a person referred to in sub-paragraph (3)(b), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending two years after that date; or

(c) person referred to in sub-paragraph (3)(c), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending–

(i) two years after that date; or

(ii) on the day before the day on which that person

(aa) ceases receiving full-time education; or

(bb) attains the age of 20,

whichever is the latest.

(5) In this paragraph, a reference to a person–

(a) being the diagnosed person's partner;

(b) being a member of a diagnosed person's family;

(c) acting in place of the diagnosed person's parents,

at the date of the diagnosed person's death shall include a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.

(6) In this paragraph– 'diagnosed person' means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeld- Jakob disease;

'relevant trust' means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;

'trust payment' means a payment under a relevant trust.

58. The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant's partner, the applicant's deceased spouse or deceased civil partner or the applicant's partner's deceased spouse or deceased civil partner

(a) was a slave labourer or a forced labourer;
(b) had suffered property loss or had suffered personal injury; or
(c) was a parent of a child who had died,

during the Second World War.

58 (1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service, which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.

(2) For the purposes of sub-paragraph (1) 'local authority' includes in England a county council.

59. Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or under section 12B of the Social Work (Scotland) Act 1968, or under section 12A to 12D of the National Health Service Act 2006 (direct payments for health care)**.**

60. Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

61. Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).

62. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)

63. Any payments made by the London Emergencies Trust" means the company of that name (number 09928465) incorporated on 23rd December 2015 and the registered charity of that name (number 1172307) established on 28th March 2017 or the We Love Manchester Emergency Fund" means the registered charity of that name (number 1173260) established on 30th May 2017

64. Any bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017.

65. Any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:
(a)an applicant's entitlement to a reduction under the scheme; or
(b)the amount of any reduction to which the applicant is entitled.
"The Energy Rebate Scheme 2022" means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022

66. Provision for all applicants: Homes for Ukraine scheme

(1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—
(c) an applicant's entitlement to a reduction under the scheme; or
(d) the amount of any reduction to which the applicant is entitled.

(2) In this regulation—
"the Homes for Ukraine scheme" means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022

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REVENUE ESTIMATES 2025/26

Item OS 25/5 referred from Overview and Scrutiny Committee of 23 January 2025

The report of the Director of Finance and Transformation and the Cabinet Member for Finance and Housing referred to the responsibility of the Cabinet under the Constitution for formulating initial draft proposals in respect of the Budget and explained that, under the Budget and Policy Framework, one of the responsibilities for the Overview and Scrutiny Committee was to scrutinise the draft Estimates and, where appropriate, make recommendations to Cabinet.

In preparing the Estimates, due regard had been given to the Corporate Strategy and particular consideration given to the need to address a number of key issues including the provision of cost-effective temporary accommodation, the regeneration of Tonbridge, climate change initiatives, transformation to improve efficiency and effectiveness and delivery of the Local Plan.

Other financial considerations included a Settlement Funding Assessment (SFA) for one year only as a result of the recent announcement of a wider Local Government Finance Review due to start in Spring 2025, no further legacy payments for the New Homes Bonus Scheme, under-indexing of the Business Rates Multiplier and an additional grant (Funding Floor) to balance the core spending needs of the Borough Council. Total grant funding for 2025/26 was £5,530,915 which represented a decrease of 8.5% when compared to that received in 2024/25. However, the announcement of a new 'polluter pays' grant meant that the budget position for 2025/26 was positive and options in respect of contributions to the reserves would be presented to Cabinet when finalising the budget.

Attention was also drawn to the ability for district councils to increase council tax up to 3%, or £5 whichever was greater. However, the future financial position remained uncertain and difficult to determine due to the current economic conditions and the lack of detail in respect of future funding arrangements. It was also anticipated that the Local Government Finance Review would focus on local deprivation factors, as well as need and resources, and Tonbridge and Malling Borough Council were not expected to fair well under this review.

In addition, the recent announcement in respect of 'devolution' and local government reorganisation could bring significant changes in due course. At this point given the relatively uncertainty, financial planning continued in the normal way. The risk would be added to the Strategic Risk Register.

Careful consideration was given to the Revised Estimates for 2023/24 and the draft Estimates for 2025/26 (attached at Annex 1) within the context of the Medium-Term Financial Strategy (MTFS) and the Council's priorities. Variations were detailed in Annex 1 and at 9.2 and 10.2 of the report. Members sought clarification and reassurance on a number of areas including the waste contract, the future of recycling credits from Kent County Council, the provision of leisure facilities and the future of the Anti-Social Behaviour (ASB) Enforcement Team. In response, the Committee noted that the level of service in respect of the waste contract was high, the Borough Council would continue to receive recycling incentives until the end of the current agreement with Kent County Council, the Leisure Trust provided a good service at value for money and a funding model for the continuation of the ASB Enforcement Team was being explored.

Finally, to support scrutiny of the Revenue Estimates information had been provided as to whether a service was mandatory or discretionary (attached at Annex 2) and this was welcomed by Members.

In closing, the Committee recorded appreciation to the Accountancy Team for their significant contribution in preparing the estimates for consideration.

***RECOMMENDED**: That the Revenue Estimates as drafted (attached at Annex 1) be endorsed for consideration by Cabinet at its special meeting on 11 February 2025.

***Recommended to Cabinet**

Overview and Scrutiny Committee

23 January 2025

Part 1 - Public

Recommendation to Cabinet

Cabinet Member	Kim Tanner – Cabinet Member for Finance and Housing
Responsible Officer	Sharon Shelton – Director of Finance and Transformation
Report Author	Paul Worden – Chief Financial Services Officer

Revenue Estimates 2025/26

1 Summary and Purpose of Report

1.1 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 2025/26 within the context of the Medium Term Financial Strategy and the Council's priorities.

2 Corporate Strategy Priority Area

2.1 Efficient services for all our residents, maintaining an effective council.

2.2 The preparation of the annual budget, which feeds into the Council's Medium Term Financial Strategy, allows for the annual review of expected spending and income.

3 Recommendations

3.1 Consider the draft Revenue Estimates attached at **[Annex 1]** and make such recommendations, as it considers appropriate, to Cabinet for its special budget meeting on 11 February.

4 Introduction and Background

4.1 The Cabinet is responsible for formulating initial draft proposals in respect of the Budget for 2025/26.

4.2 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.

4.3 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.

4.4 This report is, therefore, intended as the basis for recommendations from this Committee to the Cabinet.

4.5 A special meeting of the Cabinet is scheduled for 11 February to consider the recommendations of this Committee and, in addition, take into account the Council's final grant settlement.

4.6 At that special meeting on 11 February, the Cabinet will need to formulate its final proposals in respect of the Budget for 2025/26 and the council tax to be levied in respect of the Borough Council. The Full Council will meet on the 18 February to approve the Budget and set the Council Tax. The Full Council may adopt or amend the Cabinet's proposals.

4.7 The role of this Committee is to consider both the Revised Estimates for 2023/24 and the draft Estimates for 2025/26 within the context of the Medium Term Financial Strategy and the Council's priorities. These estimates are attached at [Annex 1] for Members' consideration.

5 Corporate Strategy

5.1 The Corporate Strategy sets out 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.

5.2 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

6 Medium Term Financial Strategy

6.1 Whilst this report is predominantly about the Budget for 2025/26, 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.

6.2 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.

6.3 It is important to recognise that financial 'fortunes' can change, moving up and down, over a medium term period – and one for 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.

6.4 In order to assist Members in preparing for this draft Budget, an interim update of the MTFS was undertaken and reported to the Cabinet and the Finance, Regeneration and Property Select Scrutiny Committee in November. This Part 2 report gave a range of proposals that could be affected by conditions beyond the Council's control, such as Government Funding and external service pressures such as Refuse Collection and Homelessness.

6.5 The report in November did not include the provisional settlement and work is ongoing to incorporate these figures into the MTFS for reporting to Cabinet in February 2025. Given the continued uncertainty surrounding those matters (mentioned above) which are beyond the Council's control and which impact in future years of the strategy, it is expected that the funding gap will remain 'in the ball park' of that estimated in the November report.

6.6 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. An update of he STS will be presented to the budget meeting of Cabinet in February alongside the MTFS.

7 Provisional Local Government Finance Settlement

7.1 On 18 December 2024, the Minister of State for Local Government and English Devolution in the United Kingdom, Jim McMahon MP, made a statement to Parliament on the provisional local government finance settlement for 2025/26.

The provisional figures are expected to be confirmed in January / February 2025, subject to the outcome of consultation.

7.2 Following the announcement of a wider Local Government Finance Review due to start in Spring 2025 the Settlement Funding Assessment (SFA) is for one year only. As mentioned in previous reports, the review is expected to focus on local deprivation factors as well as need and resources. Officers do not expect TMBC to fair well under the longer term review, but once announced, there will be greater certainty for the longer term on the Council's financial support.

7.3 Our provisional SFA for the year 2025/26 as shown in the table below is £2,708,428, an uplift of 2.0% compared to the sum received in 2024/25. However, as mentioned above this will be for one year only.

New Homes Bonus

7.4 No further legacy payments are due under the New Homes Bonus (NHB) scheme giving an allocation for the year 2025/26 only which in our case is £517,013, the increase from 2024/25 accounts for the reduction in unoccupied homes combined with an increase in new homes being completed by developers.

7.5 It should be noted that the whilst the amount has increased from 2024/25 it is below the estimated level within the last version of the MTFS (£600,000 per annum).

7.6 The Government has announced that as part of the consultation 'Local authority funding reform: objectives and principles' (see Local authority funding reform: objectives and principles - GOV.UK) new homes bonus in its current guise will cease. Officers are currently reviewing this consultation for response by 12 February 2025.

Under-indexing of the Business Rates Multiplier

7.7 As a result of business rate multipliers not being maintained at the agreed rate of CPI, the settlement includes a grant for the under-indexing of £482,712. It is yet unknown if the grant will be continued following the review of Business Rate Retention during 2025/26.

Funding Guarantee / Funding Floor

7.8 As in 2023/24 and 2024/25 the Government has issued an additional grant to balance the core spending needs of the Council.

7.9 This grant, now known as the Funding Floor, has been included into the settlement in 2025/26 to keep the core spending power, *including Council Tax receipts*, at the same level as 2024/25.

7.10 Allowing for these changes the provisional allocation for 2025/26 is £1,785,452.

Total Grant Funding

7.11 Total grant funding for the year 2025/26 as shown in the table below is £5,530,915, a cash decrease of £513,814 or -8.5% when compared to that received in 2024/25. That being said in both the February and November 2024 MTFS models it had been assumed that the Funding Floor Grant would not be received, meaning for the 2025/26 financial year the Council has additional funds available for strategic projects.

	2024/25 £	2025/26 £	Cash Increase/ (Decrease) £	%
Local Share of Business Rates (baseline)	2,509,032	2,541,100	32,068	1.3
Revenue Support Grant	146,419	167,329	20,910	14.3
Settlement Funding Assessment	**2,655,451**	**2,708,428**	**52,977**	**2.0**
New Homes Bonus	**343,373**	**517,013**	173,640	50.6
Under-indexing of the Business Rates Multiplier	**464,291**	**482,712**	18,421	4.0
Other Grants	**71,354**	**37,310**	(34,044)	-47.7
Funding Guarantee / Funding Floor	**2,510,620**	**1,785,452**	(724,808)	-28.9
Total Grant Funding	**6,044,729**	**5,530,915**	**(513,814)**	**-8.5**

7.12 The provisional local government finance settlement 2025/26 is subject to consultation. The return date for responses to the consultation is 15 January 2025, 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: Consultation: provisional local government finance settlement 2025 to 2026 - GOV.UK

National Non Domestic Rates (NNDR)

7.13 In the statement on 18th December 2024 it was announced that the Government will be considering changes to the current Business Rates model operated in local government. It is expected that this will be through the resetting of baseline requirement, and forms part of the wider funding reforms consultation.

7.14 The Government sets a baseline need for the Council of £2.541m as set out in the table at 7.11 above. Under the current rules, the Council is allowed to keep a proportion of any amount received above this baseline. The proportion depends on whether the Council is a member of a Business Rates Pool, which it is, and the membership of the authorities within this pool.

7.15 The development of Panattoni Park continues with final major development on site likely to be occupied during the early to mid-stages of 2025/26.

7.16 Using information from the Valuation Office, officers have provided a prudent estimate of the valuation for this new building on Panattoni Park and other potential changes in the borough.

7.17 Taking this into account and after allowing for the financing arrangements within the Kent Business Rate pool, officers have estimated that the business rates receipts to TMBC will be circa £3.888m - some £1.347m above the baseline. This has been factored into the Revenue Estimates Summary Page S1 within [Annex 1].

7.18 These amounts are lower than the 2024/25 original estimate as there was a significant release of an appeals provision in the current financial year that cannot be repeated in 2025/26 (see report to Cabinet 13 February 2024).

Local Referendums to Veto Excessive Council Tax Increases

7.19 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 need to hold a referendum seeking views from local residents.

7.20 For the year 2025/26, a referendum will be triggered where council tax is increased by **more than 3% or £5, whichever is higher**.

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

8 Specific Issues for this Budget Setting process

8.1 This year's budget setting process has had to incorporate the current economic impacts of inflation for both next year and over the medium term. An overall inflation provision is made, broken down into three parts – pay inflation, contract inflation and supplies and services inflation.

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

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

8.4 Any decisions made by the General Purposes Committee at its meeting on 22 January 2025 have not been reflected in these draft papers due to timing. Any financial implications arising from decisions made at the meeting of the General Purposes Committee will need to be incorporated into the draft Estimates prior to presentation to Cabinet on 11 February 2025.

8.5 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 11 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.

8.6 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.

8.7 The annual contribution to the Building Repairs Reserve to meet ongoing maintenance and repair obligations has been set at £750,000 from 2025/26 onwards, but could require review in future years in order to keep a balanced reserve position.

8.8 More detailed explanatory notes in respect of the revenue estimates can be found in the attached Revenue Estimates Booklet **[Annex 1].**

8.9 To support scrutiny of the Revenue Estimates and further to previous requests from Members, **[Annex 2]** sets out for each of the services contained in **[Annex 1]** a description as to whether it is a mandatory or a discretionary service**.**

8.10 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.

9 Revised Revenue Estimates 2024/25

9.1 Overall, the draft 2024/25 Revised Estimate show a decrease on the original estimate of £65,034 prior to making a contribution to the General Revenue Reserve. Details of the variations are contained in Annex 1 to this report but the table below gives the principal reasons for the variation.

9.2 Other changes identified not contained within Annex 1 are as follows.

- An increase in the contributions from the Council's earmarked reserves primarily to fund the increased service expenditure
- An increase in the contributions to the Council's earmarked reserves as a result of windfall sums and additional specific grant awards.
- Increased expenditure on capital projects after allowing for the movement of schemes moved between financial years.

	£	Reserve Funding
Salary Estimates	761,000	part
Back Scanning	190,000	
Regeneration of Tonbridge	375,000	Yes
Gibson Building Covenant	410,000	Yes
Investment Income	(468,000)	
Planning Policy (Local Plan)	130,000	Yes
Planning Appeals	346,000	Yes
Homelessness Accom & initiatives	590,000	
Procurement and Gypsy Sites	152,000	Yes
Planning and Building Control Fees	212,000	
Refuse Contract Consultant costs	60,000	
Recycling Bring Banks	(66,000)	
Tree Health and Safety Work	30,000	
Leisure Trust Energy Support	(242,500)	Yes
Garden Waste Income	(92,000)	
Car Parking Income	(300,000)	
Contributions from reserves	(2,292,869)	Yes
Contributions to reserves	500,090	Yes
Capital Expenditure	264,500	Yes
KCC Contributions	(200,000)	Yes
Business Rate Income	(7,805)	
Other impacts	(416,420)	
Total Movement	**(65,034)**	

10 Revenue Estimates 2025/26

10.1 Overall the draft 2025/26 Estimate show an decrease over the 2024/25 Original Estimate of £1,822,869 prior to making a contribution to the General Revenue Reserve. Details of the variations are contained in Annex 1 to this report but the table below gives the principal reasons for the variation.

10.2 Other changes identified not contained within Annex 1 are as follows;

- Reduced contributions to the Council's earmarked reserves primarily due to a reduction in one off funding arrangements to fund future specific corporate projects.

- Reduced contributions from the Council's earmarked reserves due to less additional reserve funding requirements.

- Reduced Government Grant income as explained in paragraphs 7.10 and 7.11.

- Collection fund deficits, the movement between years is as a result of slightly decreased collection rates and increased levels of empty business properties.

	£	Reserve Funding
Salary Pay Inflation	400,000	part
Staffing National Insurance	250,000	
General Inflation	250,000	
Planning Policy (Local Plan)	500,000	Yes
Homelessness Temp Accommodation	400,000	
Procurement and Gypsy Sites	156,500	part
Recycling Bring Banks	(100,000)	
Car Parking Income	(500,000)	
Garden Waste Income	(363,000)	
Polluter pays grant award	(983,700)	
Leisure Trust Energy Support	(244,500)	
Potential extension to IDOX	90,000	
Regeneration of Tonbridge	292,000	Yes
Contributions to Reserves	(6,202,550)	Yes
Contributions from Reserves	(676,850)	Yes
Capital Expenditure	96,000	Yes
Government Grants	527,950	
Business Rates Income	1,974,597	
Collection Fund Deficit	2,428,234	
Other Movements	(117,550)	
Total Movement	**(1,822,869)**	

11 Other specific matters affecting the estimates

11.1 Internal Drainage Board (IDB) Levies – Members will be aware that some councils (including TMBC) are charged levies to fund IDBs in their area. This Council receives levies from two separate IDBs: the Upper Medway Drainage Board and the Lower Medway Drainage Board. Levies are payable on demand and the Council has little influence over the rate being set. Some councils, those that are significantly impacted by levies, receive addition funding to support these costs, but TMBC does not fall into this group. With this in mind the Council has recently joined a special interest group (SIG) to request additional and potentially fairer funding for authorities who are paying these levies. The 2025/26 estimate includes provision for levies totalling circa £518k, an increase of 3% on the 2024/25 levies.

11.2 Local Plan Contributions – At the meeting of Housing and Planning Scrutiny Select Committee (HPSSC) in December Members received an updated profile of cost for the local plan for the remainder of 2024/25 and for 2025/26. The

estimated costs are included within these draft estimates. An estimate of costs and contributions beyond 2025/26 will be assessed and provided to Members of the Scrutiny Select Committee at its next meeting in February 2025.

11.3 Temporary Accommodation Lease for property in Tonbridge – Following the endorsement of the part 2 report by both HPSSC and Cabinet in December the cost of this scheme will be met from the proposed budget within Homelessness and the overall budget will be adjusted at the revised estimate for 2025/26.

11.4 Inflation – a general level of inflation has been provided on contracts and certain supplies and services within these estimates. Once the actual inflation levels are known it could be that there is an element of overprovision. If this is the case, the 'excess' provision could be used to cover shortfalls identified elsewhere in the budget or contribute to the ongoing funding gap once identified.

12 Reserves

12.1 The Estimates as presented, taking into account the grant settlement, should allow the Council to contribute to the corporate priorities identified in paragraph 5.2 through contributions to reserves.

12.2 This is predicated on the council tax levy in 2025/26 being in line with the maximum that could be set, as detailed in 7.20 to 7.22 above. It should be noted that the government assumes that councils will set council tax in this way when making their core spending power calculations.

12.3 The contribution to reserves will be discussed and recommended by Cabinet at the special budget meeting in February, specifically focussing on the Corporate priorities set out in paragraph 5 above.

13 Capital Plan

13.1 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.

13.2 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.

13.3 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. In some instances, earmarked reserves may also provide funding in full or part for specific schemes.

13.4 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 2025/26 is £1,149,000.

13.5 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 which is set at £250,000.

13.6 It should be noted, based on current approvals 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.

14 Financial and Value for Money Considerations

14.1 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.

14.2 The uncertainty surrounding local government finances with regard to:

- the awaited outcome of the reform of local government funding, including business rates reforms, and
- impact of the devolution and reorganisation plans announced by the Government in December 2024.

14.3 The 2025/26 provisional local government finance settlement represents a holding position. Consultation on the 2025/26 settlement will be considered by officers and a response will be submitted in January in consultation with the Cabinet Member for Finance and Housing.

14.4 A further consultation paper on 'Local authority funding reform: objectives and principles' relevant to grant settlements from 2026/27 has been issued and is being considered by officers for return in February.

14.5 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.

15 Risk Assessment

15.1 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.

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

15.3 The uncertainty and volatility surrounding local government finances has not aided financial planning with the increased risk of significant variations compared to projections; and the consequent implications on the level of reserves held. That being said, the commitment for future multi year settlements should allow the Council to have some improved certainty that can be included in future iterations of the MTFS.

15.4 The Waste Services Contract after 2027/28 is expected to increase the Council's costs due to a hardening in the market position. Once the results or the retendering are known this will allow for better planning.

15.5 **Members are reminded that the cost of borrowing for new capital plan schemes when and if required are not factored into the MTFS**.

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

15.7 The Devolution White Paper (see elsewhere on this agenda) could bring major changes for TMBC in due course. At this point given the relative uncertainty, our financial planning continues in the normal way. However the risk will be added to the Strategic Risk Register.

16 Legal Implications

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

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

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

17 Consultation and Communications

17.1 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.

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

18 Cross Cutting Issues

18.1 Climate Change and Biodiversity

18.1.1 Climate change advice has not been sought in the preparation of the options and recommendations in this report.

18.2 Equalities and Diversity

18.2.1 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.

Background Papers	None
Annex 1 Annex 2	Draft Revenue Estimates Mandatory and Discretionary Services

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

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Annex 2

Directorate	Cost Centre Description	Mandatory/Discretionary	Legislation
Central Services	Tonbridge Castle Gatehouse	Discretionary	
Central Services	Community Safety	Mandatory	Section 17 of the Crime and Disorder Act 1998
Central Services	Media and Communications	Discretionary	
Central Services	Local Land Charges	Mandatory	
Central Services	Industrial Estate	Discretionary	
Central Services	Commercial Property	Discretionary	
Central Services	Vale Rise Depot	Discretionary	
Central Services	Licences - Fee paying	Mandatory	Licensing Act 2003. Various legislation based on type of licence.
Central Services	Licences - Non Fee paying	Mandatory	Licensing Act 2003. Various legislation based on type of licence.
Chief Executive	Community Development	Discretionary	
Chief Executive	Safeguarding	Mandatory	S11 and Care Act 2014
Chief Executive	Elections - Electoral Registration	Mandatory	
Chief Executive	Elections - Conduct of Elections	Mandatory	
Chief Executive	Grants & Payments - Charitable & Voluntary Organisations	Discretionary	
Chief Executive	Grants & Payments - Citizens Advice Bureaux	Discretionary	
Chief Executive	Climate Change	Discretionary	
Chief Executive	Economic Development & Regeneration	Discretionary	
Chief Executive	UK Shared Prosperity Fund	Discretionary	
Chief Executive	Refugee Assistance	Mandatory/Discretionary	
Finance & Transformation	Housing Benefits	Mandatory	
Finance & Transformation	Local Revenue & NNDR Collection	Mandatory	
Finance & Transformation	Council Tax Support	Mandatory	
Finance & Transformation	Treasury Management & Banking - Treasury Management	Discretionary	
Finance & Transformation	Treasury Management & Banking - Banking Arrangements	Discretionary	
Finance & Transformation	Drainage Board Special Levies	Mandatory	
Finance & Transformation	Liaison, Support & Advice	Mandatory/Discretionary	
Finance & Transformation	Street Naming and Numbering	Mandatory	
Planning Housing & Environmental Health	Development Management - Fee Earning	Mandatory	Town & Country Planning Act 1990 (as amended), Planning and Compulsory Act 2004 (as amended).
Planning Housing & Environmental Health	Development Management - Other	Mandatory	Town & Country Planning Act 1990 (as amended), Planning and Compulsory Act 2004 (as amended).
Planning Housing & Environmental Health	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	Development Management - Enforcement	Mandatory/Discretionary	Town & Country Planning Act 1990 (as amended), Planning and Compulsory Act 2004 (as amended).
Planning Housing & Environmental Health	Conservation	Mandatory	Planning (Listed Buildings and Conservation Areas) Act 1990
Planning Housing & Environmental Health	Building Control	Mandatory	The Building Regulations 2010 (as amended), and the Building Safety Act 2022
Planning Housing & Environmental Health	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 Description	Mandatory/Discretionary	Legislation
Planning Housing & Environmental Health	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	Housing Strategy & Enabling Role - Housing Strategy	Mandatory	Housing Act 1996, Housing Grants, Construction and Regeneration Act 1996, Housing Act 2004
Planning Housing & Environmental Health	Housing Strategy & Enabling Role - Housing Register	Mandatory	Housing Register and Housing Advice and Prevention is Housing Act 2006.
Planning Housing & Environmental Health	Homelessness	Mandatory	Housing Act 1996
Planning Housing & Environmental Health	Housing Advice and Prevention	Mandatory	
Planning Housing & Environmental Health	Home Safety	Discretionary	
Planning Housing & Environmental Health	Private Sector Housing Renewal - DFG's	Mandatory	Housing Grants, Construction and Regeneration Act 1996.
Planning Housing & Environmental Health	Private Sector Housing Renewal	Discretionary	Housing Grants, Construction and Regeneration Act 1996
Planning Housing & Environmental Health	Private Sector Housing Standards	Mandatory	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	Pest Control	Discretionary	
Planning Housing & Environmental Health	Public Health Act 1984	Mandatory	Public Health (Control of Disease) Act 1984
Planning Housing & Environmental Health	Environmental Protection Act - Part 1	Mandatory	Environment Protection Act 1990
Planning Housing & Environmental Health	Environmental Protection	Mandatory	Environment Protection Act 1990 Health and Safety at Work Act 1974
Planning Housing & Environmental Health	Food & Safety - General	Mandatory	Public Health (Control of Diseases) Act 1984
Planning Housing & Environmental Health	Food & Safety - Food Safety	Mandatory	Food Safety Act 1990
Planning Housing & Environmental Health	Public Health - Healthy Living	Discretionary	
Planning Housing & Environmental Health	Public Health - General	Discretionary	
Street Scene, Leisure and Technical Services	Angel Centre	Discretionary	
Street Scene, Leisure and Technical Services	Tonbridge Swimming Pool	Discretionary	
Street Scene, Leisure and Technical Services	Tonbridge & Malling Leisure Trust	Discretionary	
Street Scene, Leisure and Technical Services	Sports Grounds	Discretionary	
Street Scene, Leisure and Technical Services	Larkfield Leisure Centre	Discretionary	
Street Scene, Leisure and Technical Services	Poult Wood Golf Centre	Discretionary	
Street Scene, Leisure and Technical Services	Pleasure Grounds & Open Spaces - Tonbridge Castle Grounds	Discretionary	
Street Scene, Leisure and Technical Services	Pleasure Grounds & Open Spaces - Haysden Country Park	Discretionary	
Street Scene, Leisure and Technical Services	Pleasure Grounds & Open Spaces - Open Spaces & Amenity Areas Borough Wide	Discretionary	
Street Scene, Leisure and Technical Services	Pleasure Grounds & Open Spaces - Patrolling	Discretionary	
Street Scene, Leisure and Technical Services	Pleasure Grounds & Open Spaces - Countryside/Woodland Management	Discretionary	
Street Scene, Leisure and Technical Services	Pleasure Grounds & Open Spaces - Leybourne Lakes Country Park	Discretionary	
Street Scene, Leisure and Technical Services	Allotments	Mandatory	Small Holdings and Allotments Act 1908 **(Legal to confirm)**
Street Scene, Leisure and Technical Services	Tonbridge Cemetery	Discretionary	
Street Scene, Leisure and Technical Services	Churchyards	Mandatory	Local Government Act 1972 **(legal to confirm)**
Street Scene, Leisure and Technical Services	Leisure Planning & Policy	Discretionary	

Directorate	Cost Centre Description	Mandatory/Discretionary	Legislation
Street Scene, Leisure and Technical Services	Leisure Strategy - Market Research	Discretionary	
Street Scene, Leisure and Technical Services	Leisure Strategy - Liaison with Outside Bodies	Discretionary	
Street Scene, Leisure and Technical Services	Events Development	Discretionary	
Street Scene, Leisure and Technical Services	Civil Contingencies	Mandatory	Civil Contingencies Act, mutual aid
Street Scene, Leisure and Technical Services	Christmas Lighting	Discretionary	
Street Scene, Leisure and Technical Services	Transportation - Street Name Plates	Mandatory	Section 19 of The Public Health Act 1925
Street Scene, Leisure and Technical Services	Transportation - Other	Discretionary	
Street Scene, Leisure and Technical Services	Security Services Management (CCTV)	Discretionary	
Street Scene, Leisure and Technical Services	Parking Services - Off-Street	Discretionary	
Street Scene, Leisure and Technical Services	Parking Services - On-Street	Discretionary	
Street Scene, Leisure and Technical Services	Borough Drainage & Land Drainage Related Works	Discretionary	
Street Scene, Leisure and Technical Services	Refuse Collections	Mandatory	Environmental Protection Act 1990
Street Scene, Leisure and Technical Services	Public Conveniences	Discretionary	
Street Scene, Leisure and Technical Services	Street Scene - Street Cleansing Contract	Mandatory	Environmental Protection Act 1990
Street Scene, Leisure and Technical Services	Street Scene - Dog Warden	Mandatory	Environmental Protection Act 1990
Street Scene, Leisure and Technical Services	Street Scene - Other	Discretionary	
Street Scene, Leisure and Technical Services	Recycling - Dry Recycling (provision of kerbside collections)	Mandatory	Environmental Protection Act 1990
Street Scene, Leisure and Technical Services	Recycling - Dry Recycling (provision of Bring Sites)	Discretionary	
Street Scene, Leisure and Technical Services	Recycling - Food Recycling	Mandatory	Environment Act 2021
Street Scene, Leisure and Technical Services	Recycling - Garden Waste Recycling	Mandatory	Environmental Protection Act 1990

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Draft Revenue Estimates

2025/26

TONBRIDGE & MALLING BOROUGH COUNCIL

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Overview & Scrutiny Committee 23 January 2025
General Fund Revenue Estimates 2025/26
SUMMARY

	2024/25 ESTIMATE		2025/26
	ORIGINAL	REVISED	ESTIMATE
	£	£	£
Corporate Services	4,093,000	4,070,350	4,415,500
Chief Executive	1,106,400	1,127,150	990,050
Director of Central Services	1,006,300	1,937,350	1,096,300
Director of Finance & Transformation	(265,700)	(684,000)	(58,000)
Director of Planning, Housing & Environmental Health	5,064,150	6,771,350	6,312,400
Director of Street Scene, Leisure & Technical Services	9,042,750	8,495,750	7,320,400
Sub Total	20,046,900	21,717,950	20,076,650
Capital Accounting Reversals			
Non-Current Asset Depreciation	(2,874,800)	(2,874,800)	(2,874,800)
Contributions to / (from) Reserves			
Building Repairs Reserve			
Withdrawals to fund expenditure	(1,354,400)	(1,438,090)	(1,388,650)
Contribution to Reserve	750,000	750,000	750,000
Earmarked Reserves (see page S 2)			
Contributions from Reserves	(2,028,950)	(4,238,150)	(2,671,550)
Contributions to Reserves	7,559,750	8,059,850	1,357,200
Revenue Reserve for Capital Schemes			
Withdrawals to fund expenditure			
Non-Current Assets	(7,125,000)	(4,949,000)	(5,600,000)
Revenue Expenditure Funded from Capital	(158,000)	(158,000)	(146,000)
Other contributions to / (from) Reserve (net)	1,315,000	1,579,500	1,399,000
Capital Expenditure Charged to General Fund	7,125,000	4,949,000	5,600,000
Government Grants			
New Homes Bonus	(343,400)	(343,400)	(517,000)
Under-indexing Business Rates Multiplier	(464,300)	(464,300)	(482,700)
Services Grant	(16,050)	(16,050)	0
Funding Guarantee/Funding Floor	(2,510,300)	(2,510,300)	(1,785,450)
Contributions from KCC	-	(200,000)	-
Sub Total	19,921,450	19,864,210	13,716,700
Revenue Support Grant	(146,400)	(146,400)	(167,350)
National Non-Domestic Rates			
Share of National Non-Domestic Rates	(31,040,522)	(31,040,522)	(29,851,032)
Tariff	27,167,177	27,167,177	27,544,937
Levy	15,713	54,720	0
Business Rates Pool	914,964	823,789	428,688
Small Business Rate Relief Grant	(953,226)	(997,817)	(998,220)
Supporting Small Business Rate Relief Grant	-	(176,247)	(190,323)
Business Rates Relief Measures	(2,281,233)	(2,016,719)	(1,137,067)
Public Toilets Relief Grant	(7,239)	(6,552)	(6,752)
Collection Fund Adjustments			
Council Tax (Surplus) / Deficit	(81,118)	(81,118)	54,644
National Non-Domestic Rates (Surplus) / Deficit	(1,838,086)	(1,838,086)	454,386
Sub Total	11,671,480	11,606,435	9,848,611
Contribution to / (from) General Revenue Reserve	1,064,824	1,129,869	TBD
Balance to be met from Council Tax Payers	**12,736,304**	**12,736,304**	**13,209,360**

Overview & Scrutiny Committee 23 January 2025
General Fund Revenue Estimates 2025/26
EARMARKED RESERVES

	2024/25 ESTIMATE		2025/26
	ORIGINAL £	REVISED £	ESTIMATE £
Contributions from Earmarked Reserves			
Budget Stabilisation Reserve	(647,150)	(1,028,950)	(256,150)
Business Rates Retention Scheme Reserve	(160,350)	(148,350)	(124,700)
Climate Change Reserve	(82,400)	(384,600)	(241,000)
Democratic Representation Reserve	-	(1,650)	-
Domestic Abuse Act Reserve	(92,850)	(98,250)	(3,400)
Election Reserve	-	-	-
Homelessness Reserve	(570,000)	(1,092,700)	(834,200)
Housing Assistance Reserve	-	(54,600)	(44,350)
Housing & Welfare Reform Reserve	-		
Invest to Save Reserve	-	(142,300)	-
Peer Review Reserve	(21,300)	(31,550)	(21,800)
Planning Services Reserve	(339,400)	(777,100)	(853,550)
Regeneration of Tonbridge	-	(185,600)	(78,300)
Tonbridge & Malling Leisure Trust Reserve	(83,000)	(83,000)	(86,200)
Transformation Reserve	(32,500)	(209,500)	(127,900)
	(2,028,950)	**(4,238,150)**	**(2,671,550)**
Contributions to Earmarked Reserves			
Budget Stabilisation Reserve	1,300,000	1,300,000	0
Business Rates Retention Scheme Reserve	686,200	617,850	321,500
Regeneration of Tonbridge	1,850,000	2,050,000	0
Climate Change Reserve	500,000	500,000	0
Domestic Abuse Act Reserve	72,650	72,650	0
Election Expenses Reserve	35,000	35,000	35,000
Homelessness Reserve	2,015,050	2,198,200	834,200
Planning Services Reserve	425,000	530,000	166,500
Transformation Reserve	675,850	756,150	0
	7,559,750	**8,059,850**	**1,357,200**

CORPORATE SERVICES

SUMMARY

		2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
1	SALARIES AND ONCOSTS	14,731,050	15,500,750	15,809,100
2	OVERHEAD EXPENSES	5,242,050	5,471,700	5,474,650
3	RECHARGES TO SERVICE BUDGETS	(18,024,950)	(19,149,400)	(19,206,550)
	NON DISTRIBUTED COSTS	**1,948,150**	**1,823,050**	**2,077,200**
4	DEMOCRATIC REPRESENTATION	1,419,300	1,438,400	1,496,600
5	CORPORATE MANAGEMENT	725,550	808,900	841,700
		4,093,000	**4,070,350**	**4,415,500**
	Full Time Equivalent Number of Staff (including Support Service Staff)	19.23	20.12	19.90

CORPORATE SERVICES

		2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £	
1	**SALARIES AND ONCOSTS**					
	(a) Salaries					
	Salaries (see analysis on page CS 16)	9,967,500	10,670,600	**a)**	10,574,300	**b)**
	Employers' National Insurance Contributions	1,021,850	1,058,200	**a)**	1,365,800	**b)**
	Employers' Superannuation Contributions	1,976,750	2,010,450	**a)**	2,096,150	**b)**
	Superannuation Backfunding Lump Sum	1,481,000	1,481,000		1,534,000	**c)**
	Staff Turnover Saving	(144,000)	(84,000)	**d)**	(144,000)	
	Apprenticeship Scheme / Levy	55,400	37,000	**e)**	63,700	
	Ring-fenced sums (Establishment Reviews)	14,100	-		-	
		14,372,600	15,173,250		15,489,950	
	Full Time Equivalent Number of Staff (including Support Service Staff)	233.92	249.99		245.99	
	(b) Termination Payments					
	Additional Annual Pension Contributions	212,000	218,000	**f)**	221,700	**f)**
	Long Service Awards	-	300		-	
		212,000	218,300		221,700	
	(c) Recruitment & Training					
	Advertising & Other Recruitment Costs	58,000	20,550	**g)**	8,800	
	Training - Course Fees & Expenses	80,000	80,000		80,000	
	Health Screening & Miscellaneous	5,500	5,500		5,500	
	Employee Support Scheme	2,950	3,150		3,150	
		146,450	109,200		97,450	
		14,731,050	**15,500,750**		**15,809,100**	

CORPORATE SERVICES

SALARIES

a) Revised estimate reflects establishment changes and increased use of agency staff.

b) Forward estimate reflects the full year effect of establishment changes approved during the current financial year, an increase in the level of National Insurance contributions payable following Autumn 2024 budget, and provision for a pay award. Full year market supplements are included in the forward estimates which are partially funded by reserves.

c) Annual uplift in respect of superannuation back funding payment.

d) Revised estimate reflects projected savings arising from staff turnover for the remainder of the financial year.

e) Provision for apprentices not required in current year.

TERMINATION PAYMENTS

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

RECRUITMENT & TRAINING

g) Additional recruitment expenditure to fill a number of vacant posts currently covered by temporary staffing arrangements. Budget provision for the staff recognition initiative as reported to Cabinet 05 December 2023 is now reflected in the revised salary estimates.

CORPORATE SERVICES

		2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £	
(a)	**COUNCIL OFFICES**					
	Employees					
	Salaries	178,350	182,950		235,650	**a)**
	Premises Related Expenses					
	Maintenance of Grounds	4,150	4,150		4,150	
	Energy Costs :					
	Electricity	125,000	125,000		125,000	
	Gas	60,000	60,000		60,000	
	Rates	368,600	367,700		373,950	**b)**
	Water Services :					
	Water Charges (metered)	10,000	7,000		7,000	
	Sewerage & Environmental Services	10,000	7,000		7,000	
	Fixture & Fittings	3,000	3,000		500	
	Cleaning & Domestic Supplies	6,000	6,500		6,500	
	Insurance	17,950	17,950		18,900	
	Repairs expenditure	140,750	131,700		179,200	**c)**
	Supplies & Services					
	Equipment, Furniture & Materials	1,350	2,350		1,350	
	Catering Provisions	2,500	2,500		2,500	
	Clothing, Uniforms & Laundry	3,750	3,750		3,750	
	Trade Refuse Charges	10,200	11,500		10,700	
	Security / Cleaning	38,250	47,050	**d)**	48,850	
	Miscellaneous Services	7,000	7,000		7,000	
	Licences	2,700	-		2,000	**e)**
	Third Party Payments					
	Ground Maintenance Contract	2,500	2,400		2,400	
		992,050	989,500		1,096,400	
	Less Income					
	Solemnization of Marriages	(5,000)	(5,500)		(5,500)	
	Hire of Tonbridge Council Chamber	(23,000)	(20,000)		(20,000)	
	Castle Catering	(7,000)	(7,000)		(7,000)	
	Police Accommodation Licence Fee	(39,200)	(39,200)		(39,200)	
	Rent - Tonbridge Castle	(28,700)	(28,700)		(28,700)	
		(102,900)	(100,400)		(100,400)	
	Sub-total	889,150	889,100		996,000	
	Central, Departmental & Technical Support Services					
	Central Salaries & Administration	36,000	40,400		47,100	**f)**
	Information Technology Expenses	2,500	2,500		2,500	
	Departmental Administrative Expenses	36,800	35,750		52,600	**a)**
	Depreciation & Impairment					
	Non-Current Asset Depreciation	118,100	118,100		118,100	
		1,082,550	**1,085,850**		**1,216,300**	
	Full Time Equivalent Number of Staff (including Support Service Staff)	5.75	6.21		7.21	

CORPORATE SERVICES

COUNCIL OFFICES

a) Reassessment of staff resources from Customer Services team following cessation of Tonbridge Gateway agreement.

b) Assumes NNDR "multiplier" will increase by 1.7% from April 2025.

c) Includes relining of the canteen gutter (£15,000) and Gibson East internal decoration (£24,000).

d) Reflects an increase in the cost of the security contract.

e) Renewal of Kent County Council wedding licence payable every three years.

f) Reassessment of staff resources from Head of Licensing, Community Safety and Customer Services and includes provision for a pay award.

CORPORATE SERVICES

		2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
2	**OVERHEAD EXPENSES-Continued**			
(b)	**PRINT & POSTAL ROOM**			
	Employees			
	Salaries	71,700	75,050	79,400
	Supplies & Services			
	Purchases	1,000	1,000	1,000
	Print Room Maintenance & Copy Charges	15,000	15,000	15,000
	Multi Function Device Copy Charges	2,000	2,300	2,300
	Multi Function Device Leasing Charges	6,000	5,800	5,800
	Paper	13,000	12,000	12,000
		108,700	111,150	115,500
	Less Income			
	Sales	(15,000)	(15,000)	(15,000)
	Recharges to non M&A Service Budgets	(14,000)	(31,000) **a)**	(14,000)
		(29,000)	(46,000)	(29,000)
	Sub-total	79,700	65,150	86,500
	Central, Departmental & Technical Support Services			
	Office Accommodation	41,450	41,200	43,900
	Central Salaries & Administration	10,150	9,200	9,550
	Information Technology Expenses	11,500	11,500	11,500
	Departmental Administrative Expenses	10,450	8,700	9,500
	Depreciation & Impairment			
	Non-Current Asset Depreciation	16,800	16,800	16,800
		170,050	**152,550**	**177,750**
	Full Time Equivalent Number of Staff (including Support Service Staff)	2.26	2.23	2.25

a) Additional income from work undertaken for the Police and Crime Commissioner election in May 2024 and the Parliamentary election in July 2024.

CORPORATE SERVICES

		2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £	
2	**OVERHEAD EXPENSES-Continued**					
(c)	**CUSTOMER SERVICES**					
	Employees					
	Salaries	364,250	374,950		292,700	**a)**
	Supplies & Services					
	Purchases	350	550		150	
	Stationery	50	-		-	
	Mobile Telephones	200	200		150	
	Office Security	11,000	38,000	**b)**	-	**b)**
		375,850	413,700		293,000	
	Less Income					
	Tonbridge Gateway Agreement / Licence	(38,150)	(158,000)	**c)**	-	**c)**
	Gateway Partner Receipts	(1,000)	(500)		-	
	Sub-total	336,700	255,200		293,000	
	Central, Departmental & Technical Support Services					
	Central Salaries & Administration	18,000	16,550		9,950	**d)**
	Information Technology Expenses	4,350	4,350		-	
	Departmental Administrative Expenses	189,150	174,500		132,050	**a)**
		548,200	**450,600**		**435,000**	
	Full Time Equivalent Number of Staff (including Support Service Staff)	11.74	11.70		8.62	

a) Reassessment of staff resources from Customer Services staff section.

b) Reflects an increase in the cost of the security contract in 2024/25. Forward estimate reflects cessation of the Tonbridge Gateway agreement.

c) Tonbridge Gateway agreement ceases from April 2025. Additional income due in current year following expiry of notice period.

d) Reassessment of staff resources from Head of Licensing, Community Safety and Customer Services.

CORPORATE SERVICES

		2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £	
2	**OVERHEAD EXPENSES-Continued**				
(d)	**GENERAL ADMINISTRATION**				
	Employees				
	Salaries	5,050	4,900	5,600	
	Supplies & Services				
	Insurance	118,050	118,050	123,700	**a)**
	Copyright Licence	2,500	2,500	2,500	
	Sub-total	125,600	125,450	131,800	
	Central, Departmental & Technical Support Services				
	Central Salaries & Administration	5,800	6,650	14,200	**b)**
	Departmental Administrative Expenses	600	550	650	
		132,000	**132,650**	**146,650**	
	Full Time Equivalent Number of Staff (including Support Service Staff)	0.22	0.26	0.35	

a) Provision for anticipated insurance premium increases in 2025/26.

b) Reassessment of staff resources from Chief Executive's Service.

CORPORATE SERVICES

		2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £	
2	**OVERHEAD EXPENSES-Continued**					
(e)	**DEPARTMENTAL ADMINISTRATION**					
	Staff Transport Related Expenses					
	Car & Travelling Allowances	159,200	153,700	**a)**	158,500	
	Supplies & Services					
	Equipment, Furniture & Materials	8,000	6,100		6,000	
	Protective Clothing	850	700		700	
	First Aid Supplies	250	-		-	
	Stationery	4,000	3,700		3,750	
	Reference Books & Publications	26,600	28,450		29,650	
	Legal Expenses	50,000	50,000		50,000	
	Contracted Services	206,000	205,000		211,150	**b)**
	Consultancy / Professional Fees	-	2,000		2,000	
	Health & Safety	6,250	6,650		6,650	
	Postage	18,950	31,450	**c)**	28,950	
	Telephones - Calls	100	100		100	
	Telephones - Other Costs	6,200	5,900		5,900	
	Mobile Telephones	4,500	12,100	**d)**	10,600	
	Professional Membership Fees	16,850	16,700		16,800	
	Subscriptions to Organisations	27,850	44,150	**e)**	39,250	**e)**
	Other Expenses (Counter Fraud)	700	2,800	**f)**	750	
	Data Protection Act Registration	3,000	3,000		3,000	
		539,300	572,500		573,750	
	Less Income					
	Recovery of Court Costs	(5,000)	(5,000)		(5,000)	
	Customer & Client Receipts	(5,000)	(5,000)		(5,000)	
	Partnership Receipts	(10,000)	(11,000)		(11,400)	
		(20,000)	(21,000)		(21,400)	
	Sub-total	519,300	551,500		552,350	
	Depreciation & Impairment					
	Non-Current Asset Depreciation	1,350	1,350		1,350	
		520,650	**552,850**		**553,700**	

CORPORATE SERVICES

DEPARTMENTAL ADMINISTRATION

a) Lower level of mileage claims and reduction in essential user allowances.

b) Includes annual uplift of the fee payable to KCC for the provision of internal audit and counter fraud services.

c) Includes provision for additional postage associated with: requirement to consult on new parking charges; garden waste renewal letters; and notifying changes to refuse and recycling rounds.

d) Includes cost of new SIM cards for Civil Enforcement Officer mobile telephones to address issues with coverage in parts of the borough.

e) Reflects increased cost of online planning resource and provision for inflation. Revised estimate includes the one-off cost (£5.5k) for a Collection Fund accounting tool.

f) Includes fee payable to the Cabinet Office for data matching undertaken as part of the National Fraud Initiative.

CORPORATE SERVICES

		2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £	
2	**OVERHEAD EXPENSES-Continued**					
(f)	**INFORMATION TECHNOLOGY SERVICES**					
	Employees					
	Salaries	1,208,600	1,151,250	**a)**	1,255,700	**a)**
	Transport Related Expenses					
	Public Transport	500	200		200	
	Supplies & Services					
	Equipment - Purchases	13,000	13,000		13,000	
	Equipment - Maintenance	52,500	53,000		54,500	
	Printing Consumables	2,000	1,000		1,000	
	Insurance	6,500	6,500		6,800	
	Professional Services / Consultancy	15,000	205,000	**b)**	15,000	
	Other Expenses	7,250	11,500		11,500	
	Software Support, Hire & Maintenance	968,400	1,158,000	**c)**	1,066,600	**c)**
	Telephone leased lines and modems	21,100	21,100		21,100	
	Kent Connects	20,000	20,000		20,000	
	Sub-total	2,314,850	2,640,550		2,465,400	
	Central, Departmental & Technical Support Services					
	Office Accommodation	124,400	123,950		139,300	**d)**
	Central Salaries & Administration	81,150	83,000		86,700	
	Departmental Administrative Expenses	117,000	98,500	**e)**	102,650	
	Depreciation & Impairment					
	Non-Current Asset Depreciation	151,200	151,200		151,200	
		2,788,600	**3,097,200**		**2,945,250**	
	Full Time Equivalent Number of Staff (including Support Service Staff)	23.22	22.05		22.74	

CORPORATE SERVICES

INFORMATION TECHNOLOGY SERVICES

a) Savings arising from staff turnover within Information Technology Services. Forward estimate reflects full establishment and provision for a pay award.

b) Includes delayed implementation of the new Agile System (£13,700), and provision for the back scanning project (£170,000) to rationalise office space and facilitate the scaling back of office accommodation. Phase 1 costs were originally included in 2023/24 revised estimate but slipped to 2024/25 and now complete. £50k has been included for phase 2 costs.

c) Includes one-off project costs to deliver enhanced functionality in the Agile operating system (£74,660), expansion of lookup functionality of customer portals (£9,450) and enhancements to the customer contact centre (£9,410). These have been funded from the Invest to Save and Transformation reserves. 2025/26 includes provision for extension of IDOX licences in the event that the March deadline is missed, as recognised as the Strategic Risk Register.

d) Reallocation of office accommodation costs across all service budget headings (see page CS 3).

e) Reduction in Customer Services costs which in turn have been reallocated across all service budget headings (see page CS 5).

CORPORATE SERVICES

		2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
3	**SALARIES & OVERHEADS**			
	Salaries & Oncosts	14,731,050	15,500,750	15,809,100
	Overheads			
	(a) Council Offices	1,082,550	1,085,850	1,216,300
	(b) Print & Postal Room	170,050	152,550	177,750
	(c) Customer Services	548,200	450,600	435,000
	(d) Administration - General	132,000	132,650	146,650
	(e) Administration - Departmental	520,650	552,850	553,700
	(f) Information Technology Services	2,788,600	3,097,200	2,945,250
		19,973,100	20,972,450	21,283,750
	Less Recharge to :			
	Planning, Housing & Environmental Health	(6,295,150)	(6,942,100)	(6,555,750)
	Street Scene, Leisure & Technical	(3,230,500)	(3,147,400)	(3,395,800)
	Central Services	(1,404,350)	(1,818,300)	(1,975,450)
	Finance & Transformation	(2,253,900)	(2,329,800)	(2,362,700)
	Corporate Services	(1,584,200)	(1,627,450)	(1,651,600)
	Chief Executive	(738,900)	(837,200)	(733,250)
	Other Services	(700)	(750)	(800)
	Holding Accounts	(2,517,250)	(2,446,400)	(2,531,200)
		(18,024,950)	(19,149,400)	(19,206,550)
	Sub-total	1,948,150	1,823,050	2,077,200
	TO SUMMARY	**1,948,150**	**1,823,050**	**2,077,200**

CORPORATE SERVICES

		2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £	
4	**DEMOCRATIC REPRESENTATION & MANAGEMENT**					
(a)	**DEMOCRATIC ADMINISTRATION**					
	Employees					
#	Salaries	375,850	390,750	**a)**	379,950	
	Premises Related Expenses					
	Accommodation Expenses (Forum/Area1)	1,600	1,600		1,600	
	Supplies & Services					
	Members' Meeting Expenses	4,000	3,000		3,000	
	Subscriptions	24,200	24,050		24,650	
	Sub-total	405,650	419,400		409,200	
	Central, Departmental & Technical Support Services					
	Accommodation & Printing Services	46,600	44,150		50,100	**b)**
#	Central Salaries & Administration	253,950	285,600	**c)**	293,000	
	Information Technology Expenses	19,300	23,450		22,050	
#	Departmental Administrative Expenses	138,250	129,450	**d)**	133,750	
		863,750	**902,050**		**908,100**	
	Full Time Equivalent Number of Staff (including Support Service Staff)	10.68	11.26		10.94	

Memorandum

Service Salary & Overhead Allocations to Democratic Administration

Administration & Property Services	274,850	287,100	304,450
Chief Executives' Service	75,450	83,450	80,850
Environmental Health & Hsg Services	30,300	47,300	38,250
Financial Services	92,000	94,300	98,650
Legal Services	15,800	18,200	16,400
Planning Services	147,200	155,550	144,850
Street Scene & Leisure Services	111,800	98,800	101,250
Technical Services	20,650	21,100	22,050
	768,050	805,800	806,750

a) Includes increased cost of Planning Development Management Section and Housing Needs staff section, as a result of additional temporary staffing costs.

b) Increase in the cost of office accommodation attributable to Members (see page CS 3).

c) Includes increased cost of Estates staff section resulting from additional fixed term staffing costs.

d) Reduction in Customer Services costs which in turn have been reallocated across all service budget headings (see page CS 5).

CORPORATE SERVICES

		2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £	
(b)	**PAYMENTS TO MEMBERS**					
	Transport Related Expenses					
	Members' Travel & Subsistence	2,100	2,100		2,200	
	Supplies and Services					
	Basic Allowance	239,100	237,800		246,250	**a)**
	Special Responsibility Allowance	128,150	116,650	**a)**	131,950	**a)**
	Mayors' and Deputy Mayors' Allowance	7,900	7,900		8,150	
	Members' National Insurance	9,150	9,150		24,800	**b)**
	Carers' Allowance	50	50		50	
	Sub-total	386,450	373,650		413,400	
	Central, Departmental & Technical Support Services					
	Central Salaries & Administration	19,400	19,600		20,900	
	Information Technology Expenses	1,650	2,050		1,900	
		407,500	**395,300**		**436,200**	
	Full Time Equivalent Number of Staff (including Support Service Staff)	0.30	0.31		0.33	

a) A reduced number of Special Responsibility allowances are being paid in the current year, as some Members have more than one Chair or Vice Chair role but are only able to receive one allowance. Forward estimate includes provision for an increase in Members allowances.

b) Increased level of National Insurance contributions payable following Autumn 2024 budget.

CORPORATE SERVICES

		2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
(c)	**MAYORAL & OTHER MEMBER SUPPORT (INC. MEMBER TRAINING)**			
	Employees			
	Salaries	1,900	2,400	1,500
	Transport Related Expenses			
	Mayors' Transport Allowance	10,000	5,000	10,000
	Supplies and Services			
	Stationery	100	100	100
	Insurance	200	200	200
	Civic Hospitality	5,000	5,000	5,000
	Mobile Telephones	150	100	100
	Other Expenses	1,500	1,500	1,500
	Sub-total	18,850	14,300	18,400
	Central, Departmental & Technical Support Services			
	Central Salaries & Administration	95,850	93,400	100,600
	Information Technology Expenses	32,900	33,000	32,950
	Departmental Administrative Expenses	450	350	350
		148,050	**141,050**	**152,300**
	Full Time Equivalent Number of Staff (including Support Service Staff)	1.78	1.79	1.81
	SUMMARY			
(a)	DEMOCRATIC ADMINISTRATION	863,750	902,050	908,100
(b)	PAYMENTS TO MEMBERS	407,500	395,300	436,200
(c)	MAYORAL & OTHER MEMBER SUPPORT INC. MEMBER TRAINING	148,050	141,050	152,300
	TO SUMMARY	**1,419,300**	**1,438,400**	**1,496,600**

CORPORATE SERVICES

		2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £	
5	**CORPORATE MANAGEMENT**					
(a)	**CORPORATE POLICY**					
	Employees					
	# Salaries	87,500	84,000		65,850	**a)**
	Supplies and Services					
	Consultation & Other Expenses	-	1,400		1,400	
	Sub-total	87,500	85,400		67,250	
	Central, Departmental & Technical Support Services					
	# Central Salaries & Administration	375,250	352,250	**b)**	375,800	
	# Departmental Administrative Expenses	23,400	18,400		18,250	
		486,150	**456,050**		**461,300**	
	Full Time Equivalent Number of Staff (including Support Service Staff)	5.09	4.93		4.91	
(b)	**PROCUREMENT**					
	Employees					
	# Salaries	-	17,700	**c)**	16,650	
	Supplies and Services					
	Professional Fees	-	93,850	**d)**	91,500	
	Sub-total	-	111,550		108,150	
	Central, Departmental & Technical Support Services					
	# Central Salaries & Administration	-	10,450	**c)**	10,850	
	# Departmental Administrative Expenses	-	4,950	**c)**	5,050	
		-	**126,950**		**124,050**	
	Full Time Equivalent Number of Staff (including Support Service Staff)	0.00	0.38		0.38	

CORPORATE SERVICES

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
Memorandum			
# **Service Allocations to Corporate Policy**			
Admin & Property Services	71,250	49,950	57,550
Chief Executives' Service	172,700	175,400	185,250
Environmental Health & Housing Services	15,250	23,050	18,700
Financial Services	129,850	126,100	132,250
Legal	1,450	800	750
Planning Services	64,450	49,450	34,900
Street Scene & Leisure Services	31,200	29,900	30,500
	486,150	454,650	459,900

CORPORATE POLICY

a) Reduction in cost of Planning Development Management Section as temporary staffing arrangements have ended.

b) Reflects redistribution of staff resources from Administration & Property to new 'Regeneration of Tonbridge' budget heading under Central Services. Revised estimate also reflects the part year effect of secondment arrangements.

PROCUREMENT

c) Reallocation of staff resources to support the corporate procurement of contracts.

d) Agreement with Mid Kent Procurement Partnership to provide external support in contract procurement, funded from Transformation reserve for 2 years. Revised estimate includes £5k for ad-hoc procurement advice provided by Dartford Borough Council.

CORPORATE SERVICES

		2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
(c)	**PUBLIC ACCOUNTABILITY**			
	Supplies and Services			
	Professional Fees	1,600	1,600	1,600
	Advertising	250	300	300
	External Audit Fees	143,750	147,450	151,850
		145,600	149,350	153,750
	Less Income			
	Government Grant	(18,150)	(38,950) **a)**	(19,500)
	Sub-total	127,450	110,400	134,250
	Central, Departmental & Technical Support Services			
	Central Salaries & Administration	111,850	115,400	122,000
	Information Technology Expenses	100	100	100
		239,400	**225,900**	**256,350**
	Full Time Equivalent Number of Staff (including Support Service Staff)	1.38	1.45	1.53
	SUMMARY			
(a)	CORPORATE POLICY	486,150	456,050	461,300
(b)	PROCUREMENT	-	126,950	124,050
(c)	PUBLIC ACCOUNTABILITY	239,400	225,900	256,350
	TO SUMMARY	**725,550**	**808,900**	**841,700**

PUBLIC ACCOUNTABILITY

a) Announcement on funding was not received until new financial year therefore amount includes 2023/24 funding

EMPLOYEES - SALARIES

SERVICE ANALYSIS OF EXPENDITURE

	Basic Salaries	Overtime	Temporary Staff	Total Salaries	Council Contributions Nat. Ins.	Council Contributions Supern.	Total Salaries & Oncosts
	£	£	£	£	£	£	£
2024/25 ESTIMATE							
Original Estimate	9,850,350	23,050	94,100	9,967,500	1,021,850	1,976,750	12,966,100
Revised Estimate	10,087,950	56,750	525,900	10,670,600	1,058,200	2,010,450	13,739,250
2025/26 ESTIMATE							
Service							
Administration & Property	897,950	8,850	-	906,800	115,000	185,550	1,207,350
Environmental Health & Housing	1,518,500	-	-	1,518,500	195,500	291,350	2,005,350
Executive	502,600	5,000	16,000	523,600	68,100	102,250	693,950
Finance	1,546,250	1,200	-	1,547,450	200,550	305,000	2,053,000
Information Technology	979,250	-	-	979,250	131,100	191,600	1,301,950
Legal	523,400	1,200	-	524,600	68,950	107,100	700,650
HR & Customer Services	575,350	6,400	2,000	583,750	69,500	110,100	763,350
Planning	2,133,350	-	-	2,133,350	284,900	433,900	2,852,150
Street Scene & Leisure	1,052,050	-	-	1,052,050	134,700	208,850	1,395,600
Technical	804,950	-	-	804,950	97,500	160,450	1,062,900
	10,533,650	22,650	18,000	10,574,300	1,365,800	2,096,150	14,036,250

CHIEF EXECUTIVE

SUMMARY

		2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
1	COMMUNITY DEVELOPMENT	32,150	30,550	30,700
2	SAFEGUARDING	16,950	19,550	23,850
3	ELECTIONS	426,850	444,800	442,250
4	GRANTS & PAYMENTS	223,350	213,900	124,850
5	CLIMATE CHANGE	140,200	152,400	146,200
6	ECONOMIC DEVELOPMENT & REGENER'N	195,800	152,400	177,850
7	UK SHARED PROSPERITY FUND	64,950	72,750	38,400
8	REFUGEE ASSISTANCE	6,150	40,800	5,950
		1,106,400	**1,127,150**	**990,050**
	Full Time Equivalent Number of Staff (including Support Service Staff)	9.54	10.90	9.14

CHIEF EXECUTIVE

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £	
1 COMMUNITY DEVELOPMENT				
Employees				
Salaries	18,150	17,650	17,400	
Central, Departmental & Technical Support Services				
Central Salaries & Administration	6,100	5,900	6,200	
Departmental Administrative Expenses	7,900	7,000	7,100	
TO SUMMARY	**32,150**	**30,550**	**30,700**	
Full Time Equivalent Number of Staff (including Support Service Staff)	0.46	0.44	0.42	
2 SAFEGUARDING				
Employees				
Salaries	5,150	7,350	10,200	**a)**
Supplies & Services				
Safeguarding	4,000	4,150	4,250	
Sub-total	9,150	11,500	14,450	
Central, Departmental & Technical Support Services				
Central Salaries & Administration	6,100	5,850	6,150	
Departmental Administrative Expenses	1,700	2,200	3,250	
TO SUMMARY	**16,950**	**19,550**	**23,850**	
Full Time Equivalent Number of Staff (including Support Service Staff)	0.16	0.21	0.25	

a) Includes cost of fixed term Safeguarding Officer post met from Peer Review reserve.

CHIEF EXECUTIVE

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £
3 ELECTIONS				
(a) ELECTORAL REGISTRATION				
Employees				
Salaries	119,700	128,100	**a)**	123,200
Supplies & Services				
Equipment & Materials - Purchases	1,000	1,000		1,000
Maintenance	500	1,100		1,100
Printing	6,000	6,000		6,000
Stationery	4,000	3,500		3,500
Electronic Elector Registration Responses	8,000	9,000		9,000
Postages	44,000	43,000		43,000
	183,200	191,700		186,800
Less Income				
Sale of Registers	(3,000)	(3,000)		(3,000)
Sub-total	180,200	188,700		183,800
Central, Departmental & Technical Support Services				
Central Salaries & Administration	14,350	14,450		14,900
Information Technology Expenses	41,650	50,550	**b)**	47,550
Departmental Administrative Expenses	46,700	42,450		45,700
Depreciation & Impairment				
Non-Current Asset Depreciation	1,200	1,200		1,200
	284,100	**297,350**		**293,150**
Full Time Equivalent Number of Staff (including Support Service Staff)	2.84	2.69		2.71

a) Additional staff resources were required to support the Police & Crime Commissioner election in May 2024 and the Parliamentary election in July 2024.

b) Reflects reallocation of additional IT Services costs across all service budget headings (see page CS 9).

CHIEF EXECUTIVE

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
(b) CONDUCT OF ELECTIONS			
Employees			
Salaries	53,600	57,350	55,150
Premises Related Expenses			
Rent	-	-	-
Supplies & Services			
Equipment & Materials - Purchases	-	-	-
Printing	-	-	-
Polling Fees (Staff)	-	-	-
Postage	-	-	-
	53,600	57,350	55,150
Less Income			
Fees & Charges	-	-	-
Contributions from Other Bodies	-	-	-
Sub-total	53,600	57,350	55,150
Central, Departmental & Technical Support Services			
Central Salaries & Administration	49,950	48,850	52,550
Information Technology Expenses	18,300	22,250	20,950
Departmental Administrative Expenses	20,900	19,000	20,450
	142,750	**147,450**	**149,100**
Full Time Equivalent Number of Staff (including Support Service Staff)	1.76	1.70	1.72
ELECTIONS			
SUMMARY			
(a) ELECTORAL REGISTRATION	284,100	297,350	293,150
(b) CONDUCT OF ELECTIONS	142,750	147,450	149,100
TO SUMMARY	**426,850**	**444,800**	**442,250**

CHIEF EXECUTIVE

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
4 GRANTS & PAYMENTS			
Supplies & Services			
Grants to Citizens Advice Bureaux	95,000	90,000 **a)**	90,000
Grants to Other Charitable & Voluntary Org.	32,900	28,500 **a)**	28,500
Household Support Grants	-	270,500 **b)**	-
Community Grants Scheme	87,000	87,000 **c)**	-
Tonbridge Historic Society Accommodation	2,000	2,000	2,000
	216,900	478,000	120,500
Less Income			
Contributions from Other Bodies	-	(270,500) **b)**	-
Sub-total	216,900	207,500	120,500
Central, Departmental and Technical Support Services			
Central Salaries & Administration	6,450	6,350	4,350
Information Technology Expenses	-	50	-
TO SUMMARY	**223,350**	**213,900**	**124,850**
Full Time Equivalent Number of Staff (including Support Service Staff)	0.08	0.09	0.05
5 CLIMATE CHANGE			
Employees			
Salaries	75,450	85,300 **d)**	80,150 **d)**
Supplies & Services			
Initiatives	30,000	30,000	30,000
Sub-total	105,450	115,300	110,150
Central, Departmental and Technical Support Services			
Central Salaries & Administration	8,000	8,000	8,400
Departmental Administrative Expenses	26,750	29,100	27,650
TO SUMMARY	**140,200**	**152,400**	**146,200**
Full Time Equivalent Number of Staff (including Support Service Staff)	1.53	1.83	1.61

CHIEF EXECUTIVE

GRANTS & PAYMENTS

a) Reduction in grant funding following review reported to Cabinet 02 April 2024.

b) Reflects payments anticipated to be made to support vulnerable and low income households from tranche 5 and 6 grant allocations - Decision notices D240072CAB and D240139MEM.

c) Funding of £50,000 has been allocated to the 50th Anniversary Grant Scheme with the balance of £37,000 ringfenced to support further community initiatives in 2025/26, potentially including phase 2 of the borough wide Community Enforcement Team pilot as reported to Cabinet 10 December 2024.

CLIMATE CHANGE

d) Reflects reassessment of staff resources from Corporate Services staff section.

CHIEF EXECUTIVE

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £	
6 ECONOMIC DEVELOPMENT & REGENERATION					
Employees					
Salaries	16,800	20,400		40,150	**a)**
Supplies & Services					
Economic Development Expenses	3,250	3,250		3,250	
Business Growth Programme	10,000	10,000		10,000	
Economic Development & Reg'n Initiatives	150,000	101,250	**b)**	100,000	**b)**
Visit Kent	4,800	4,800		5,000	
Sub-total	184,850	139,700		158,400	
Central, Departmental & Technical Support Services					
Central Salaries & Administration	5,250	5,800		6,200	
Information Technology Expenses	250	350		300	
Departmental Administrative Expenses	5,450	6,550		12,950	**a)**
TO SUMMARY	**195,800**	**152,400**		**177,850**	
Full Time Equivalent Number of Staff (including Support Service Staff)	0.36	0.48		0.81	

a) Reflects reassessment of staff resources from Corporate Services staff section.

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

CHIEF EXECUTIVE

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £	
7 UK SHARED PROSPERITY FUND				
Employees				
Salaries	60,100	67,550	26,550	**a)**
Supplies & Services				
Initiatives	325,000	325,000	-	
Capital Grants & Contributions (RECS)	440,000	-	-	
	825,100	392,550	26,550	
Less Income				
Government Grant	(343,800)	(343,800)	-	
Capital Grants Received (RECS)	(440,000)	-	-	
Sub-total	41,300	48,750	26,550	
Central, Departmental & Technical Support Services				
Central Salaries & Administration	4,650	4,050	4,300	
Departmental Administrative Expenses	19,000	19,950	7,550	**a)**
TO SUMMARY	**64,950**	**72,750**	**38,400**	
Full Time Equivalent Number of Staff (including Support Service Staff)	1.09	1.27	0.46	

a) Reflects reassessment of staff resources from Corporate Services staff section.

CHIEF EXECUTIVE

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
8 REFUGEE ASSISTANCE			
Employees			
Salaries	62,950	110,600 **a)**	60,400 **a)**
Supplies & Services			
Rent Deposits / Rent in Advance - Payments to Landlords	25,000	30,000	30,000
Other Expenses	30,000	10,000	10,000
	117,950	150,600	100,400
Less Income			
Rent Deposits / Rent in Advance	(15,000)	-	-
Contributions from Other Bodies	(134,350)	(154,000) **b)**	(118,000) **b)**
Sub-total	(31,400)	(3,400)	(17,600)
Central, Departmental & Technical Support Services			
Central Salaries & Administration	17,800	6,800 **c)**	4,650
Departmental Administrative Expenses	19,750	37,400 **a)**	18,900 **a)**
TO SUMMARY	**6,150**	**40,800**	**5,950**
Full Time Equivalent Number of Staff (including Support Service Staff)	1.26	2.19	1.11

a) Includes cost of fixed term Resettlement Officer post to June 2025 and adjustment of staff resources from Corporate Services staff section.

b) Reflects current allocation of grant funding received from Kent County Council in respect of the Homes for Ukraine scheme. Remaining grant funding yet to be allocated to specific initiatives.

c) Reassessment of staff allocations from Chief Executive's Service.

DIRECTOR OF CENTRAL SERVICES

SUMMARY

		2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
1	TONBRIDGE CASTLE GATEHOUSE	380,900	485,150	138,650
2	EVENTS DEVELOPMENT	153,300	150,950	182,800
3	COMMUNITY SAFETY	243,850	249,200	201,000
4	MEDIA & COMMUNICATIONS	325,200	321,750	336,150
5	LOCAL LAND CHARGES	5,400	30,200	42,100
6	INDUSTRIAL ESTATE	(73,000)	(70,550)	(69,550)
7	COMMERCIAL PROPERTY	(265,600)	(251,200)	(255,700)
8	VALE RISE DEPOT	-	-	-
9	LAND REVIEW	110,000	519,100	100,750
10	REGENERATION OF TONBRIDGE	-	396,650	292,000
11	CHRISTMAS LIGHTING (PARISH AREAS)	13,500	14,000	13,550
12	LICENCES	112,750	92,100	114,550
		1,006,300	**1,937,350**	**1,096,300**
	Full Time Equivalent Number of Staff (including Support Service Staff)	25.30	28.66	30.15

Note: Events Development and Christmas Lighting (Parish Areas) budgets have been transferred from Street Scene & Leisure Directorate.

DIRECTOR OF CENTRAL SERVICES

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £	
1 TONBRIDGE CASTLE GATEHOUSE					
Employees					
Salaries	12,900	21,500	a)	59,300	b)
Premises Related Expenses					
Building Repairs Expenditure	345,900	446,650	c)	38,500	c)
Rates	300	300		300	
Premises Insurance	10,450	10,450		10,900	
Supplies & Services					
Purchases - Equipment & Materials	2,000	2,000		2,000	
Purchases - Exhibits	2,000	2,000		2,000	
Maintenance - General	4,500	2,000		4,500	
Professional Fees	-	3,000	d)	3,500	d)
Leasing Charges	5,500	5,500		5,600	
Subscriptions	250	250		250	
	383,800	493,650		126,850	
Less Income					
Fees & Charges					
Weddings / Hire of Gatehouse	(2,500)	(3,500)		(3,500)	
Commission	-	(200)		(200)	
Tonbridge Castle Attraction	(25,000)	(29,750)		(30,050)	
Profit / Loss on Stock Sales	(6,000)	(10,000)		(11,000)	
	(33,500)	(43,450)		(44,750)	
Sub-total	350,300	450,200		82,100	
Central, Departmental & Technical Support Services					
Central Salaries & Administration	22,300	24,350		29,300	e)
Information Technology Expenses	1,500	1,800		1,700	
Departmental Administrative Expenses	6,650	8,650	a)	25,400	b)
Depreciation & Impairment					
Non-Current Asset Depreciation	150	150		150	
TO SUMMARY	**380,900**	**485,150**		**138,650**	
Full Time Equivalent Number of Staff (including Support Service Staff)	0.76	1.03		2.14	

DIRECTOR OF CENTRAL SERVICES

TONBRIDGE CASTLE GATEHOUSE

a) Reassessment of staff resources from Events team following establishment changes.

b) Reassessment of staff resources from Customer Services team following cessation of Tonbridge Gateway agreement.

c) Revised estimate reflects major Gatehouse roof repairs (£400,000) and renewal of lighting in the Great Hall (£40,000). Forward estimates includes provision for remaining roof repair work (£35,000).

d) Three specialist pieces of work are to be undertaken as part of the review of Tonbridge Castle: heritage assessment, architectural designer work and commercial activity market viability.

e) Reassessment of staff resources from Head of Licensing, Community Safety and Customer Services.

DIRECTOR OF CENTRAL SERVICES

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £	
2 EVENTS DEVELOPMENT				
Employees				
Salaries	95,900	110,300	147,300	**a)**
Supplies & Services				
Events Support	18,000	14,000	14,000	
Marketing	4,000	4,000	4,000	
Licences	1,000	1,000	1,200	
Children's Holiday Activities - Leisure Pass Subsidy	3,000	3,000	3,000	
	121,900	132,300	169,500	
Less Income				
Events Income	(50,600)	(50,600)	(69,000)	**b)**
Marketing Income	(1,000)	(500)	(1,000)	
Sub-total	70,300	81,200	99,500	
Central, Departmental & Technical Support Services				
Central Salaries & Administration	38,750	29,750	28,000	
Information Technology Expenses	800	1,000	950	
Departmental Administrative Expenses	43,450	39,000	54,350	**a)**
TO SUMMARY	**153,300**	**150,950**	**182,800**	
Full Time Equivalent Number of Staff (including Support Service Staff)	2.93	3.46	4.26	

Note: Budgets were previously included within Street Scene & Leisure Directorate.

a) Reassessment of staff resources from Customer Services staff section following cessation of Tonbridge Gateway agreement.

b) Increase in events income resulting from new business event plan proposal.

DIRECTOR OF CENTRAL SERVICES

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £	
3 COMMUNITY SAFETY					
Employees					
Salaries	172,500	177,750	a)	123,200	
Supplies & Services					
Community Safety / Domestic Abuse Initiatives	15,250	15,600		15,600	
Anti Social Behaviour Enforcement	61,000	62,000		-	b)
	248,750	255,350		138,800	
Less Income					
Government Grant	(36,800)	(36,800)		-	c)
Anti Social Behaviour Fixed Penalty Notice	-	(300)		(500)	
Contributions from Other Bodies	(35,850)	(35,850)		-	c)
Sub-total	176,100	182,400		138,300	
Central, Departmental & Technical Support Services					
Central Salaries & Administration	8,500	9,600		9,400	
Information Technology Expenses	50	50		50	
Departmental Administrative Expenses	59,200	57,150		53,250	
TO SUMMARY	**243,850**	**249,200**		**201,000**	
Full Time Equivalent Number of Staff (including Support Service Staff)	4.09	4.21		2.95	
4 MEDIA & COMMUNICATIONS					
Employees					
Salaries	208,300	207,350		219,850	d)
Supplies & Services					
Media & Communications	23,100	25,600		26,100	
Sub-total	231,400	232,950		245,950	
Central, Departmental & Technical Support Services					
Central Salaries & Administration	9,250	8,450		9,550	
Information Technology Expenses	6,100	7,400		6,950	
Departmental Administrative Expenses	78,450	72,950		73,700	
TO SUMMARY	**325,200**	**321,750**		**336,150**	
Full Time Equivalent Number of Staff (including Support Service Staff)	4.78	4.79		4.74	

DIRECTOR OF CENTRAL SERVICES

COMMUNITY SAFETY

a) Includes cost of fixed term Domestic Abuse Coordinator post to March 2025 met from grant funding.

b) Extension of Anti Social Behaviour Enforcement team contract subject to Member approval.

c) Grant funding for both this Council and Tunbridge Wells Borough Council awarded following the introduction of the Domestic Abuse Act, has now been rolled into the overall Settlement Funding Assessment.

MEDIA & COMMUNICATIONS

d) Forward estimate includes full year cost of Internal Communications Officer post and provision for a pay award.

DIRECTOR OF CENTRAL SERVICES

		2024/25		2025/26
		ORIGINAL ESTIMATE £	REVISED ESTIMATE £	ESTIMATE £
5 LOCAL LAND CHARGES				
Employees				
Salaries		136,700	142,750	144,000
Supplies & Services				
Consultancy Fees		-	7,200 **a)**	-
Insurance		2,350	2,350	2,500
Kent Highways		7,000	5,500	6,000
		146,050	157,800	152,500
Less Income				
Government Grant		(25,000)	(37,700) **b)**	-
Fees & Charges		(230,000)	(210,000) **c)**	(230,000)
		(255,000)	(247,700)	(230,000)
	Sub-total	(108,950)	(89,900)	(77,500)
Central, Departmental & Technical Support Services				
Central Salaries & Administration		22,350	22,500	22,400
Information Technology Expenses		34,150	41,450 **d)**	39,000
Departmental Administrative Expenses		57,850	56,150	58,200
	TO SUMMARY	**5,400**	**30,200**	**42,100**
Full Time Equivalent Number of Staff (including Support Service Staff)		3.85	3.85	3.86

Memorandum

Surplus from above	5,400	30,200	42,100
Share of:			
Democratic Administration	21,050	20,200	21,150
Corporate Management	10,750	11,300	12,000
Non Distributed Costs	24,400	23,200	23,900
Deficit (Surplus) for Trading Purposes	61,600	84,900	99,150

a) Fee payable for extending the implementation of the Agile Land Charges project to be funded from HM Land Registry transition payment / new burdens grant.

b) Increase reflects new burdens funding received for work undertaken to migrate Land Charges data to the HM Land Registry Register and ongoing maintenance of the Register.

c) Reflects reduction in market demand for property searches in current year.

d) Reflects reallocation of additional IT Services costs across all service budget headings (see page CS 9).

DIRECTOR OF CENTRAL SERVICES

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
6 INDUSTRIAL ESTATE			
Employees			
Salaries	1,300	3,750	4,450
	1,300	3,750	4,450
Less Income			
Rents	(78,600)	(78,600)	(78,600)
Sub-total	(77,300)	(74,850)	(74,150)
Central, Departmental and Technical Support Services			
Central Salaries & Administration	2,850	2,400	2,550
Information Technology Expenses	100	100	100
Departmental Administrative Expenses	1,350	1,800	1,950
TO SUMMARY	**(73,000)**	**(70,550)**	**(69,550)**
Full Time Equivalent Number of Staff (including Support Service Staff)	0.08	0.12	0.13

DIRECTOR OF CENTRAL SERVICES

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
7 COMMERCIAL PROPERTY			
Employees			
Salaries	4,850	10,050 **a)**	10,050
Premises Related Expenses			
Insurance	1,100	1,100	1,200
Rates	1,100	-	-
Repairs Expenditure	7,500	12,500 **b)**	11,500
	14,550	23,650	22,750
Less Income			
Rents - Land	(5,500)	(8,000)	(5,500)
- Shops & Maisonettes	(260,200)	(255,000)	(260,000)
- Offices	(37,000)	(37,000)	(37,000)
	(302,700)	(300,000)	(302,500)
Sub-total	(288,150)	(276,350)	(279,750)
Central, Departmental and Technical Support Services			
Central Salaries & Administration	15,400	17,250	16,350
Information Technology Expenses	550	650	650
Departmental Administrative Expenses	5,950	6,600	6,400
Depreciation & Impairment			
Non-Current Asset Depreciation	650	650	650
TO SUMMARY	**(265,600)**	**(251,200)**	**(255,700)**
Full Time Equivalent Number of Staff (including Support Service Staff)	0.33	0.42	0.41

a) Reflects establishment changes in Estates team.

b) Increase reflects water main repairs at Twisden Road (£4,000).

DIRECTOR OF CENTRAL SERVICES

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
8 VALE RISE DEPOT			
Employees			
Salaries	5,250	6,950	7,450
Premises Related Expenses			
Premises Insurance	150	150	150
Rates	17,350	19,950	20,300
Repairs Expenditure	2,000	5,000	2,000
	24,750	32,050	29,900
Less Recharges to Other Services	(40,400)	(47,950)	(45,950)
Sub-total	(15,650)	(15,900)	(16,050)
Central, Departmental and Technical Support Services			
Central Salaries & Administration	900	900	950
Departmental Administrative Expenses	2,550	2,800	2,900
Depreciation & Impairment			
Non-Current Asset Depreciation	12,200	12,200	12,200
TO SUMMARY	-	-	-
Full Time Equivalent Number of Staff (including Support Service Staff)	0.12	0.15	0.15

DIRECTOR OF CENTRAL SERVICES

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £
9 LAND REVIEW				
Employees				
Salaries	30,200	28,600		29,300
Premises Related Expenses				
Depot	1,850	2,050		2,300
Estate Management	1,000	1,000		1,000
Rates	-	8,950	a)	8,950
Insurance	350	350		400
Repairs Expenditure	12,600	21,600	b)	12,600
Supplies & Services				
Professional Fees	35,000	35,000		35,000
Asset Review	-	410,000	c)	-
	81,000	507,550		89,550
Less Income				
Fees & Charges - General	(1,000)	(1,000)		(1,000)
Castle Lodge Rent	(7,000)	(7,000)		(7,000)
Wayleaves	(500)	(500)		(500)
	(8,500)	(8,500)		(8,500)
Sub-total	72,500	499,050		81,050
Central, Departmental and Technical Support Services				
Central Salaries & Administration	2,950	3,050		3,300
Information Technology Expenses	250	300		300
Departmental Administrative Expenses	34,300	16,700	d)	16,100
TO SUMMARY	**110,000**	**519,100**		**100,750**
Full Time Equivalent Number of Staff (including Support Service Staff)	1.02	0.71		0.69

a) Rates payable in respect of former car park at Maidstone Road, Bluebell Hill.

b) Increased requirement for maintenance work on Community Areas and includes Castle Lodge Energy Performance Certificate works (£5,000).

c) Payment was required in order to remove the covenants affecting the Gibson site, as far as they benefitted Kent County Council and the remaining land held by Kent County Council at Kings Hill. Report to Cabinet 02 April 2024 refers.

d) Reflects reallocation of staff resources from Estates team.

DIRECTOR OF CENTRAL SERVICES

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
10 REGENERATION OF TONBRIDGE			
Employees			
Salaries	-	139,450 **a)**	165,950 **a)**
Supplies & Services			
Professional Fees			
Angel Centre	-	75,000 **b)**	-
Tonbridge Farm Sportsground	-	15,000 **b)**	-
East of High Street, Tonbridge	-	75,750 **b)**	-
Sub-total	-	305,200	165,950
Central, Departmental and Technical Support Services			
Central Salaries & Administration	-	45,200 **c)**	64,350 **c)**
Departmental Administrative Expenses	-	46,250 **a)**	61,700 **a)**
TO SUMMARY	**-**	**396,650**	**292,000**
Full Time Equivalent Number of Staff (including Support Service Staff)	0.00	2.61	3.50
11 CHRISTMAS LIGHTING (PARISH AREAS)			
Supplies & Services			
Borough Christmas Lighting	12,800	13,300	12,800
Central, Departmental and Technical Support Services			
Central Salaries & Administration	50	50	50
Departmental Administrative Expenses	650	650	700
TO SUMMARY	**13,500 d)**	**14,000 d)**	**13,550 d)**
Full Time Equivalent Number of Staff (including Support Service Staff)	0.01	0.01	0.01

a) Cost of fixed term Tonbridge Town Centre Programme Manager to co-ordinate various town centre projects, and to develop and manage a town centre wide programme. Costs to be met from a reserve - report to Cabinet 02 April 2024 refers.

b) Specific town centre wide projects met from reserves.

c) Reallocation of staff resources to support regeneration of Tonbridge initiatives.

d) Budgets were previously included within Street Scene & Leisure Directorate.

DIRECTOR OF CENTRAL SERVICES

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
12 LICENCES			
(a) FEE PAYING			
Employees			
Salaries	270,200	260,150 **a)**	282,200 **a)**
Premises Related Expenses			
Rents	100	100	100
Supplies & Services			
Purchases - Equipment & Materials	7,000	7,000	7,000
Professional Fees	8,000	8,000	8,000
Advertising	500	250	250
	285,800	275,500	297,550
Less Income			
Licence Fees			
Animal Boarding Establishments	(3,600)	(5,150)	(2,000)
Dog Breeding	(1,200)	(2,350)	(1,300)
Selling Animals as Pets	-	-	(2,750)
Hackney Carriages & Private Hire	(250,000)	(250,850)	(258,350) **b)**
Hiring Out Horses	-	(3,050)	(3,150)
Alcohol & Entertainment - Premises	(94,000)	(94,000)	(94,000)
Acupuncture / Tattooing / Ear Piercing	(1,750)	(1,750)	(1,750)
Pleasure Boats & Boatmen	(550)	(400)	(550)
Pavement Licences	(700)	-	(700)
Alcohol & Entertainment - Personal	(1,000)	(1,850)	(1,900)
Sex Establishments/Sexual Entertainment	(2,000)	(2,000)	(2,000)
Dangerous Wild Animals	(800)	-	-
Gambling	(5,200)	(6,400)	(6,400)
Scrap Metal Dealers	(300)	(350)	-
Contributions from Other Bodies			
Government Grant	(600)	-	-
	(361,700)	(368,150)	(374,850)
Sub-total	(75,900)	(92,650)	(77,300)
Central, Departmental & Technical Support Services			
Central Salaries & Administration	17,100	17,500	18,550
Information Technology Expenses	11,800	14,350	13,500
Departmental Administrative Expenses	107,750	101,800	105,600
	60,750	**41,000**	**60,350**
Full Time Equivalent Number of Staff (including Support Service Staff)	6.52	6.48	6.49

DIRECTOR OF CENTRAL SERVICES

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
(b) NON FEE PAYING			
Employees			
Salaries	35,200	34,900	37,350
Central, Departmental & Technical Support Services			
Central Salaries & Administration	2,400	2,450	2,500
Departmental Administrative Expenses	14,400	13,750	14,350
	52,000	**51,100**	**54,200**
Full Time Equivalent Number of Staff (including Support Service Staff)	0.81	0.82	0.82
LICENCES			
SUMMARY			
(a) FEE PAYING	60,750	41,000	60,350
(b) NON FEE PAYING	52,000	51,100	54,200
TO SUMMARY	**112,750**	**92,100**	**114,550**

LICENCES - FEE PAYING / NON FEE PAYING

a) Savings arising from a vacancy within the Licensing team. Forward estimate reflects full establishment and provision for a pay award.

b) Reflects anticipated increased demand and proposed increase in fees from April 2025 approved by the Licensing and Appeals Committee on 27 November 2024.

DIRECTOR OF FINANCE & TRANSFORMATION

SUMMARY

		2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
1	HOUSING BENEFITS	368,150	380,450	445,350
2	LOCAL REVENUE & NNDR COLLECTION	569,650	546,150	609,250
3	COUNCIL TAX SUPPORT	316,050	320,950	336,100
4	TREASURY MANAGEMENT & BANKING	(2,129,900)	(2,570,650)	(2,074,000)
5	DRAINAGE BOARDS SPECIAL LEVIES	509,800	503,500	518,600
6	LIAISON, SUPPORT & ADVICE (PARISH COUNCILS)	97,700	95,550	98,550
7	STREET NAMING & NUMBERING	(2,150)	21,900	3,150
	ANNUAL ESTIMATES	(270,700)	(702,150)	(63,000)
8	CONTRIBUTIONS TO PROVISIONS	5,000	16,500	5,000
9	ITEMS FUNDED FROM RESERVES	-	1,650	-
		(265,700)	**(684,000)**	**(58,000)**
	Full Time Equivalent Number of Staff (including Support Service Staff)	34.67	35.30	35.38

DIRECTOR OF FINANCE & TRANSFORMATION

	2024/25 ORIGINAL ESTIMATE £		2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £	
1 HOUSING BENEFITS						
Employees						
Salaries	231,900		245,050	a)	242,450	
Supplies & Services						
Stationery	200		200		200	
Reference Books & Publications	-		1,400		1,500	
Audit Fee	30,000		35,500	b)	36,000	
Postages	1,000		1,000		1,000	
Subscriptions	1,500		1,500		1,500	
Compensation Scheme	100		100		100	
Other Expenses	-		22,100	c)	-	
Housing Benefits						
Rent Allowances	23,495,000		22,557,800	d)	21,880,900	e)
Non HRA Rent Rebates	1,100,000		1,004,000	d)	1,004,000	e)
Local Scheme	66,500		51,600	d)	51,600	e)
Discretionary Housing Payments	180,000		158,700	d)	158,700	e)
Overpayments	(375,000)		(360,000)	d)	(340,000)	e)
Contribution to Bad Debt Provision	(37,050)		(5,400)	d)	(39,800)	e)
	24,694,150		23,713,550		22,998,150	
Less Income						
Government Grant	-		(102,400)	f)	-	
Rent Allowance Subsidy	(23,350,000)		(22,366,900)	d)	(21,695,900)	e)
Non HRA Rent Rebate Subsidy	(915,000)		(833,600)	d)	(833,600)	e)
Local Scheme Subsidy	(43,900)		(51,600)	d)	(51,600)	e)
Discretionary Housing Payment Contribution	(180,000)		(158,700)	d)	(158,700)	e)
Administration Grant	(166,300)		(169,900)		(169,900)	
	(24,655,200)		(23,683,100)		(22,909,700)	
Sub-total	38,950		30,450		88,450	
Central, Departmental & Technical Support Services						
Central Salaries & Administration	128,050		137,100	g)	146,600	g)
Information Technology Expenses	73,650		89,450	h)	84,100	
Departmental Administrative Expenses	127,500		123,450		126,200	
TO SUMMARY	**368,150**		**380,450**		**445,350**	
Full Time Equivalent Number of Staff (including Support Service Staff)	9.10		9.53		9.47	

DIRECTOR OF FINANCE & TRANSFORMATION

HOUSING BENEFITS

a) Increased allocation from Housing Services as a result of the additional staff resources required to reduce escalating temporary accommodation costs.

b) Additional housing subsidy audit fee payable for prior year, anticipated to continue for future years.

c) Upgrades to the Revenues & Benefits IT system funded by government grant.

d) Revised estimates reflect current levels of benefit payments and subsidy due, together with a reassessment of the bad debts provision on overpayments, having regard to the age and size of the debt and level of write-offs. Overall the budget is £55,350 more than the 2024/25 original estimate.

e) Reflects anticipated reduction in rent allowances as existing working age housing benefits claimants move onto Universal Credit. Overall the budget is £35,050 more than the 2024/25 original estimate.

f) Grants awarded to assist with the administrative costs of implementing welfare reform and other changes. £22,100 has been used on upgrades to the IT system - see note c). The balance is transferred to an earmarked reserve for use on transformation initiatives.

g) Reflects effect of establishment changes within Exchequer Services staff section reported to General Purposes Committee 12 June 2024.

h) Reflects reallocation of additional IT Services costs across all service budget headings (see page CS 9).

DIRECTOR OF FINANCE & TRANSFORMATION

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £	
2 LOCAL REVENUE & NNDR COLLECTION					
Employees					
Salaries	420,800	422,050		430,850	a)
Supplies & Services					
Equipment, Furniture & Materials - Purchases	500	500		500	
Direct Debit / Bank Charges	2,000	-		-	
Court Fees	3,000	5,000		3,000	
Debt Recovery Fees	10,000	10,000		10,000	
Other Expenses / KIN	15,400	17,000		17,000	
Stationery	5,500	3,500		3,500	
Reference Books & Publications	450	450		500	
Bar Code Payment Charges	2,000	1,000		1,000	
Tracing Services	20,000	20,000		20,000	
Advertising	400	400		400	
Postages	60,500	75,500	b)	78,000	
Compensation Scheme	100	100		100	
	540,650	555,500		564,850	
Less Income					
Government Grant					
- Allowances for Cost of NNDR Collection	(159,850)	(161,500)		(161,500)	
Summons Costs Recovered	(335,000)	(400,000)	c)	(350,000)	
Civil Penalty	(3,000)	(3,000)		(3,000)	
Contributions from Other Bodies	(25,000)	(25,000)		(25,000)	
	(522,850)	(589,500)		(539,500)	
Sub-total	17,800	(34,000)		25,350	
Central, Departmental & Technical Support Services					
Central Salaries & Administration	162,500	170,100	d)	177,300	d)
Information Technology Expenses	152,650	185,400	e)	174,300	
Departmental Administrative Expenses	236,700	224,650	f)	232,300	
TO SUMMARY	**569,650**	**546,150**		**609,250**	
Full Time Equivalent Number of Staff (including Support Service Staff)	15.00	15.03		15.11	

DIRECTOR OF FINANCE & TRANSFORMATION

LOCAL REVENUE & NNDR COLLECTION

a) Reflects full year effect of establishment changes within the Revenues and Benefits staff section, together with provision for a pay award

b) Increased level of recovery action and higher postage prices.

c) Reflects continuing impact of reintroduction of court hearings and current economic climate.

d) Reflects effect of establishment changes within Exchequer Services staff section reported to General Purposes Committee 12 June 2024.

e) Reflects reallocation of additional IT Services costs across all service budget headings (see page CS 9).

f) Reduction in Customer Services costs which in turn have been reallocated across all service budget headings (see page CS 5).

DIRECTOR OF FINANCE & TRANSFORMATION

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £	
3 COUNCIL TAX SUPPORT					
Employees					
Salaries	250,550	251,250		256,500	
Supplies & Services					
Council Tax Support Scheme	4,500	4,500		12,500	a)
Council Tax Support Fund	171,950	171,950		-	b)
	427,000	427,700		269,000	
Less Income					
Government Grant Administration - Dept. for Work and Pensions	(63,100)	(64,500)		(64,500)	
Council Tax Support Fund	(171,950)	(171,950)		-	b)
Contributions from Other Bodies	(136,700)	(136,700)		(136,700)	
	(371,750)	(373,150)		(201,200)	
Sub-total	55,250	54,550		67,800	
Central, Departmental & Technical Support Services					
Central Salaries & Administration	59,700	59,500		61,250	
Information Technology Expenses	60,200	73,150	c)	68,750	
Departmental Administrative Expenses	140,900	133,750	d)	138,300	
TO SUMMARY	**316,050**	**320,950**		**336,100**	
Full Time Equivalent Number of Staff (including Support Service Staff)	7.87	7.82		7.82	

a) Includes provision to potentially undertake a Council Tax Reduction Scheme consultation in 2025/26 due to uncertainty around continuation of the existing incentive payment received from Kent County Council.

b) Additional Council Tax Support Fund grant funding received to support vulnerable households is not anticipated to be received in future years.

c) Reflects reallocation of additional IT Services costs across all service budget headings (see page CS 9).

d) Reduction in Customer Services costs which in turn have been reallocated across all service budget headings (see page CS 5).

DIRECTOR OF FINANCE & TRANSFORMATION

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
4 TREASURY MANAGEMENT & BANKING ARRANGEMENTS			
Employees			
Salaries	35,050	37,550	40,900
Supplies & Services			
Treasury Advisor & Dealing Fees	16,000	17,000	18,000
Credit / Debit Card Charges	51,500	47,000	47,000
Bank Charges	18,000	18,000	18,000
Transfers in Lieu of Interest	194,150	224,000 **a)**	167,500 **a)**
	314,700	343,550	291,400
Less Income			
Interest on:			
Cash Flow Investments	(1,433,000)	(965,000) **b)**	(686,000) **b)**
Core Cash Investments	(676,000)	(1,730,000) **b)**	(1,486,000) **b)**
Property Fund Investments	(185,000)	(105,000) **c)**	(72,000) **c)**
Multi Asset Income Fund Investments	(183,500)	(148,750) **d)**	(157,250) **d)**
	(2,477,500)	(2,948,750)	(2,401,250)
Sub-total	(2,162,800)	(2,605,200)	(2,109,850)
Central, Departmental & Technical Support Services			
Central Salaries & Administration	12,650	13,400	14,250
Information Technology Expenses	1,100	1,350	1,250
Departmental Administrative Expenses	19,150	19,800	20,350
TO SUMMARY	**(2,129,900)**	**(2,570,650)**	**(2,074,000)**
Full Time Equivalent Number of Staff (including Support Service Staff)	0.91	0.98	1.04

a) Reflects balances held on which interest is payable, together with the effect of predicted levels of investment rate returns.

b) Increased interest receipts due to the Bank base rate being held at 5.25% for longer than originally anticipated. Forward estimate reflects anticipated reduction in the Bank base rate.

c) Lower level of investment income anticipated mainly due to the Lothbury Property Trust being terminated on 30th May 2024.

d) Reflects fluctuations in the performance of the Multi-Asset Diversified Income Funds.

DIRECTOR OF FINANCE & TRANSFORMATION

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £	
5 DRAINAGE BOARDS SPECIAL LEVIES					
Payments to Drainage Boards	509,500	503,150		518,250	a)
Central, Departmental & Technical Support Services					
Central Salaries & Administration	300	350		350	
TO SUMMARY	**509,800**	**503,500**		**518,600**	
Full Time Equivalent Number of Staff (including Support Service Staff)	0.00	0.01		0.01	
6 LIAISON, SUPPORT & ADVICE (PARISH COUNCILS)					
Employees					
Salaries	53,200	55,200		52,850	
Central, Departmental & Technical Support Services					
Central Salaries & Administration	26,750	23,600		28,400	
Departmental Administrative Expenses	17,750	16,750		17,300	
TO SUMMARY	**97,700**	**95,550**		**98,550**	
Full Time Equivalent Number of Staff (including Support Service Staff)	1.22	1.18		1.18	
7 STREET NAMING & NUMBERING					
Employees					
Salaries	17,500	37,500	b)	38,600	
Less Income					
Street / House Naming & Numbering	(45,000)	(25,000)	c)	(45,000)	
Sub-total	(27,500)	12,500		(6,400)	
Central, Departmental & Technical Support Services					
Central Salaries & Administration	850	900		950	
Information Technology Expenses	21,850	3,250	b)	3,100	
Departmental Administrative Expenses	2,650	5,250	b)	5,500	
TO SUMMARY	**(2,150)**	**21,900**		**3,150**	
Full Time Equivalent Number of Staff (including Support Service Staff)	0.57	0.75		0.75	

DIRECTOR OF FINANCE & TRANSFORMATION

DRAINAGE BOARDS SPECIAL LEVIES

a) Reflects 3% increase for inflation (CPI).

STREET NAMING & NUMBERING

b) Redistribution of staff allocations in GIS staff section.

c) Reduction in anticipated income resulting from a delay in processing applications.

DIRECTOR OF FINANCE & TRANSFORMATION

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £		2025/26 ESTIMATE £
8 CONTRIBUTIONS TO PROVISIONS				
General Bad Debts Provision	5,000	16,500	**a)**	5,000
TO SUMMARY	**5,000**	**16,500**		**5,000**
9 ITEMS FUNDED FROM RESERVES				
Aldermen / Freedom Ceremonies / Other	-	1,650		-
TO SUMMARY	**-**	**1,650**		**-**

a) Reassessment of the bad debts provision having regard to the age and size of the debt and level of write-offs.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

SUMMARY

		2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
1	DEVELOPMENT MANAGEMENT	797,700	1,299,600	912,650
2	CONSERVATION	106,050	106,550	108,750
3	BUILDING CONTROL	87,000	235,150	233,250
4	PLANNING POLICY	1,221,700	1,359,650	1,670,100
5	HOUSING STRATEGY & ENABLING ROLE	316,150	517,550	401,750
6	HOMELESSNESS	1,002,550	1,455,400	1,290,850
7	HOUSING ADVICE & PREVENTION	213,050	335,900	268,800
8	HOME SAFETY	4,400	4,400	4,800
9	PRIVATE SECTOR HOUSING RENEWAL	324,500	379,700	358,100
10	PRIVATE SECTOR HOUSING STANDARDS	104,100	115,450	118,650
11	PEST CONTROL	35,400	25,050	24,450
12	PUBLIC HEALTH ACT 1984	8,200	9,200	6,500
13	ENVIRONMENTAL PROTECTION ACT - PART 1	40,700	38,150	39,150
14	ENVIRONMENTAL PROTECTION	354,250	360,200	357,050
15	FOOD & SAFETY	383,700	373,800	380,950
16	PUBLIC HEALTH	64,700	91,950	71,600
17	GYPSY TRAVELLER SITES	0	63,650	65,000
		5,064,150	**6,771,350**	**6,312,400**
	Full Time Equivalent Number of Staff (including Support Service Staff)	93.23	102.35	95.21

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £		2024/25 ESTIMATE REVISED £		2025/26 ESTIMATE £	
1. DEVELOPMENT MANAGEMENT						
Employees						
Salaries	1,481,800		1,531,300	**a)**	1,462,300	**b)**
Supplies & Services						
Professional Fees	9,000		15,900	**c)**	-	**d)**
Application & Appeals	50,000		396,000	**e)**	100,000	**f)**
Advertising	13,100		8,900		8,900	
	1,553,900		1,952,100		1,571,200	
Less Income						
Fees & Charges						
Planning Applications	(1,290,000)		(1,150,400)	**g)**	(1,169,950)	**h)**
Pre-Planning Advice	(95,000)		(110,000)	**i)**	(113,850)	**j)**
Planning Performance Agreements	(70,000)		(95,000)	**k)**	(98,300)	**l)**
Viability Assessments	(9,100)		-	**m)**	-	**m)**
s.106 Agreement Monitoring	(37,000)		(25,000)	**n)**	(25,000)	**n)**
Government Grant	-		(25,000)		-	**o)**
	(1,501,100)		(1,405,400)		(1,407,100)	
Sub-total	52,800		546,700		164,100	
Central, Departmental & Technical Support Services						
Central Salaries & Administration	128,700		141,400		133,500	
Information Technology Expenses	116,000		140,900	**p)**	132,450	**p)**
Departmental Administrative Expenses	500,200		470,600	**q)**	482,600	**r)**
TO SUMMARY	**797,700**		**1,299,600**		**912,650**	
Full Time Equivalent Number of Staff (including Support Service Staff)	32.93		31.28		30.43	

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

DEVELOPMENT MANAGEMENT

a) Increased use of agency staff to fill vacant posts due to difficulties in recruiting.

b) Reflects cessation of agency staff arrangements, effect of establishment changes and includes provision for a pay award.

c) Increased enforcement to tackle illegal activity on greenfield sites funded from external funding held in the Planning Reserve.

d) Change in the process for Financial Viability Assessments where these are now paid directly to the third party provider.

e) Increased level of appeals with £311,000 funded from the planning reserve as agreed in 2023/24.

f) Estimate assumes that appeals will return to base level. However, the revised Local Plan timetable means that the period for potential 'speculative development' is longer, which may create a significant risk in returning this budget to a lower level.

g) Reduction in number of planning applications, particularly minor developments and household applications, likely linked to economic climate. The Revised estimate of £1,150,400 is based on 20 Majors and 786 minors (minors and others).

h) Fees to be increased from April 2025 by September 2024 CPI at 1.7%. Estimate is based on average income for 20 major applications and 786 minor and other applications.

i) Estimate reflects an increase in requests for this service.

j) Internally set fees - these fees have been increased by the agreed inflationary measure assumed at 3.5%.

k) Estimate reflects an increase in requests for this service. The additional income over and above the 24/25 Original Estimate will be added to the Planning reserve to fund a Planning Officer on a one-year Fixed term Contract.

l) Internally set fees - these fees have been increased by the agreed inflationary measure assumed at 3.5%. The additional income over and above the 24/25 Original Estimate will be added to the Planning reserve to fund a Planning Officer on a one-year Fixed term Contract.

m) The viability assessment fee is now paid directly to providers.

n) Lower than anticipated planning applications attracting S106 fee. Funds are used to offset salary costs for Section 106 Monitoring officer.

o) Planning Skills Delivery Fund earmarked for use in 2024/25

p) Reflects reallocation of several one-off IT Services costs across all service budget headings in current year forward estimate reflects a normal level of IT Services costs being distributed budget headings (see page CS 5).

q) Reduction in Customer Services costs which in turn have been reallocated across all service

r) Increased cost of office accommodation attributable to Planning Services (see page CS 3).

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
2. CONSERVATION			
Employees			
Salaries	58,250	60,050	58,500
Supplies & Services			
Archaeological Advice	9,350	9,350	9,700
Third Party Payments			
Conservation	16,000	15,000 **a)**	17,500 **a)**
Sub-total	83,600	84,400	85,700
Central, Departmental & Technical Support Services			
Central Salaries & Administration	1,700	2,300	2,550
Information Technology Expenses	100	100	100
Departmental Administrative Expenses	20,650	19,750	20,400
TO SUMMARY	**106,050**	**106,550**	**108,750**
Full Time Equivalent Number of Staff (including Support Service Staff)	1.26	1.22	1.20

a) Reflects actual costs of service from TWBC based on Q1 and proposed fee increase for 25/26.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £		2025/26 ESTIMATE £	
3. BUILDING CONTROL					
Employees					
Salaries	319,050	360,800	**a)**	365,850	**a)**
Supplies & Services					
Professional Fees	13,000	13,000		13,000	
Subscriptions	2,250	2,350		2,350	
Competent Persons Scheme	3,000	2,000		2,000	
	337,300	378,150		383,200	
Less Income					
Fees & Charges					
Building Regulations	(421,000)	(330,000)	**b)**	(341,550)	**c)**
Sub-total	(83,700)	48,150		41,650	
Central, Departmental & Technical Support Services					
Central Salaries & Administration	14,550	15,500		16,100	
Information Technology Expenses	33,650	40,850	**d)**	38,400	**d)**
Departmental Administrative Expenses	122,500	130,650	**e)**	137,100	**f)**
TO SUMMARY	**87,000**	**235,150**		**233,250**	
Full Time Equivalent Number of Staff (including Support Service Staff)	7.08	7.96		7.95	

a) Reflects establishment changes in Building Control team. Forward estimate includes provision for a pay award.

b) Lower than anticipated requests for service. As market share remains similar this is likely due to poor economic climate.

c) Reflects a 3.5% increase in fees to be agreed at Housing and Planning Scrutiny Select Committee on 3rd December 2024.

d) Reflects reallocation of several one-off IT Services costs across all service budget headings in current year. Forward estimate reflects a normal level of IT Services costs being distributed (see page CS 9).

e) Reduction in Customer Services costs which in turn have been reallocated across all service budget headings (see page CS 5).

f) Increased cost of office accommodation attributable to Planning Services (see page CS 3).

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
4. PLANNING POLICY			
(a) DEVELOPMENT OF LOCAL PLAN			
Employees			
Salaries	375,950	412,700 **a)**	370,800 **a)**
Supplies & Services			
Development of Local Plan	270,000	395,950 **b)**	789,950 **b)**
Sub-total	645,950	808,650	1,160,750
Central, Departmental & Technical Support Services			
Central Salaries & Administration	17,400	19,750	18,300
Information Technology Expenses	650	750	700
Departmental Administrative Expenses	99,800	100,650	100,600
	763,800	**929,800**	**1,280,350**
Full Time Equivalent Number of Staff (including Support Service Staff)	6.53	6.64	6.31

a) Includes temporary staffing arrangements in Planning Policy team to assist with developing a Local Plan. Forward estimate reflects cessation of these temporary arrangements.

b) The Council has undertaken work to understand the likely budget requirements to deliver a Local Plan considering the proposed revisions to the NPPF and the proposed timescales to submit a plan to the Planning Inspectorate. A report will be reviewed by Cabinet on 3rd December 2024.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
4. PLANNING POLICY (continued)			
(b) PLANNING POLICY			
Employees			
Salaries	333,700	319,300 **a)**	281,800 **a)**
Supplies & Services			
Transport Policy Consultancy	5,000	5,000	5,000
AONB Management	6,100	5,800	6,000
Local Wildlife Sites Register Update	3,900	3,500	3,500
Sub-total	348,700	333,600	296,300
Central, Departmental & Technical Support Services			
Central Salaries & Administration	15,400	12,650	11,900
Information Technology Expenses	3,050	3,750	3,500
Departmental Administrative Expenses	90,750	79,850 **b)**	78,050 **b)**
	457,900	**429,850**	**389,750**
Full Time Equivalent Number of Staff (including Support Service Staff)	6.03	5.50	5.04

PLANNING POLICY				
(a)	**DEVELOPMENT OF LOCAL PLAN**	**763,800**	**929,800**	**1,280,350**
(b)	**PLANNING POLICY**	**457,900**	**429,850**	**389,750**
	TO SUMMARY	**1,221,700**	**1,359,650**	**1,670,100**

a) Includes temporary staffing arrangements in Planning Policy team. Forward estimate reflects cessation of these temporary arrangements.

b) Reflects reallocation of Customer Services costs across all service budget headings (see page CS 5).

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
5. HOUSING STRATEGY & ENABLING ROLE			
(a) HOUSING STRATEGY			
Employees			
Salaries	75,200	130,050 **a)**	97,050 **a)**
Supplies & Services			
Support for External Agencies	3,500	3,500	3,650
Sub-total	78,700	133,550	100,700
Central, Departmental & Technical Support Services			
Central Salaries & Administration	4,350	4,750	5,100
Information Technology Expenses	750	900	850
Departmental Administrative Expenses	24,250	32,400 **b)**	27,950 **b)**
	108,050	**171,600**	**134,600**
Full Time Equivalent Number of Staff (including Support Service Staff)	1.64	2.82	2.15

a) Increase reflects changes to the permanent establishment reported to General Purposes Committee on 13 March 2024, together with additional fixed term posts employed to seek to reduce escalating temporary accommodation costs. These have been funded from the Homelessness Prevention Grant. Forward estimate reflects end of the fixed term arrangements.

b) Reflects primarily the re-distribution of overhead costs arising from additional temporary and permanent posts.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
5. HOUSING STRATEGY & ENABLING ROLE (continued)			
(b) HOUSING REGISTER			
Employees			
Salaries	140,550	258,650 **a)**	190,750 **a)**
Third Party Payments			
Choice Based Lettings	11,200	10,300	10,800
Sub-total	151,750	268,950	201,550
Central, Departmental & Technical Support Services			
Central Salaries & Administration	6,100	6,050	6,200
Information Technology Expenses	2,050	2,500	2,350
Departmental Administrative Expenses	48,200	68,450 **b)**	57,050 **b)**
	208,100	**345,950**	**267,150**
Full Time Equivalent Number of Staff (including Support Service Staff)	3.23	6.04	4.40

HOUSING STRATEGY & ENABLING ROLE				
(a)	**HOUSING STRATEGY**	**108,050**	**171,600**	**134,600**
(b)	**HOUSING REGISTER**	**208,100**	**345,950**	**267,150**
	TO SUMMARY	**316,150**	**517,550**	**401,750**

a) Increase reflects changes to the permanent establishment reported to General Purposes Committee on 13 March 2024, together with additional fixed term posts employed to seek to reduce escalating temporary accommodation costs. These have been funded from the Homelessness Prevention Grant. Forward estimate reflects end of the fixed term arrangements.

b) Reflects primarily the re-distribution of overhead costs arising from additional temporary and permanent staff.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £		2025/26 ESTIMATE £	
6. HOMELESSNESS					
Employees					
Salaries	347,700	483,200	**a)**	421,900	**a)**
Premises Related Expenses					
Repairs & Maintenance to Buildings	13,500	30,000	**b)**	20,000	**c)**
Maintenance of Grounds	2,500	1,600	**d)**	1,600	**d)**
Electricity	14,250	9,550	**e)**	1,500	**f)**
Gas	100	100		200	
Rates	1,000	1,000		1,000	
Council Tax	10,000	21,000	**g)**	10,000	
Water Charges (Metered)	600	900		600	
Fixtures & Fittings	2,500	1,000		1,000	
Premises Insurance	3,600	3,600		3,800	
Transport Related Expenses					
Parking	1,000	500		500	
Public Transport	250	100		100	
Supplies & Services					
Purchases - Equipment & Materials	2,500	1,500		1,500	
Maintenance - General	1,000	500		500	
Rough Sleeping Initiative	309,800	426,400	**h)**	309,800	**i)**
Temporary Accommodation	1,400,000	2,406,000	**j)**	2,254,800	**k)**
Storage of Furniture, Transport, etc.	500	2,200		500	
Rent Deposits / Rent in Advance - Payments	33,550	33,550		33,550	
Telephones & Broadband	700	800		800	
Contain Outbreak Management Fund	-	-		-	
Homelessness Reduction Initiatives	72,000	40,000	**l)**	401,800	**l)**
Contribution to Bad Debt Provision	30,000	9,000	**m)**	30,000	
Third Party Payments					
Property Management	76,550	5,000	**n)**	20,000	**o)**
Medical Assessments	100	200		100	
Carried Forward	2,323,700	3,477,700		3,515,550	

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

HOMELESSNESS

a) Increase reflects changes to the permanent establishment reported to General Purposes Committee on 13 March 2024, together with additional fixed term posts employed to seek to reduce escalating temporary accommodation costs. These have been funded from the Homelessness Prevention Grant. Forward estimate reflects end of the fixed term arrangements.

b) Higher than anticipated repairs and maintenance required to maintain TMBC owned Temporary Accommodation property.

c) Assumes a reduction in essential repairs to TMBC owned Temporary Accommodation properties.

d) Lower than anticipated maintenance of grounds.

e) A reduction in the level of void periods at TMBC owned temporary accommodation has resulted in lower than anticipated electricity costs.

f) The forward estimate assumes no void periods in Council owned Temporary Accommodation. This estimate covers the electricity costs for the office and communal areas.

g) Higher than anticipated number of empty properties due to essential maintenance has resulted in the Council having to meet the Council Tax costs.
The Revised Estimate assumes a 50% reduction in voids for rest of year.

h) Revised Estimate includes the third year of Rough sleeping Initiative (RSI) funding, allowing the Council to continue to fund its partnership work with Look Ahead and Porchlight to tackle rough sleeping. The increase in the estimate also includes a late submitted invoice from 2020/21, in relation to the scheme. The cost of this invoice is to be met from RSI funding which was being held in the homelessness reserve. In addition to this, the estimate also includes an invoice paid to Bloomfield.

i) Continuation of Rough sleeping Initiatives, fully funded by Government Grant.

j) The Original Estimate was calculated based on the caseload dropping to 100 for the 2024/25 financial year. However, caseload figures as at September 2024 were 145. The Council is still experiencing the impact of rising cost of living costs, including increasing private sector rental costs.
The revised estimate assumes that the caseload will reduce between now and year end, with the final caseload estimated to be 135.

k) Various work streams are underway with the aim of reducing the temporary accommodation unit cost and caseload. The forward estimate is based on the caseload reducing to around 120 households alongside maximising subsidy, managing arrears and proactively management of unit costs.

l) Reflects proposed incentives to prevent homelessness to save on temporary accommodation costs; any unbudgeted contribution will be added to the Homelessness Reserve.

m) The level of Bad Debt provision is reviewed annually to ensure that it is sufficient to cover any potential write offs. Although the level of housing debt continues to grow, there are plans forthcoming to increase recovery. Write offs have been kept at a minimum for a number of years, but a review of all debt is needed to ensure that the Council is maximising its recovery rates.

n) Revised Estimate reflects the move from third party provider to in-house options.

o) Reflects new property management proposals yet to be fully costed and agreed.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

6. HOMELESSNESS (continued)

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
Brought Forward	2,323,700	3,477,700	3,515,550
Less Income			
Government Grant	(715,100)	(903,450) **p)**	(1,144,000) **q)**
Rent Deposits/Rent in Advance - Recharges	(33,550)	(33,550)	(33,550)
Customer & Client Receipts - Accommodation	(728,000)	(1,251,100) **r)**	(1,172,500) **s)**
Customer & Client Receipts - Service Charge	(15,400)	(26,450)	(24,800)
Rent of Temporary Accommodation	(210,000)	(206,300) **t)**	(247,550) **u)**
	(1,702,050)	(2,420,850)	(2,622,400)
Sub-total	621,650	1,056,850	893,150
Central, Departmental & Technical Support Services			
Central Salaries & Administration	192,550	192,850	197,450
Information Technology Expenses	21,100	25,650	24,100
Departmental Administrative Expenses	115,200	128,000 **v)**	124,100 **v)**
Depreciation & Impairment			
Non-Current Asset Depreciation	52,050	52,050	52,050
TO SUMMARY	**1,002,550**	**1,455,400**	**1,290,850**
Full Time Equivalent Number of Staff (including Support Service Staff)	10.87	13.79	12.42

Temporary Accommodation	1,400,000	2,406,000	2,254,800
Customer & Client Receipts - Accommodation	(728,000)	(1,251,100)	(1,172,500)
Customer & Client Receipts - Service Charge	(15,400)	(26,450)	(24,800)
Non HRA Rent Rebates	650,000	950,000	1,100,000
Non HRA Rent Rebate Subsidy	(550,000)	(790,000)	(915,000)
Total including non-HRA rent rebates	756,600	1,288,450	1,242,500

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

HOMELESSNESS (continued)

p) Reflects actual Homelessness prevention and Rough Sleeping initiative grants. The Home Office Asylum grant of £5,250 will offset any costs of temporary accommodation for any households who are in asylum dispersal accommodation, spend above this level can be drawn from the homelessness reserve.

q) Made up of £834,200 Homeless Prevention Funding and £309,800 Rough sleeping Initiative funding.

r) Reflects increased numbers in TA - see note j)

s) Reflects declining numbers in TA - see note k)

t) Reflects reducing number of voids

u) Assumes full occupancy of TMBC owned accommodation.

v) Reflects primarily the re-distribution of overhead costs arising from additional temporary and permanent posts.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £		2025/26 ESTIMATE £	
7. HOUSING ADVICE & PREVENTION					
Employees					
Salaries	141,000	244,250	**a)**	187,400	**a)**
Central, Departmental & Technical Support Services					
Central Salaries & Administration	16,300	17,250		16,800	
Information Technology Expenses	7,800	9,450		8,900	
Departmental Administrative Expenses	47,950	64,950	**b)**	55,700	**b)**
TO SUMMARY	**213,050**	**335,900**		**268,800**	
Full Time Equivalent Number of Staff (including Support Service Staff)	3.47	5.94		4.54	

a) Increase reflects changes to the permanent establishment reported to General Purposes Committee on 13 March 2024, together with additional fixed term posts employed to seek to reduce escalating temporary accommodation costs. These have been funded from the Homelessness Prevention Grant. Forward estimate reflects end of the fixed term arrangements

b) Reflects primarily the re-distribution of overhead costs arising from additional temporary and permanent posts.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
8. HOME SAFETY			
Employees			
Salaries	2,850	2,950	3,200
Central, Departmental & Technical Support Services			
Central Salaries & Administration	600	600	650
Departmental Administrative Expenses	950	850	950
TO SUMMARY	**4,400**	**4,400**	**4,800**
Full Time Equivalent Number of Staff (including Support Service Staff)	0.07	0.07	0.08

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £		2025/26 ESTIMATE £	
9. PRIVATE SECTOR HOUSING RENEWAL					
Employees					
Salaries	203,050	228,400	**a)**	232,000	**b)**
Supplies & Services					
Purchases - Equipment & Materials	50	650		50	
Professional Fees	40,750	40,750		250	**c)**
Better Care Fund Initiatives	0	5,000	**d)**	7,250	**d)**
Housing & Health Co-ordinator (Pemb	7,050	7,050		7,050	
Housing & Health Co-ordinator (Maids	33,200	33,200		33,200	
Handy Person Service (Pembury)	30,900	30,900		30,900	
Handy Person Service (Boroughwide)	17,550	17,550		17,550	
Miscellaneous	650	650		650	
Energy Efficiency Initiatives	4,000	30,000	**e)**	-	
Capital Grants & Contributions (RECS)	1,110,000	1,110,000		1,110,000	
	1,447,200	1,504,150		1,438,900	
Less Income					
Government Grant - Better Care Fund	(89,350)	(94,350)	**f)**	(96,600)	**f)**
Fees & Charges	(4,000)	-		-	
Fixed Penalty Notices	-	-		-	
Contribution from other bodies	(40,500)	(40,500)	**g)**	-	**g)**
Capital Grants Received (RECS)	(1,080,000)	(1,080,000)		(1,080,000)	
	(1,213,850)	(1,214,850)		(1,176,600)	
Sub-total	233,350	289,300		262,300	
Central, Departmental & Technical Support Services					
Central Salaries & Administration	11,100	11,600		12,400	
Information Technology Expenses	12,550	15,200		14,300	
Departmental Administrative Expenses	67,500	63,600		69,100	
TO SUMMARY	**324,500**	**379,700**		**358,100**	
Full Time Equivalent Number of Staff (including Support Service Staff)	4.53	5.00		5.04	

a) Increase reflects cost of fixed term Empty Homes Officer post established for a two-year period reported to Cabinet 02 April 2024.

b) Includes provision for a pay award.

c) The budget relates to HUG2 revenue funding, this will cease in 25/26 as it was a one-off contribution relating to the scheme.

d) Includes additional £5,000 of DFG costs and 3.5% inflation costs. See note f)

e) Creation of £30,000 budget to fund work that enabled the facilitation of empty homes being brought back to use as approved at cabinet on 19/03/2024, decision notice D240036CAB.

f) Additional £5,000 funding for DFGs to offset revenue cost of capital projects.

g) The 24/25 original budget relates to a one off revenue grant in respect to the HUG2 scheme.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
10. PRIVATE SECTOR HOUSING STANDARDS			
Employees			
Salaries	74,050	85,600 **a)**	83,950 **a)**
Supplies & Services			
Other Expenses	6,450	6,450	6,450
	80,500	92,050	90,400
Less Income			
Houses in Multiple Occupation / Caravan Site Licences	(6,800)	(6,800)	(3,500)
Sub-total	73,700	85,250	86,900
Central, Departmental & Technical Support Services			
Central Salaries & Administration	1,700	1,800	1,900
Information Technology Expenses	4,850	5,900	5,550
Departmental Administrative Expenses	23,850	22,500	24,300
TO SUMMARY	**104,100**	**115,450**	**118,650**
Full Time Equivalent Number of Staff (including Support Service Staff)	1.57	1.74	1.74

a) Increase reflects cost of fixed term Empty Homes Officer post established for a two-year period reported to Cabinet 02 April 2024.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

11. PEST CONTROL	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
Employees			
Salaries	10,450	6,900	6,950
Supplies and Services			
Financial Hardship Subsidy	7,650	600 **a)**	350 **a)**
Sub-total	18,100	7,500	7,300
Central, Departmental & Technical Support Services			
Central Salaries & Administration	8,850	10,750	10,100
Information Technology Expenses	2,550	2,650	2,750
Departmental Administrative Expenses	5,900	4,150	4,300
TO SUMMARY	**35,400**	**25,050**	**24,450**
Full Time Equivalent Number of Staff (including Support Service Staff)	0.41	0.33	0.33

a) New arrangements with customers on CTR paying part fee and TMBC subsidising remaining.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £	
12. PUBLIC HEALTH ACT 1984				
Employees				
Salaries	1,900	2,000	2,150	
Third Party Payments				
Funeral Expenses	5,000	6,000	3,000	**a)**
Sub-total	6,900	8,000	5,150	
Central, Departmental & Technical Support Services				
Central Salaries & Administration	600	600	650	
Information Technology Expenses	50	50	50	
Departmental Administrative Expenses	650	550	650	
TO SUMMARY	**8,200**	**9,200**	**6,500**	
Full Time Equivalent Number of Staff (including Support Service Staff)	0.05	0.05	0.05	

a) Reduced to reflect lower number of requests.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
13. ENVIRONMENTAL PROTECTION ACT - PART 1			
Employees			
Salaries	29,800	29,350	30,050
Less Income			
Fees & Charges	(8,650)	(10,750)	(10,750)
Sub-total	21,150	18,600	19,300
Central, Departmental & Technical Support Services			
Central Salaries & Administration	1,500	1,550	1,650
Information Technology Expenses	7,050	8,550	8,050
Departmental Administrative Expenses	11,000	9,450	10,150
TO SUMMARY	**40,700**	**38,150**	**39,150**
Full Time Equivalent Number of Staff (including Support Service Staff)	0.71	0.69	0.69

Memorandum

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

Total from above	41,500	38,150	39,150
Share of:			
Democratic Administration	4,300	3,900	4,150
Corporate Management	2,200	2,150	2,350
Non Distributed Costs	4,950	4,450	4,700
Full Cost of LAPPC / LA-IPPC	52,950	48,650	50,350

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
14. ENVIRONMENTAL PROTECTION			
Employees			
Salaries	212,350	215,750	214,600
Supplies & Services			
Purchases - Equipment & Materials	500	300	300
Maintenance - Calibration of Instruments	2,000	2,500	2,500
Miscellaneous Insurance	550	550	600
Third Party Payments			
Water Sampling	500	500	500
General	1,000	4,750	1,000
Air Quality	14,550	18,000 **a)**	18,000 **a)**
Contaminated Land - Site Inspections	2,000	4,400	2,300
	233,450	246,750	239,800
Less Income			
Fees & Charges			
Water Sampling	(950)	(700)	(700)
Provision of Information	(1,650)	(2,000)	(2,050)
	(2,600)	(2,700)	(2,750)
Sub-total	230,850	244,050	237,050
Central, Departmental & Technical Support Services			
Central Salaries & Administration	19,800	20,700	20,700
Information Technology Expenses	14,250	17,350	16,300
Departmental Administrative Expenses	80,400	69,150 **b)**	74,050 **b)**
Depreciation & Impairment			
Non-Current Asset Depreciation	8,950	8,950	8,950
TO SUMMARY	**354,250**	**360,200**	**357,050**
Full Time Equivalent Number of Staff (including Support Service Staff)	4.84	4.66	4.66

a) Reflects increases in Air Quality Partnership fees, servicing costs, and annual analysis of testing tubes.

b) Reflects primarily the re-distribution of overhead costs across Environmental Health & Housing staff cost centres.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
15. FOOD & SAFETY			
(a) GENERAL			
Employees			
Salaries	110,100	108,150	110,150
Supplies & Services			
Protective Clothing	100	100	100
Health General	250	250	250
Miscellaneous Insurance	750	750	800
Sub-total	111,200	109,250	111,300
Central, Departmental & Technical Support Services			
Central Salaries & Administration	11,200	12,350	12,050
Information Technology Expenses	13,850	16,850	15,850
Departmental Administrative Expenses	46,650	40,000 **a)**	42,950 **a)**
	182,900	**178,450**	**182,150**
Full Time Equivalent Number of Staff (including Support Service Staff)	2.58	2.46	2.47

a) Reflects primarily the re-distribution of overhead costs across Environmental Health & Housing staff cost centres.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
15. FOOD & SAFETY (continued)			
(b) FOOD SAFETY			
Employees			
Salaries	127,000	125,950	127,600
Supplies & Services			
Health General	250	250	250
Other Expenses	500	250	250
Third Party Payments			
Food Sampling	200	300	300
	127,950	126,750	128,400
Less Income			
Food Hygiene Rating Systems Re-inspections	(1,900)	(2,800)	(2,800)
Fees & Charges			
Food Inspection	(1,900)	(1,600)	(1,650)
	(3,800)	**(4,400)**	**(4,450)**
Sub-total	124,150	122,350	123,950
Central, Departmental & Technical Support Services			
Central Salaries & Administration	8,850	9,800	9,200
Information Technology Expenses	14,050	17,050	16,050
Departmental Administrative Expenses	53,750	46,150 **a)**	49,600 **a)**
	200,800	**195,350**	**198,800**
Full Time Equivalent Number of Staff (including Support Service Staff)	2.89	2.75	2.76

FOOD & SAFETY				
(a)	**GENERAL**	**182,900**	**178,450**	**182,150**
(b)	**FOOD SAFETY**	**200,800**	**195,350**	**198,800**
	TO SUMMARY	**383,700**	**373,800**	**380,950**

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

FOOD & SAFETY - FOOD SAFETY

a) Reflects primarily the re-distribution of overhead costs across Environmental Health & Housing staff cost centres.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
16. PUBLIC HEALTH			
(a) HEALTHY LIVING			
Employees			
Salaries	104,950	121,950 **a)**	109,600 **b)**
Supplies & Services			
Healthy Living Initiatives	14,000	14,000	14,000
	118,950	135,950	123,600
Less Income			
Other Grants & Contributions	-	12,500 **c)**	-
Public Health Funding	(124,100)	(128,900) **d)**	(124,100) **e)**
Sub-total	(5,150)	19,550	(500)
Central, Departmental & Technical Support Services			
Central Salaries & Administration	2,300	2,500	2,550
Information Technology Expenses	400	500	500
Departmental Administrative Expenses	49,400	50,700	51,000
	46,950	**73,250**	**53,550**
Full Time Equivalent Number of Staff (including Support Service Staff)	2.78	3.25	2.79

a) Increase reflects cost of a one-year fixed term administrative post.

b) Reflects provision for a pay award.

c) Includes funding for Admin resource offset within staff costs.

d) Includes top-up to grant to ensure cost of service remains fully funded.

e) Assumes no increase to standard KCC funding.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
16. PUBLIC HEALTH (continued)			
(b) GENERAL			
Employees			
Salaries	14,250	15,550	14,650
Central, Departmental & Technical Support Services			
Departmental Administrative Expenses	3,500	3,150	3,400
	17,750	**18,700**	**18,050**
Full Time Equivalent Number of Staff (including Support Service Staff)	0.17	0.16	0.16

PUBLIC HEALTH				
(a)	**HEALTHY LIVING**	**46,950**	**73,250**	**53,550**
(b)	**GENERAL**	**17,750**	**18,700**	**18,050**
	TO SUMMARY	**64,700**	**91,950**	**71,600**

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
17. GYPSY TRAVELLER SITES			
(b) GENERAL			
Supplies & Services			
Management fees	-	63,650 **a)**	65,000 **b)**
	0	**63,650**	**65,000**
Full Time Equivalent Number of Staff (including Support Service Staff)	0.17	0.00	0.00

a) This is funded by reserves. Agreed the first years management fee for 24/25 to be funded from the budget stabilisation reserve at cabinet as at March 5th 2024.

b) Fee for ongoing management of the Windmill Lane Gypsy and Traveller site.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

SUMMARY

		2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
1	REFUSE COLLECTION	1,784,750	1,868,400	1,547,250
2	RECYCLING	792,000	625,250	(274,000)
3	STREET SCENE	1,394,400	1,375,350	1,412,050
4	PUBLIC CONVENIENCES	170,300	153,350	150,500
5	TONBRIDGE & MALLING LEISURE TRUST	691,500	441,550	437,700
6	LARKFIELD LEISURE CENTRE	1,151,750	1,292,400	1,298,050
7	ANGEL CENTRE	531,900	449,350	551,250
8	TONBRIDGE SWIMMING POOL	617,250	688,700	713,300
9	POULT WOOD GOLF CENTRE	312,450	346,250	347,900
10	SPORTS GROUNDS	766,700	621,750	805,600
11	PLEASURE GROUNDS & OPEN SPACES	940,700	1,036,800	1,028,200
12	ALLOTMENTS	6,950	7,100	7,200
13	CHURCHYARDS	13,500	14,400	18,050
14	TONBRIDGE CEMETERY	38,400	31,950	16,150
15	LEISURE MARKETING / PROMOTION	94,450	85,750	88,150
16	TONBRIDGE CHRISTMAS LIGHTING	37,050	37,750	38,800
17	PARKING SERVICES	(884,900)	(1,135,950)	(1,453,250)
18	TRANSPORTATION	160,350	166,450	165,950
19	SECURITY SERVICES MANAGEMENT (CCTV)	71,000	71,400	71,350
20	BOROUGH DRAINAGE & LAND DRAINAGE RELATED WORK	199,450	193,050	190,550
21	CIVIL CONTINGENCIES	152,800	124,700	159,650
		9,042,750	**8,495,750**	**7,320,400**
	Full Time Equivalent Number of Staff (Including Support Service Staff)	54.43	52.64	56.21

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £		2025/26 ESTIMATE £	
1. REFUSE COLLECTION					
Employees					
Salaries	181,300	187,000		186,800	
Premises Related Expenses					
Vale Rise Depot Recharge	36,650	43,850		41,650	
Supplies & Services					
Purchases - Equipment & Materials	1,000	500		500	
Emergency Arrangements	50	50		50	
Other Expenses	4,000	6,000		6,000	
Consultancy Fees	-	60,000	**a)**	-	
Third Party Payments					
Residual Waste Collection	1,530,150	1,541,750	**b)**	1,595,700	**c)**
Commercial Waste Collection	550	600		600	
	1,753,700	1,839,750		1,831,300	
Less Income					
Fees & Charges					
Bulky Waste Collection	(157,300)	(160,000)		(165,600)	**d)**
Additional Collections	(1,450)	(1,450)		(1,450)	
Commercial Waste Collection	(700)	(650)		(650)	
Government Grant	-	-		(309,100)	**e)**
	(159,450)	(162,100)		(476,800)	
Sub-total	1,594,250	1,677,650		1,354,500	
Central, Departmental & Technical Support Services					
Central Salaries & Administration	22,200	23,450		23,750	
Information Technology Expenses	9,250	11,200		10,550	
Departmental Administrative Expenses	96,650	93,700		96,050	
Depreciation & Impairment					
Non-Current Asset Depreciation	62,400	62,400		62,400	
TO SUMMARY	**1,784,750**	**1,868,400**		**1,547,250**	
Full Time Equivalent Number of Staff	5.04	5.08		4.99	
(including Support Service Staff)					

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

REFUSE COLLECTION

a) A virement was approved by the Director of Street Scene, Leisure & Technical Services in May 2024 to fund the recommissioning costs of the new waste contract. This has been funded from a reduction in the cost of the waste contract due to lower than anticipated inflation in 2024/25.

b) Reflects lower than anticipated inflation (5% to 3.65%), this saving was used to vire funds to support the recommissioning of the refuse contract. Revised estimate also includes an increase due to the part b costs of the contract being higher than anticipated when setting the original estimate.

c) Forward estimate includes an increase in fees from April 2025, approved by Cabinet on 12 November 2024.

d) Estimate has been increased by 3.5% in line with the agreed Fees & Charges uplift for 2025/26.

e) DEFRA Polluter Pay funding, following new legislation'

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

2. RECYCLING

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
Employees			
Salaries	229,750	234,100	234,500
Premises Related Expenses			
Recycling Centres - Servicing	8,350	31,000 **a)**	- **b)**
Rates	1,050	1,050	1,050
Transport Related Expenses			
Glass Collection	15,050	2,050 **c)**	- **c)**
Supplies & Services			
Purchases - Equipment & Materials	1,500	1,500	1,500
Credit / Debit Card Charges	0	0	0
Contribution to Kent Resource Partnership	15,000	- **d)**	15,000
Other Expenses	1,300	1,300	1,300
Third Party Payments			
Kerbside Waste Collection			
Dry Recycling	1,245,050	1,237,750 **e)**	1,281,050 **f)**
Food Recycling	483,500	474,250 **e)**	490,850 **f)**
Garden Waste Recycling	445,200	445,150 **e)**	460,750 **f)**
Bring Sites Waste Collection			
Cardboard Recycling	20,350	2,700 **b)**	- **b)**
Plastic Recycling	58,550	9,300 **b)**	- **b)**
Paper Recycling	11,350	2,400 **b)**	- **b)**
Carried Forward	2,536,000	2,442,550	2,486,000

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

RECYCLING

a) Includes cleaning of sites until the end of September, removal of banks and reparation works to bring sites back to car park status.

b) All recycling bring sites have been removed, resulting in a Nil budget requirement from 2025/26.

c) This service ceased during 2024/25 with the removal of all bring sites.

d) The Kent Resource Partnership fee has been waived for 2024/25 due to vacancies.

e) Reflects lower than anticipated inflation (5% to 3.65%), this saving was used to vire funds to support the recommissioning of the refuse contract. Revised estimate also includes an increase due to the part b costs of the contract being higher than anticipated when setting the original estimate.

f) Reflects a 3.5% increase in contract costs from April 2025.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
2. RECYCLING (continued)			
Brought Forward	2,536,000	2,442,550	2,486,000
Less Income			
Garden Waste Collection	(1,390,000)	(1,482,600) **g)**	(1,753,400) **h)**
Textile Recycling	(16,450)	(2,300) **b)**	- **b)**
Performance Payment	(628,000)	(628,000)	(628,000)
Government Grant	-	-	(674,500) **i)**
	(2,034,450)	(2,112,900)	(3,055,900)
Sub-total	501,550	329,650	-569,900
Central, Departmental & Technical Support Services			
Central Salaries & Administration	15,050	16,150	16,500
Information Technology Expenses	40,600	49,300	46,350
Departmental Administrative Expenses	116,800	112,150	115,050
Depreciation & Impairment			
Non-Current Asset Depreciation	118,000	118,000	118,000
TO SUMMARY	**792,000**	**625,250**	**-274,000**
Full Time Equivalent Number of Staff (including Support Service Staff)	6.31	6.27	6.17

RECYCLING (continued)

g) There has been a higher than anticipated take up of renewals and fewer than anticipated cancellations during 2024/25.

h) Based on the level of subscriptions in November 2024 and includes the increase in fees from April 2025 approved by Cabinet on 12 November 2024.

i) DEFRA Polluter Pay funding, following new legislation.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
3. STREET SCENE			
Employees			
Salaries	145,450	145,900	148,800
Supplies & Services			
Purchases - Equipment & Materials	10,000	10,000	10,000
Abatement Initiatives (Self Help)	15,000	15,000	15,000
Dog Bin Emptying	14,150	13,700	14,200
Graffiti Removal	1,000	1,000	1,000
Dog Warden	116,200	106,850 **a)**	110,600 **b)**
Emergency Arrangements	50	50	50
Third Party Payments			
Amenity & Street Cleansing	1,019,550	1,013,900 **c)**	1,039,000 **d)**
	1,321,400	1,306,400	1,338,650
Less Income			
Fees & Charges			
Stray Dogs Redemption Fees	(5,050)	(5,050)	(5,550)
Clearance Costs and Contributions from	(7,500)	(7,500)	(7,500)
Government grants	-	(2,950)	-
	(12,550)	(15,500)	(13,050)
Sub-total	1,308,850	1,290,900	1,325,600
Central, Departmental & Technical Support Services			
Central Salaries & Administration	10,200	10,900	11,400
Information Technology Expenses	6,750	8,200	7,700
Departmental Administrative Expenses	68,600	65,350	67,350
TO SUMMARY	**1,394,400**	**1,375,350**	**1,412,050**
Full Time Equivalent Number of Staff (including Support Service Staff)	3.73	3.71	3.72

STREET SCENE

a) Forecast has been based on average charges received to date.

b) The Forward Estimate includes a 3.5% inflation increase in April 2025.

c) Reflects lower than anticipated inflation (5% to 3.65%), this saving was used to vire funds to support the recommissioning of the refuse contract, see note b) under Refuse. Revised estimate also includes an increase due to the part b costs of the contract being higher than anticipated when setting the original estimate.

d) Reflects 3.5% inflation increase in April 2025.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
4. PUBLIC CONVENIENCES			
Employees			
Salaries	13,150	13,350	13,300
Premises Related Expenses			
Building Repairs Expenditure	15,400	14,400	17,300
Electricity	12,000	12,000	12,000
Water Charges (Metered)	5,700	2,650	2,650
Sewerage & Environmental Services	5,000	3,000	3,000
Premises Insurance	1,450	1,450	1,500
Third Party Payments			
Public Conveniences Cleansing	55,500	44,450 **a)**	38,200 **a)**
	108,200	91,300	87,950
Less Income			
Fees & Charges			
Radar Keys	(50)	(50)	(50)
Sub-total	108,150	91,250	87,900
Central, Departmental & Technical Support Services			
Central Salaries & Administration	7,300	7,400	7,800
Information Technology Expenses	600	750	700
Departmental Administrative Expenses	7,050	6,750	6,900
Depreciation & Impairment			
Non-Current Asset Depreciation	47,200	47,200	47,200
TO SUMMARY	**170,300**	**153,350**	**150,500**
Full Time Equivalent Number of Staff (including Support Service Staff)	0.45	0.45	0.45

PUBLIC CONVENIENCES

a) Reflects higher prices due to contract extension. The estimate for this contract is currently being reviewed by The Director of Street Scene, Leisure & Technical Services.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
5. TONBRIDGE & MALLING LEISURE TRUST			
Employees			
Salaries	59,450	55,100	56,600
Third Party Payments			
Management Fee (Utilities)	410,000	167,400 **a)**	165,500 **a)**
Management Fee (Service)	0	0	0
Employers' Superannuation Costs	178,450	182,000	177,200 **b)**
Sub-total	647,900	404,500	399,300
Central, Departmental & Technical Support Services			
Central Salaries & Administration	16,200	16,550	17,150
Information Technology Expenses	50	50	50
Departmental Administrative Expenses	27,350	20,450	21,200
TO SUMMARY	**691,500**	**441,550**	**437,700**
Full Time Equivalent Number of Staff (including Support Service Staff)	1.57	1.24	1.24

a) Utility prices and energy increases are now stabilising to cause a reduction in the estimates, and 2024/25 allows for a rebate from the Energy Supplier.

b) Following the departure of the former Chief Executive the forward (25/26) estimate for superannuation has been reduced.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
6. LARKFIELD LEISURE CENTRE			
Employees			
Salaries	1,400	4,350	4,500
Premises Related Expenses			
Building Repairs Expenditure	206,950	312,650 **a)**	344,950 **b)**
Premises Insurance	61,200	61,200	64,250
Other expenses	-	1,150	-
Third Party Payments			
General	0	29,700 **c)**	0
Sub-total	269,550	409,050	413,700
Central, Departmental & Technical Support Services			
Central Salaries & Administration	21,100	21,100	22,100
Information Technology Expenses	250	350	300
Departmental Administrative Expenses	550	1,600	1,650
Depreciation & Impairment			
Non-Current Asset Depreciation	860,300	860,300	860,300
TO SUMMARY	**1,151,750**	**1,292,400**	**1,298,050**
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.33	0.38	0.39

a) Includes window/door repairs (£62,000), servicing of air handling equipment (£30,750), and servicing of fire alarms/emergency lighting (£72,000).

b) Includes Prima Dance studio toilet refurbishment (£15,000), repairs to changing areas (£20,000),external decoration (£35,000), carpet / floor laying in public areas (£70,000), and servicing of air handling equipment (£40,000).

c) Service contract for gym equipment pending capital purchase of new equipment.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

7. ANGEL CENTRE

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
Employees			
Salaries	4,100	7,750	8,700
Premises Related Expenses			
Building Repairs Expenditure	187,550	80,300 **a)**	200,050 **b)**
Premises Insurance	11,600	11,600	12,150
Third Party Payments			
General	-	20,000 **c)**	-
Sub-total	203,250	119,650	220,900
Central, Departmental & Technical Support Services			
Central Salaries & Administration	10,650	10,450	10,950
Information Technology Expenses	200	250	250
Departmental Administrative Expenses	1,100	2,300	2,450
Depreciation & Impairment			
Non-Current Asset Depreciation	316,700	316,700	316,700
TO SUMMARY	**531,900**	**449,350**	**551,250**
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.26	0.33	0.35

a) Includes toilet refurbishments (£13,000).

b) Includes carpet / floor laying in public areas (£46,000), servicing of the lift (£32,000), and servicing of fire alarms / emergency lighting (£51,500).

c) Service contract for gym equipment pending capital purchase of new equipment.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

8. TONBRIDGE SWIMMING POOL

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
Employees			
Salaries	3,900	6,950	7,850
Premises Related Expenses			
Building Repairs Expenditure	183,350	251,000 **a)**	272,900 **b)**
Premises Insurance	19,400	19,400	20,350
Sub-total	206,650	277,350	301,100
Central, Departmental & Technical Support Services			
Central Salaries & Administration	16,100	15,800	16,550
Information Technology Expenses	250	300	250
Departmental Administrative Expenses	1,050	2,050	2,200
Depreciation & Impairment			
Non-Current Asset Depreciation	393,200	393,200	393,200
TO SUMMARY	**617,250**	**688,700**	**713,300**
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.33	0.39	0.41

a) Includes Health Suite works (£25,000), and BMS System maintenance / upgrade (£97,000).

b) Includes repairs to pool tiles (£100,000) and external decoration (£40,000).

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
9. POULT WOOD GOLF CENTRE			
Employees			
Salaries	1,800	4,750	4,900
Premises Related Expenses			
Building Repairs Expenditure	60,600	90,700 **a)**	90,950 **a)**
Maintenance of Grounds	1,250	1,200	1,200
Premises Insurance	4,100	4,100	4,300
Transport Related Expenses			
Transport Insurance	8,600	8,600	9,050
Sub-total	76,350	109,350	110,400
Central, Departmental & Technical Support Services			
Central Salaries & Administration	11,100	10,850	11,350
Information Technology Expenses	150	150	150
Departmental Administrative Expenses	800	1,850	1,950
Depreciation & Impairment			
Non-Current Asset Depreciation	224,050	224,050	224,050
TO SUMMARY	**312,450**	**346,250**	**347,900**
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.20	0.25	0.25

a) Includes external stair repairs (£10,000), first floor patio works (£10,000) and serving of air conditioning units).(£15,000). Forward estimate includes conservatory works (£25,000), refurbishment of showers (£10,000) and window / door repairs (£10,000).

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
10. SPORTS GROUNDS			
Employees			
Salaries	41,450	40,800	42,350
Premises Related Expenses			
Building Repairs Expenditure	176,200	38,750 **a)**	185,900 **a)**
Maintenance of Grounds	21,450	28,500	21,650
Premises Insurance	2,100	2,100	2,200
Transport Related Expenses			
Car Allowances	200	500	-
Supplies & Services			
Stationery	100	100	100
Honoraria	1,100	1,100	1,100
Telephones	50	50	50
Licences	100	100	100
Recharge	17,650	17,650	17,650
Third Party Payments			
Grounds Maintenance Contract	303,750	289,250 **b)**	330,050 **c)**
	564,150	418,900	601,150
Less Income			
Rents	(16,050)	(16,200)	(16,200)
Sub-total	548,100	402,700	584,950
Central, Departmental & Technical Support Services			
Central Salaries & Administration	13,500	13,750	14,550
Information Technology Expenses	750	900	850
Departmental Administrative Expenses	20,550	20,600	21,450
Depreciation & Impairment			
Non-Current Asset Depreciation	183,800	183,800	183,800
TO SUMMARY	**766,700**	**621,750**	**805,600**
Full Time Equivalent Number of Staff (including Support Service Staff)	1.31	1.31	1.31

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

SPORTS GROUNDS

a) Reflects slippage of repairs to the roof at Tonbridge Farm Pavilion to 2025/26 (£160,000).

b) Reflects changes in contract price from January 2025 following retender.

c) Forward Estimate includes an additional 3.5% inflation from January 2026.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
11. PLEASURE GROUNDS & OPEN SPACES			
(a) TONBRIDGE CASTLE GROUNDS			
Employees			
Salaries	21,000	20,400	20,800
Premises Related Expenses			
Maintenance of Grounds	4,500	39,500 **a)**	4,500
Electricity	1,400	1,400	1,400
Rates	1,400	1,400	1,400
Premises Insurance	50	50	50
Supplies & Services			
Purchases - Equipment & Materials	10,000	10,000	10,000
Licences	300	300	-
Third Party Payments			
Grounds Maintenance Contract	105,400	98,700 **b)**	87,150 **c)**
Tonbridge Hanging Baskets	5,000	5,000	5,000
	149,050	176,750	130,300
Less Income			
Fees & Charges - Mooring Fees	(150)	(150)	(150)
Rights over Water	(2,650)	(1,900)	(2,550)
	(2,800)	(2,050)	(2,700)
Sub-total	146,250	174,700	127,600
Central, Departmental & Technical Support Services			
Central Salaries & Administration	2,950	3,100	17,350 **d)**
Information Technology Expenses	350	400	400
Departmental Administrative Expenses	9,650	9,400	9,400
Depreciation & Impairment			
Non-Current Asset Depreciation	15,300	15,300	15,300
	174,500	**202,900**	**170,050**
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.61	0.61	0.88

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PLEASURE GROUNDS & OPEN SPACES - TONBRIDGE CASTLE GROUNDS

a) Repair costs in relation to the revetment around the moat at Tonbridge Castle.

b) Reflects changes in contract price from January 2025 following retender.

c) Reflects additional 3.5% inflation from January 2026.

d) Reassessment of staff resources from Customer Services staff section following cessation of Tonbridge Gateway agreement.

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	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
11. PLEASURE GROUNDS & OPEN SPACES (continued)			
(b) HAYSDEN COUNTRY PARK			
Employees			
Salaries	43,450	42,900	44,850
Premises Related Expenses			
Building Repairs Expenditure	3,200	7,600 **a)**	14,600 **b)**
Maintenance of Grounds	8,950	13,000 **c)**	13,000 **c)**
Electricity	6,500	7,700	7,700
Water Charges (Metered)	3,700	3,700	3,700
Sewerage & Environmental Services	2,650	2,650	2,650
Cleaning & Domestic Supplies	17,650	27,150 **d)**	38,200 **e)**
Premises Insurance	200	200	200
Supplies & Services			
Purchases - Equipment & Materials	2,850	5,300	2,850
Maintenance - General	2,500	2,500	2,500
Clothing, Uniforms & Laundry	50	50	50
Cash Collection	1,850	1,850	1,850
Trade Refuse Charges	800	850	1,000
Dog Bin Emptying	400	400	400
Gates / Security	7,750	7,550	7,550
Events	300	-	-
Rodent Control	1,400	1,400	1,400
Litter Collection	6,900	5,300	1,150
Advertising	450	450	450
Third Party Payments			
Grounds Maintenance Contract	31,900	37,650 **f)**	57,750 **g)**
Carried Forward	143,450	168,200	201,850

a) Reflects additional response maintenance requirement.

b) Includes hand dryer replacements (£3,000) and provision of staff toilets (£8,000).

c) Increased spend due to Health & Safety commitments as shown over recent years.

d) Reflects higher prices due to contract extension. Contracts are currently being reviewed by the Director of Street Scene, Leisure & Technical Services.

e) Subject to contract tender prices. Contracts are currently being reviewed by The Director of Street Scene, Leisure & Technical Services.

f) Reflects changes in contract price from January 2025 following retender.

g) Forward Estimate reflects an additional 3.5% inflation from January 2026.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
11. PLEASURE GROUNDS & OPEN SPACES (continued)			
(b) HAYSDEN COUNTRY PARK (continued)			
Brought Forward	143,450	168,200	201,850
Less Income			
Fees & Charges			
Car Parking Fees	(82,500)	(85,000)	(85,000)
Car Park Season Tickets	(11,000)	(10,000)	(10,000)
Rents			
Rights over Water	(6,800)	(6,050)	(6,050)
Miscellaneous Concessions	(9,900)	(11,300) **h)**	(9,950)
	(110,200)	(112,350)	(111,000)
Sub-total	33,250	55,850	90,850
Central, Departmental & Technical Support Services			
Central Salaries & Administration	2,950	3,100	3,300
Information Technology Expenses	1,750	2,100	1,950
Departmental Administrative Expenses	20,750	20,750	21,650
Depreciation & Impairment			
Non-Current Asset Depreciation	34,400	34,400	34,400
	93,100	**116,200**	**152,150**
Full Time Equivalent Number of Staff (Including Support Service Staff)	1.24	1.23	1.24

h) Includes one-off funding from Tonbridge School for aquatic plants and fencing.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
11. PLEASURE GROUNDS & OPEN SPACES (continued)			
(c) OPEN SPACES & AMENITY AREAS BOROUGH - WIDE			
Employees			
Salaries	85,950	84,550	87,550
Premises Related Expenses			
Maintenance of Grounds	27,800	33,450 **a)**	34,600 **a)**
Maintenance of Play Equipment	7,500	11,900 **b)**	10,000 **c)**
Bridge Maintenance	46,600	52,100 **d)**	46,600
Electricity	1,400	1,400	1,400
Premises Insurance	2,950	2,950	4,000
Supplies & Services			
Purchases - Equipment & Materials	850	850	850
Dog Bin Emptying	200	200	200
Events	300	-	-
Rodent Control	500	500	500
Miscellaneous Insurance	150	150	150
Telephones	100	50	50
Third Party Payments			
Grounds Maintenance Contract	181,200	172,900 **e)**	162,600 **f)**
Carried Forward	355,500	361,000	348,500

a) Reflects additional works required for Health & Safety reasons and 3.5% contract increases in April 2025.

b) Increased due to essential Health & Safety spend.

c) Increased to more realistic levels based on the expenditure incurred in recent years.

d) Includes £5.5K underspend from previous years carried forward.

e) Reflects changes in contract price from January 2025 following retender. Original estimate included CPI at 5.25%, actual CPI was 4%.

f) Forward Estimate reflects an additional 3.5% inflation from January 2026.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
11. PLEASURE GROUNDS & OPEN SPACES (continued)			
(c) OPEN SPACES & AMENITY AREAS BOROUGH - WIDE (continued)			
Brought Forward	355,500	361,000	348,500
Less Income			
Developer Contributions	(2,650)	(2,650)	(2,650)
Rents			
Land	(28,800)	(27,000)	(27,000)
Wayleave Agreement	(1,250)	(1,250)	(1,250)
	(32,700)	(30,900)	(30,900)
Sub-total	322,800	330,100	317,600
Central, Departmental & Technical Support Services			
Central Salaries & Administration	8,150	8,200	8,500
Information Technology Expenses	1,400	1,700	1,600
Departmental Administrative Expenses	40,300	40,050	41,600
Depreciation & Impairment			
Non-Current Asset Depreciation	27,300	27,300	27,300
	399,950	**407,350**	**396,600**
Full Time Equivalent Number of Staff (Including Support Service Staff)	2.30	2.26	2.26

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	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
11. PLEASURE GROUNDS & OPEN SPACES (continued)			
(d) PATROLLING			
Employees			
Salaries	13,650	13,450	13,900
Transport Related Expenses			
Repairs & Maintenance	300	750	750
Licences	300	300	300
Petrol / Oil	1,500	800	800
Transport Insurance	650	650	700
Supplies & Services			
Clothing, Uniform & Laundry	300	300	300
Gates / Security	8,650	8,250	8,250
Telephones	50	-	-
Sub-total	25,400	24,500	25,000
Central, Departmental & Technical Support Services			
Central Salaries & Administration	2,800	2,900	3,100
Information Technology Expenses	200	250	250
Departmental Administrative Expenses	6,900	6,650	6,950
	35,300	34,300	35,300
Less Income			
# Recharge to Sports Grounds	(17,650)	(17,650)	(17,650)
	17,650	**16,650**	**17,650**
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.42	0.41	0.41

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	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
11. PLEASURE GROUNDS & OPEN SPACES (continued)			
(e) COUNTRYSIDE / WOODLAND MANAGEMENT			
Employees			
Salaries	17,900	18,100	18,750
Premises Related Expenses			
Maintenance of Grounds	20,000	20,000	20,000
Tree Planting Schemes	2,300	2,300	2,300
Supplies & Services			
Purchases - Equipment & Materials	300	-	-
Health & Safety - Trees	80,000	110,000 **a)**	109,000 **b)**
Miscellaneous Insurance	100	100	100
Third Party Payments			
Medway Valley Countryside Partnership	9,000	9,000	9,000
Sub-total	129,600	159,500	159,150
Central, Departmental & Technical Support Services			
Central Salaries & Administration	7,150	7,500	8,000
Information Technology Expenses	1,450	1,750	1,650
Departmental Administrative Expenses	9,050	9,050	9,400
	147,250	**177,800**	**178,200**
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.61	0.61	0.62

a) Higher than anticipated costs from annual inspection and resulting works.

b) Cabinet approved a one-off additional budget in 2025/26 to fund the cost of a consultant to reduce the backlog of tree preservation order requests.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
11. PLEASURE GROUNDS & OPEN SPACES (continued)			
(f) LEYBOURNE LAKES COUNTRY PARK			
Employees			
Salaries	9,300	7,250	7,400
Premises Related Expenses			
Building Repairs Expenditure	9,500	19,850 **a)**	16,900 **b)**
Premises Insurance	600	600	650
Transport Related Expenses			
Transport Insurance	650	650	700
Carried Forward	20,050	28,350	25,650

a) Reflects additional response maintenance requirement, increased cost of servicing CCTV and intruder alarm systems.

b) Includes external decoration works (£5,100).

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
11. PLEASURE GROUNDS & OPEN SPACES (continued)			
(f) LEYBOURNE LAKES COUNTRY PARK (continued)			
Brought Forward	20,050	28,350	25,650
Sub-total	20,050	28,350	25,650
Central, Departmental & Technical Support Services			
Central Salaries & Administration	5,550	5,800	6,200
Information Technology Expenses	1,600	1,950	1,800
Departmental Administrative Expenses	3,800	2,550	2,650
Depreciation & Impairment			
Non-Current Asset Depreciation	77,250	77,250	77,250
	108,250	**115,900**	**113,550**
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.28	0.23	0.23
PLEASURE GROUNDS & OPEN SPACES			
(a) TONBRIDGE CASTLE GROUNDS	**174,500**	**202,900**	**170,050**
(b) HAYSDEN COUNTRY PARK	**93,100**	**116,200**	**152,150**
(c) OPEN SPACES & AMENITY AREAS	**399,950**	**407,350**	**396,600**
(d PATROLLING	**17,650**	**16,650**	**17,650**
(e) COUNTRYSIDE / WOODLAND MANAGE'T	**147,250**	**177,800**	**178,200**
(f) LEYBOURNE LAKES COUNTRY PARK	**108,250**	**115,900**	**113,550**
TO SUMMARY	**940,700**	**1,036,800**	**1,028,200**

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

12. ALLOTMENTS

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
Employees			
Salaries	700	650	650
Premises Related Expenses			
Drainage Rates	50	50	50
Premises Insurance	50	50	50
Third Party Payments			
Management Fee to T.A.G.A.	5,100	5,100	5,100
Sub-total	5,900	5,850	5,850
Central, Departmental & Technical Support Services			
Central Salaries & Administration	350	550	650
Departmental Administrative Expenses	300	300	300
Depreciation & Impairment			
Non-Current Asset Depreciation	400	400	400
TO SUMMARY	**6,950**	**7,100**	**7,200**
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.02	0.02	0.02

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	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
13. CHURCHYARDS			
Employees			
Salaries	3,400	3,150	3,250
Premises Related Expenses			
Maintenance of Grounds	1,800	1,800	1,800
Third Party Payments			
Grounds Maintenance Contract	5,750	6,700 **a)**	10,150 **b)**
	10,950	11,650	15,200
Less Income			
Contributions from Other Bodies	(50)	(50)	(50)
Sub-total	10,900	11,600	15,150
Central, Departmental & Technical Support Services			
Central Salaries & Administration	1,050	1,300	1,400
Information Technology Expenses	150	200	150
Departmental Administrative Expenses	1,400	1,300	1,350
TO SUMMARY	**13,500**	**14,400**	**18,050**
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.09	0.09	0.09

a) Reflects changes in contract price from January 2025 following retender.

b) Reflects additional 3.5% inflation from January 2026.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

14. TONBRIDGE CEMETERY

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
Employees			
Salaries	30,300	29,400	30,450
Premises Related Expenses			
Building Repairs Expenditure	2,900	6,400 **a)**	2,300
Maintenance of Grounds	5,600	12,150 **b)**	5,600
Electricity	3,000	3,000	3,000
Rates	8,150	8,150	8,150
Water Charges (Metered)	250	150	150
Sewerage & Environmental Services	250	100	100
Premises Insurance	600	600	650
Supplies & Services			
Purchases - Equipment & Materials	2,300	2,400	2,500
Third Party Payments			
Grounds Maintenance Contract	70,100	71,800	69,650
	123,450	134,150	122,550
Less Income			
Fees & Charges			
Graves - Exclusive Right of Burial	(31,600)	(40,000) **c)**	(41,400) **d)**
Interments	(45,250)	(55,000) **c)**	(56,900) **d)**
Memorials - Erection	(7,350)	(9,000) **c)**	(9,300) **d)**
Memorials - Inscription	(5,250)	(4,000) **c)**	(4,150) **d)**
Register Search	(3,150)	(3,000) **c)**	(3,100) **d)**
Memorial Garden - Lease of Tablet	(26,300)	(25,000) **c)**	(25,850) **d)**
Memorial Garden - Plaque/Inscription	(5,600)	(6,000) **c)**	(6,200) **d)**
Use of Chapel	(4,050)	(4,000) **c)**	(4,150) **d)**
	(128,550)	(146,000)	(151,050)
Sub-total	(5,100)	(11,850)	(28,500)
Central, Departmental & Technical Support Services			
Central Salaries & Administration	5,150	5,450	5,800
Information Technology Expenses	1,200	1,450	1,400
Departmental Administrative Expenses	14,250	14,000	14,550
Depreciation & Impairment			
Non-Current Asset Depreciation	22,900	22,900	22,900
TO SUMMARY	**38,400**	**31,950**	**16,150**
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.88	0.86	0.86

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

TONBRIDGE CEMETERY

a) Includes repairs to windows / doors and external decoration works (£3,200).

b) Includes additional costs associated with an exhumation and removal of a hedge for H&S reasons.

c) Estimates are based on expenditure to date, reflecting the anticipated change in requests for different services.

d) Reflects a average 3.5% increase in fees as agreed at Cabinet 12 November 2024.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
15. LEISURE STRATEGY			
Employees			
Salaries	63,050	57,350	58,850
Supplies & Services			
Market Research / Audit Programme	4,000	4,000	4,000
Community Group Funding	5,000	5,000	5,000
Sub-total	72,050	66,350	67,850
Central, Departmental & Technical Support Services			
Central Salaries & Administration	1,300	2,250	2,600
Information Technology Expenses	50	50	50
Departmental Administrative Expenses	21,050	17,100	17,650
TO SUMMARY	**94,450**	**85,750**	**88,150**
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.54	0.95	0.95

Analysis of Salaries:-	£	£	£
Leisure Planning / Policy	35,700	36,500	37,500
Market Research	1,850	1,450	1,500
Liaison with Outside Bodies	25,500	19,400	19,850
	63,050	57,350	58,850

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
16. TONBRIDGE CHRISTMAS LIGHTING			
Employees			
Salaries	6,800	6,650	6,800
Supplies & Services			
Christmas Lighting	22,150 **a)**	22,950 **a)**	23,750 **a)**
Sub-total	28,950	29,600	30,550
Central, Departmental & Technical Support Services			
Central Salaries & Administration	650	650	700
Information Technology Expenses	250	350	300
Departmental Administrative Expenses	2,750	2,700	2,800
Depreciation & Impairment			
Non-Current Asset Depreciation	4,450	4,450	4,450
TO SUMMARY	**37,050**	**37,750**	**38,800**
Full Time Equivalent Number of Staff (including Support Service Staff)	0.15	0.14	0.14

a) £12,800 grant to Parish Council has been transferred over to Central Services, these estimates now reflect the cost of Christmas lighting in Tonbridge.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
17. PARKING SERVICES			
(a) OFF-STREET			
Employees			
Salaries	263,750	296,300 **a)**	349,800 **b)**
Premises Related Expenses			
Maintenance of Grounds	277,600	265,100 **c)**	263,250 **c)**
Repairs & Maintenance	30,000	38,000 **d)**	30,000
Winter Maintenance	10,000	10,000	10,000
Electricity	4,050	5,850	5,850
Rates	288,450	279,650	279,650
Premises Insurance	1,450	1,450	1,500
Transport Related Expenses			
Repairs & Maintenance	1,200	2,000	2,000
Licences	450	600	600
Petrol / Oil	2,000	2,000	2,000
Transport Insurance	1,300	1,300	1,350
Supplies & Services			
Purchases - Equipment & Materials	2,000	2,000	2,000
Maintenance - General	30,000	30,000	30,000
Uniforms	750	750	750
Stationery	7,500	7,500	7,500
Professional Fees	-	15,000 **e)**	-
Cash Collection	75,250	75,250	77,900
Payment to Principals / Ticket Refunds	332,000	387,850 **f)**	437,850 **f)**
Advertising	500	900	500
Adjudication & Enforcement Services	9,400	12,200	12,200
Security Services Mgt. Recharge (CCTV)	192,000	193,000	192,900
Carried Forward	1,529,650	1,626,700	1,707,600

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

PARKING SERVICES - OFF-STREET

a) Additional Civil Enforcement Officers established from 23 October 2024 following introduction of amended parking charges, report to General Purposes Committee 09 October 2024 refers.

b) Reflects a full establishment and includes provision for a pay award.

c) Urbaser and Landscape service contract cost. Landscape services new, lower, contract costs from January 2025.

d) Estimate has been increased in line with actual expenditure in recent years.

e) Design works for ANPR in relation to multiple sites.

f) Following the Cabinet decision to increase Parking Fees, the number of refunds issued will also increase, this increase has been reflected in both the Revised & Forward Estimates.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
17. PARKING SERVICES (continued)			
(a) OFF-STREET (continued)			
Brought Forward	1,529,650	1,626,700	1,707,600
Less Income			
Fees & Charges			
Car Park Season Tickets	(120,000)	(112,000) **g)**	(112,000) **g)**
Short Stay Parking	(1,730,000)	(1,975,000) **g)**	(2,150,000) **g)**
Long Stay Parking	(600,000)	(705,000) **g)**	(780,000) **g)**
Penalty Charge Notices	(150,000)	(200,000) **h)**	(300,000) **h)**
General	(38,000)	(38,900)	(38,900)
Management of Angel / Botany Car Parks	(110,000)	(114,650)	(114,650)
Rent	(9,950)	(9,950)	(9,950)
Electric Vehicle Charging	(3,400)	(4,400)	(4,400)
	(2,761,350)	(3,159,900)	(3,509,900)
Sub-total	**(1,231,700)**	**(1,533,200)**	**(1,802,300)**
Central, Departmental & Technical Support Services			
Central Salaries & Administration	30,100	32,400	34,550
Information Technology Expenses	48,250	58,650 **i)**	55,100 **i)**
Departmental Administrative Expenses	87,400	92,600 **j)**	101,750 **j)**
Depreciation & Impairment			
Non-Current Asset Depreciation	92,500	92,500	92,500
	(973,450)	**(1,257,050)**	**(1,518,400)**
Full Time Equivalent Number of Staff (including Support Service Staff)	8.03	8.86	10.00

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

PARKING SERVICES - OFF-STREET (continued)

g) Income estimates have been revised in line with recent activity.

h) Additional PCN income (£230,000 across off and on-street parking) to fund the cost of additional Parking Enforcement Officers.

i) Reflects reallocation of several one-off IT Services costs across all service budget headings in current year. Forward estimate reflects a normal level of IT Services costs being distributed (see page CS 9).

j) Primarily reflects the re-distribution of overhead costs arising from additional permanent posts.

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	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
17. PARKING SERVICES (continued)			
(b) ON-STREET			
Employees			
Salaries	359,800	410,350 **a)**	490,300 **a)**
Premises Related Expenses			
Repairs & Maintenance	15,000	15,000	15,000
Car Parking Action Plans	15,000	20,000 **b)**	15,000
Transport Related Expenses			
Repairs & Maintenance	1,500	2,000	2,000
Licences	550	600	600
Petrol / Oil	2,500	2,000	2,000
Transport Insurance	1,950	1,950	2,050
Supplies & Services			
Purchases - Equipment & Materials	1,950	1,950	1,950
Maintenance - General	12,500	25,000 **c)**	12,500
Uniforms	1,500	2,000 **d)**	1,500
Stationery	500	500	500
Cash Collection	1,650	1,650	1,650
Advertising	1,500	1,500	1,500
Adjudication & Enforcement Services	5,000	6,500 **e)**	6,500 **e)**
	420,900	491,000	553,050
Less Income			
Fees & Charges			
Business Parking Permits	(31,000)	(26,000) **f)**	(26,000) **f)**
Residents Parking Permits	(140,000)	(145,000) **g)**	(145,000) **g)**
Visitors Parking Permits	(29,000)	(35,150)	(35,150)
Dispensations	(19,000)	(19,000)	(19,000)
On-street Parking	(63,000)	(72,000) **h)**	(72,000) **h)**
Penalty Charge Notices	(230,000)	(270,000) **i)**	(400,000) **i)**
	(512,000)	(567,150)	(697,150)
Sub-total Carried Forward	(91,100)	(76,150)	(144,100)

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	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
17. PARKING SERVICES (continued)			
(b) ON-STREET (continued)			
Sub-total Brought Forward	(91,100)	(76,150)	(144,100)
Central, Departmental & Technical Support Services			
Central Salaries & Administration	20,700	21,950 **j)**	23,200 **j)**
Information Technology Expenses	36,100	43,800 **k)**	41,200 **k)**
Departmental Administrative Expenses	118,050	126,700 **l)**	140,050 **l)**
Depreciation & Impairment			
Non-Current Asset Depreciation	4,800	4,800	4,800
	88,550	**121,100**	**65,150**
Full Time Equivalent Number of Staff (including Support Service Staff)	10.53	11.97	13.66
PARKING SERVICES			
(a) OFF-STREET	**(973,450)**	**(1,257,050)**	**(1,518,400)**
(b) ON-STREET	**88,550**	**121,100**	**65,150**
TO SUMMARY	**(884,900)**	**(1,135,950)**	**(1,453,250)**

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a) Additional Civil Enforcement Officers established from 23 October 2024 following introduction of amended parking charges, report to General Purposes Committee 09 October 2024 refers. Forward estimate reflects a full establishment and includes provision for a pay award.

b) Includes implementation of actions following Kings Hill Parking review.

c) Includes one-off customisation of machines for 4G connectivity.

d) Increase in uniform estimate to reflect additional staff.

e) Increased cost reflects increase in PCNs issued.

f) Reduced uptake for business permits.

g) An increase in the number of resident parking permits being issued has resulted in an increase to the revised estimate.

h) Increase in on-street parking estimates due to recent changes to fees, as agreed by Cabinet.

i) Additional PCN income (£230,000 across off and on-street parking) to fund the cost of additional Parking Enforcement Officers.

j) Additional Civil Enforcement Officers established from 23 October 2024 following the introduction of amended parking charges, report to General Purposes Committee 09 October 2024 refers. Forward estimate reflects a full establishment and includes provision for a pay award.

k) Reflects reallocation of several one-off IT Services costs across all service budget headings in current year. Forward estimate reflects a normal level of IT Services costs being distributed (see page CS 9).

l) Reflects primarily the re-distribution of overhead costs arising from additional permanent posts.

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18. TRANSPORTATION

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
Employees			
Salaries	91,000	96,200	94,500
Premises Related Expenses			
Repairs, Alterations & Maintenance	17,000	17,000	17,000
Electricity	1,200	900	900
Vale Rise Depot Recharge	1,900	2,050	2,000
Supplies & Services			
Purchases - Equipment & Materials	5,000	5,000	5,000
Sub-total	116,100	121,150	119,400
Central, Departmental & Technical Support Services			
Central Salaries & Administration	7,700	8,400	9,050
Information Technology Expenses	3,050	3,800	3,500
Departmental Administrative Expenses	33,500	33,100	34,000
TO SUMMARY	**160,350**	**166,450**	**165,950**
Full Time Equivalent Number of Staff (including Support Service Staff)	1.95	1.97	2.00

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	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
19. SECURITY SERVICES MANAGEMENT			
Employees			
Salaries	32,700	32,400	33,300
Supplies & Services			
Purchases - Equipment & Materials	1,500	1,500	1,500
Maintenance - General	10,000	12,000	10,000
Miscellaneous Insurance	2,650	2,650	2,800
Third Party Payments			
CCTV Monitoring Station	167,000	167,000	167,000
	214,500	215,550	214,600
Less Income			
Recharge to Parking Services	(192,000)	(193,000)	(192,900)
Sub-total	22,500	22,550	21,700
Central, Departmental & Technical Support Services			
Central Salaries & Administration	5,500	5,700	6,050
Information Technology Expenses	1,200	1,500	1,400
Departmental Administrative Expenses	14,700	14,550	15,100
Depreciation & Impairment			
Non-Current Asset Depreciation	27,100	27,100	27,100
TO SUMMARY	**71,000**	**71,400**	**71,350**
Full Time Equivalent Number of Staff (including Support Service Staff)	0.78	0.78	0.78

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	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
20. BOROUGH DRAINAGE & LAND DRAINAGE RELATED WORK			
Employees			
Salaries	42,400	38,050 **a)**	44,450 **b)**
Supplies & Services			
Purchases - Equipment & Materials	50	50	50
Professional Fees	5,400	5,400	5,400
Capital Grants & Contributions (RECS)	128,000	128,000	116,000 **c)**
Third Party Payments			
Contract Payments	2,100	2,100	2,100
Sub-total	177,950	173,600	168,000
Central, Departmental & Technical Support Services			
Central Salaries & Administration	2,000	2,150	2,300
Information Technology Expenses	850	1,050	950
Departmental Administrative Expenses	18,550	16,150	19,200
Depreciation & Impairment			
Non-Current Asset Depreciation	100	100	100
TO SUMMARY	**199,450**	**193,050**	**190,550**
Full Time Equivalent Number of Staff (including Support Service Staff)	0.93	0.82	0.93

a) Reallocation of resources from Projects team for ongoing support to Homes for Ukraine scheme during 2024.

b) Reflects cessation of support from Projects team to Homes for Ukraine scheme.

c) The scheme value was for £500k which was profiled over the agreed period. The final instalment will be paid over in 25/26.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2024/25 ESTIMATE ORIGINAL £	2024/25 ESTIMATE REVISED £	2025/26 ESTIMATE £
21. CIVIL CONTINGENCIES			
Employees			
Salaries	71,400	52,200 **a)**	75,100 **a)**
Supplies & Services			
Purchases - Equipment & Materials	500	1,000	1,000
Provision of Sandbags	500	500	500
Out of Hours Call Service	0	0	0
Other Expenses	250	250	250
Contribution to Kent Resilience Forum	14,700	14,700	14,700
Sub-total	87,350	68,650	91,550
Central, Departmental & Technical Support Services			
Central Salaries & Administration	33,500	33,450	35,000
Information Technology Expenses	250	300	300
Departmental Administrative Expenses	31,700	22,300 **b)**	32,800 **b)**
TO SUMMARY	**152,800**	**124,700**	**159,650**
Full Time Equivalent Number of Staff (including Support Service Staff)	1.86	1.42	1.86

a) Reallocation of resources from Projects team for ongoing support to Homes for Ukraine scheme during 2024.

b) Reflects cessation of support from Projects team to Homes for Ukraine scheme.

CAPITAL PLAN REVIEW 2024/25

Item OS 25/6 referred from Overview and Scrutiny Committee of 23 January 2025

The report of the Director of Finance and Transformation and Cabinet Member for Finance and Housing detailed proposals for the Capital Plan for the remainder of 2024/25 and 2025/26 and sought endorsement of recommendations to the Cabinet.

Members were reminded that the capital plan process provided a means of maintaining a pool (List C) from which schemes could be selected for evaluation and possible implementation. It also provided an opportunity to review the provisions for schemes which were already in the Capital Plan (List A).

It was explained that capital expenditure was 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. In some circumstances other earmarked reserves were used to fund in full or in part appropriate capital plan schemes. However, it was also noted that based on current approvals that from 2029/30 the Borough Council might need to borrow to fund such expenditure.

Proposals for List C which included the addition of 'fast track' schemes in respect of the acquisition of temporary accommodation, Haysden Country Park site improvements, Tonbridge Racecourse Sportsground improvements, Swanmead Sportsground flood alleviation works, Tonbridge Cemetery vaults, the installation of digital CCTV systems at the leisure facilities and boiler replaced at Poult Wood Golf Course were outlined in 9.4 of the report. Funding arrangements and evaluated details for these schemes were set out in Annex 4 and 10.1 to 10.6 of the report.

Attention was drawn to the scheme for the renewal of the roof at Tonbridge Castle Offices (detailed on List A) and the estimate had been revised to reflect current building costs which had significantly increased following the covid pandemic. The latest estimate for works was now £226,000 (up from £70,000) and the estimates had been revised to reflect this increase.

Careful consideration was given to the existing Capital Plan (List A) and List C (as detailed in Annexes 1 – 3) and officers responded to questions raised by Members related to the River Medway Riverside Improvement Scheme, Leybourne Lakes Country Park resurfacing and Tonbridge Wayfinding. In response the Committee was assured that the Riverside Improvement Scheme was recognised as a priority and local Members would be kept updated on progress. It was also noted that the introduction of a new Annual Service Delivery Plan would enable progress on the Scheme to be monitored and challenged. Other queries raised would be addressed out of meeting and if appropriate necessary adjustments to the schemes would be made.

Members recognised the significant financial implications in respect of a number of schemes and were reassured that the costs, risks, works and valuations associated with the projects would be carefully monitored. It was also commented that projects

set out should be implemented as soon as possible in advance of local government organisation so that these could be started/completed if the Borough Council no longer existed.

Finally, the Committee recorded appreciation to Officers in Finance Services for their contribution in preparing both the Revenue Estimates and the Capital Plan.

*__RECOMMENDED__: That

(1) the current Capital Plan (List A) position (attached at Annex 1) be noted;

(2) List C (attached at Annex 3) be amended by Cabinet as detailed in 8.3 of the report;

(3) the transfer of the seven fast-track evaluated schemes (shown in 9.4 and Annex 4) from List C to List B be commended to Cabinet for endorsement;

(4) the remaining seven schemes listed in 9.4 be selected for evaluation;

(5) Cabinet endorse Capital Plan (List B) totalling £4.7m (detailed in Annex 2 and 11.2) transferring to List A, subject to the remaining finance being identified;

(6) Cabinet be asked to update the Capital Plan (List A) position as recommended above; and

(7) the Cabinet be invited to endorse the Capital Strategy (attached at Annex 5) for adoption by the Council and publication on the Council's website.

***Recommended to Cabinet**

Overview and Scrutiny Committee

23 January 2025

Part 1 - Public

Recommendation to Cabinet

Cabinet Member	Kim Tanner - Cabinet Member for Finance and Transformation
Responsible Officer	Sharon Shelton – Director of Finance and Transformation
Report Author	Paul Worden – Chief Financial Services Officer Donna Riley – Principal Accountant

Capital Plan Review 2024/25

1 Summary and Purpose of Report

1.1 This report gives details of the proposed Capital Plan for the remainder of 2024/25 and 2025/26.

- **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**

2 Corporate Strategy Priority Area

2.1 Efficient services for all our residents, maintaining an effective council.

2.2 The Capital Plan shows investment into council assets and infrastructure in order to maintain effective council services.

3 Recommendations

3.1 Members of this Committee **NOTE** the current Capital Plan (List A) position as shown in **[Annex 1].**

3.2 It is **RECOMMENDED** that Cabinet be asked to amend List C **[Annex 3]** as detailed in paragraph 8.3.

3.3 It is **RECOMMENDED** that Cabinet be asked to endorse the transfer of the seven fast-track evaluated schemes **[Annex 4]**, shown in paragraph 9.4 from List C to List B.

3.4 It is **RECOMMENDED** that Cabinet be asked to select the remaining seven schemes listed in paragraph 9.4 for evaluating.

3.5 It is **RECOMMENDED** that Cabinet be asked to endorse Capital Plan (List B) totalling £4.7m as shown in **[Annex 2]**, and paragraph 11.2, to List A, subject to the remaining finance being identified.

3.6 It is **RECOMMENDED** that Cabinet be asked to update the Capital Plan (List A) position as recommended above.

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

4 Introduction and Background

4.1 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).

4.2 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.

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

4.4 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.

4.5 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.

5 Capital Plan Funding

5.1 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. In addition, in some circumstances, other earmarked reserves are used to fund in full or in part appropriate capital plan schemes.

5.2 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 2025/26 is £1,149,000.

5.3 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.

5.4 It should be noted, based on current approvals, that from 2029/30 the Council may need to borrow to fund such expenditure. This does not however, preclude a decision to borrow 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.

6 Capital Plan Review Process

6.1 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 and approval, 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.

6.2 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 and transferred to List B.

6.3 Cabinet on 11 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 18 February will consider recommendations from Cabinet.

6.4 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 4.2.

7 Review of the Existing Capital Plan (List A)

7.1 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 2024/25 Budget Book have been made:

- the outturn for 2023/24 has been taken into account and any slippage still required has been included in 2024/25;
- schemes included in the existing Budget Book which were completed in 2023/24 have been removed;
- in accordance with the policy of having a rolling six year Capital Plan (current year plus six) an additional year, 2030/31, 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.

7.2 Paragraph 7.3 details specific amendments to the Capital Plan (List A) since it was approved by Council in February 2024.

7.3 Details of Schemes added in 2024/25

- D240033MEM - Electric vehicle pathway - To bridge the funding gap between the purchase price of combustion engine vehicles and electric vehicles for the purpose of replacing two of the existing Council owned vehicles due for replacement in 2024/25, estimated cost of £27,000, financed from the Climate Change Reserve.

- D240047MEM - Upgrade to Integra Centros Financial Management System - Upgrades to current reporting software and the additional modules requested by Services, estimated cost of £80,500, financed from the Transformation Reserve.

- D240070CAB - De-carbonising & Energy Efficiency Capital Plan – Increased costs associated with Larkfield Decarbonisation works, estimated costs £500,000, partly financed from the Climate Change Reserve.

7.4 In addition to the above, schemes covering the works for Bailey Bridge Car Park, Automated Car Number Plate Recognition (ANPR), Parking Amendments(to be financed from the balance of the additional funds contributed to the Revenue Reserve for Capital Schemes in 2024/25) and the acquisition of Relocation Housing (funded through the Local Authority Housing Fund), were approved by Council in October 2024 and now appear on List A in **[Annex 1].**

7.5 Capital renewals provisions have been extended by a further year to enable the current level of assets (vehicles, plant and equipment) to be maintained. Renewals figures included in 2024/25, 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 £1.156m per annum (2024/25 – 2030/31).

7.6 Included within the plan is a scheme for the renewal of the roof at Tonbridge Castle Offices. Previously Members had approved this scheme to be in the order of £70,000. The estimate was several years old and has now been revised to reflect current building costs, which have significantly increased following Covid. The latest estimate for the works is now £260,000 and the estimates have been increased to reflect this.

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

Capital Plan (List A) recurring expenditure		
	2030/31 £'000	**Annex 1 Page**
Planning, Housing and Environmental Health		
Housing assistance (net)	30	CP 4
Street Scene, Leisure and Technical Services		
Recycling waste bins growth / replacement	31	CP 10
Refuse bins growth / replacement	61	CP 10
Garden waste bins growth / replacement	37	CP 10
Improvements to existing car parks rolling programme	30	CP 18
Total	**189**	

8 List C Update

8.1 As a result of the difficult and challenging financial outlook beyond 2025/26 the focus has to be on what are seen as priority capital plan schemes or where there is potential for external funding.

8.2 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 a substantial contribution received by developer contributions, government grant or other external funding opportunities. An updated schedule of List C schemes is attached at **[Annex 3]**. The update includes schemes which are recommended to be added to List C and schemes to be deleted from List C.

8.3 To assist Members a summary of the proposals is detailed in the table below.

List C additions and deletions	
	Annex 3 Page
Schemes to be added to List C	
Street Scene, Leisure and Technical Services	
Tonbridge Racecourse to Lower Castle Fields Car Park Bridge Works	CP 42
Haysden Country Park Shallow Bridge Works	CP 43
Angel Centre Replacement	CP 44
Tonbridge Farm Sportsground Improvements	CP 45
Car Parks LED Lights	CP 46
Tonbridge Cemetery Vaults	CP 47
Installation of Digital CCTV Systems at Council's Leisure Facilities	CP 48
LLCP Resurfacing Access Roads & Paths	CP 49
Schemes to be deleted from List C	
Street Scene, Leisure and Technical Services	
Upper Castle Field Car Park Extension	
Tonbridge School Athletics Facility	

9 Selection of List C Schemes for Evaluation

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

9.2 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.

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

9.4 In addition, there is one scheme selected for evaluation in a previous Review that are yet to be evaluated / subject to further evaluation as follows: Tonbridge and Tonbridge Castle Site Improvements.

Schemes selected for evaluation from List C	
	Annex 3 Page
Planning, Housing and Environmental Health	
River Medway – Riverside Environmental Improvements	CP 33
Acquisition of Temporary Accommodation and Resettlement (fast-track)	CP 34
Street Scene, Leisure and Technical Services	
Haysden Country Park Site Improvement works (fast-track)	CP 36
Tonbridge Racecourse Sportsground Improvement Works Phase 3 (fast-track)	CP 39
Swanmead Sportsground Flood Alleviation Works (fast-track)	CP 40
Tonbridge Racecourse to Lower Castle Fields Car Park Bridge Works	CP 42
Haysden Country Park Shallow Bridge Works	CP 43
Angel Centre Replacement	CP 44
Tonbridge Farm Sportsground Improvements	CP 45
Car Parks LED Lights	CP 46
Tonbridge Cemetery Vaults (fast-track)	CP 47
Installation of Digital CCTV Systems at the Council's Leisure Facilities (fast-track)	CP 48
Leybourne Lakes Country Park Resurfacing Access Roads and Paths	CP 49
Corporate Services	
De-carbonising Council's Estate, PWGC Boiler Replacement (fast-track)	CP 41

10 Evaluation of List C Schemes

10.1 As part of the 2024/25 and previous Capital Plan reviews a number of schemes were selected for evaluation. The results of those evaluations which have been concluded are given in **[Annex 4]** including those schemes recommended for Fast-Track evaluation.

10.2 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.

10.3 Details of the evaluated schemes are summarised below.

Capital / revenue consequences of evaluated schemes		
	Capital Cost **£'000**	**Annex 4 Page**
Planning, Housing and Environmental Health		
Acquisition of Temporary Accommodation and Resettlement (excludes £400k already approved on list A). fast-track	3,800	CP 50
Street Scene, Leisure and Technical Services		
Haysden Country Park Site Improvement Works. fast-track	50	CP 53
Tonbridge Racecourse Sportsground Tennis Court Improvements. fast-track	65	CP 55
Swanmead Sportsground Land Drainage. fast-track	25	CP 57
Tonbridge Cemetery Vaults. fast-track	43	CP 59
Digital CCTV Systems at the Council's Leisure Facilities. fast-track	85	CP 62
Corporate Services		
PWGC Boiler Replacement. fast-track	250	CP 65
Total	**4,318**	

10.4 The estimated capital cost of the schemes outlined above is to be funded as explained in paragraphs 11.3 and 11.4 below.

10.5 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.

10.6 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) considering the overall budget position.

11 List B Proposals

11.1 As described in the process above, List B contains Schemes that have been subject to evaluation and are awaiting the identification of funding to move onto the full list A for capital works to commence.

11.2 A schedule of List B Schemes are attached at **[Annex 2]**. To assist Members, a summary of the proposals is detailed in the table below.

	Proposed Budget £'000
Planning, Housing and Environmental Health	
1. Acquisition of Resettlement and Temporary Accommodation (includes £400k already approved on list A).	4,200
Street Scene, Leisure and Technical Services	
2. Haysden Country Park Site Improvements Works, Phase 2 works, Various.	50
3. Tonbridge Racecourse Sportsground Site Improvement Works, Phase 3, Tennis Courts.	65
4. Swanmead Sportsground Flood Alleviation Works.	25
5. Tonbridge Cemetery Vaults.	43
6. Installation of digital CCTV systems at the Council's Leisure Facilities.	85
Corporate Services	
7. De-carbonising the Council's Estate: Boiler Replacement at PWGC.	250
Total	**4,718**

11.3 The majority of funding for these schemes will be taken from grants (subject to confirmation) and section 106 agreements. Notably:

- Scheme 1 can be fully funding from Local Authority Housing Fund (LAHF) grant, s106 developer contributions and ringfenced contributions within the revenue reserve for capital schemes;
- Scheme 2 can be funded from s106 developer contributions;
- Scheme 3 can be funded from s106 developer contributions;
- In respect of scheme 7, application is being made to the Public Sector Decarbonisation Grant Scheme, although some match funding may be required.

11.4 The remaining three schemes numbered 4, 5 and 6 under SSLT highlighted in red on the table above will require financing from the Revenue Reserve for Capital Schemes costing £153,000 if they are to proceed. As set out in paragraph 5.3 this is within the annual capital allowance of £250,000 and therefore these schemes could proceed if Members decide accordingly. The remaining balance could be used to support the match funding outlined in scheme 7 above.

12 Other impacts of Accounting Regulations and Standards

12.1 Following the introduction of IFRS 16 Leases from the 2024/25 accounting records, the Council is now required to include leased assets on the Council balance sheet under Property, Plant and Equipment.

12.2 Whilst most leases paid by the Council do not generate assets of significant value, the decision to enter a lease arrangement for Bridge House in Tonbridge, D240137ACB, does generate an asset for the period of the lease. Officers have constructed a rough estimate of the overall capital value of the leased asset, around £2.5million, the costs of which will be financed through the revenue estimates under the homelessness budget. There will be no impact on the Taxpayer costs due to overrides allowed under the accounting code.

12.3 As this asset is of a leased nature, it has not been included in the capital plan review contained in annexes 1 – 4 on the grounds that the council is funding this from other sources rather than those of a capital nature.

13 Capital Strategy

13.1 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.

13.2 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 5]**. 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.

13.3 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."

14 Financial and Value for Money Considerations

14.1 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.

14.2 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.

15 Risk Assessment

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

15.2 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.

16 Legal Implications

16.1 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).

17 Cross Cutting Issues

17.1 Climate Change and Biodiversity

17.1.1 Where there is a perceived impact on end users a climate change or biodiversity impact assessment has or will be carried out as schemes progress as appropriate.

17.2 Equalities and Diversity

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

Background Papers	None
Annexes 1-4 5	 Capital Plan Review 2024/25 & 2025/26 Capital Strategy 2025/26

Due to the size Annexes 1 to 4 to the Capital Plan 2024-2026 are attached as a supplement.

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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 ***2024/25***	***£19.07 million***
Government Grant / Business rates excluding New Homes Bonus ***2024/25***	***£4.20 million***
Borough Council Band D Charge ***2024/25***	***£238.16***
Capital Plan ***2024/25*** to ***2029/30*** (Gross expenditure)	***£20.82 million***
Fixed Assets at 31 March ***2024***	***£94.76 million***
Debt Outstanding at 31 March ***2024***	Nil
Revenue Reserve for Capital Schemes at 31 March ***2024***	***£9.44 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 ***2024/25*** 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. During 2023/24 one of the property funds gave notice of termination and redemption is currently in progress. The fund manager's expectation is to return funds by March 2025.

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 2025/26 is £1,149,000**.

2.8 There is an annual capital allowance for all other capital expenditure. Any 'bids' for capital schemes or discretionary capital grants are to be assessed in the context of the annual allowance. The annual capital allowance *is currently* set at £250,000 *per annum,* however additional funds are added when resources are available. Based on the **agreed** capital plan and future projections the Council may need to borrow to fund such expenditure from ***2029/30 onwards***. Priority is afforded to schemes that meet legislative requirements, address health & safety concerns, generate income or reduce the Council's revenue costs.

2.9 This does not, however, preclude a decision to borrow *at any time* in order to fund in full or in part *capital* investment *if deemed appropriate*. As mentioned at paragraph 4.5 below, subject to the approval of the Angel Centre

replacement (a future strategic scheme) it is likely that borrowing will be necessary in order to provide some of the financing for the project.

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 Our 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". This vision is underpinned by Our Values of Innovation, Transformation and Delivery and our 4 Priorities:

- Efficient services for all 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 to help support residents and businesses and foster sustainable growth.

4.2 In setting the Budget for 24/25, the Cabinet highlighted the need to address the following key issues which contribute to the priorities 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.

4.3 The Corporate Strategy is supported by a wide range of Strategies and Plans where specific improvement projects and initiatives are cascaded down into section plans across the Council. These section and other plans also cover a range of other priorities, improvements and indicators that are set and managed by individual services.

4.4 The Council's capital investment decisions should be in support of its strategic priorities and objectives along with the established criteria used to guide the inclusion of capital plan schemes, and this is an integral part of the evaluation process for each project under consideration. No project should proceed to inclusion within the Capital Plan unless it furthers achievement of the Council's strategic priorities and objectives.

4.5 At Full Council on 20 February 2024 following a review by the Overview and Scrutiny Committee, Council endorsed the principle of demolition of the Angel Centre and its subsequent replacement at a location yet to be agreed. The capital costs associated with the project will be material and opportunities to identify financing should be prioritised to mitigate the need for borrowing.

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. The new version of the Strategy was approved by Cabinet on 10 December 2024.

5.7 **Support for Regional and National Priorities**. To support, where possible, regional and national priorities, for example urban renaissance, transportation improvements, environmental initiatives such as increased levels of recycling.

5.8 **Support for Local Priorities**. The Borough Council has been consistently investing in its car parks to support the local economy through a phased programme of improvements. The Economic Development strategy sets out broader economic development priorities. Additional funding from the Business Rates Retention Pilot has been earmarked for economic development within the Borough. As a Flood Risk Management Authority, we will maintain our support for the flood defence schemes being developed in the area.

5.9 **Availability of External Funding**. In support of the Council's strategic priorities and objectives to monitor and pursue available forms of external partnership and other funding opportunities. Capital schemes are increasingly being funded in full or part by contributions from developers.

5.10 The Council's Local Development Framework Core Strategy, adopted in 2007, supports the Government policy that development should contribute towards the community services and infrastructure that are necessary to support that development. The provision of infrastructure by developers as part of a wider project and financial contributions are brought forward by planning conditions or legal agreements on a case by case basis where justified by the application of the statutory tests. These arrangements have brought forward significant provision of and contributions to affordable housing, education facilities, children's play, sports pitches, leisure facilities, highway works and transportation services.

5.11 The Council is currently out to consultation on the first draft of the Local Plan (Regulation 18) which covers the period between 2021 to 2040. At this stage, the plan identifies key "issues" relating to the borough. This includes identifying potential "Spatial Strategy Options" and "Strategic Priorities" and inviting representation on these matters.

5.12 The Council is keen to secure a continuing supply of homes at appropriate and in sustainable locations to meet the needs and demands of the Borough. It has a proven track record in fostering growth in a strategically planned way. A range of housing provides balanced support for economic investment by companies looking to locate and expand in the Borough. The supply of new homes and businesses themselves make a contribution towards the Council tax base, potential new homes bonus funding and the potential income from business rates. So long as the level is consistent with planning policies and good practice the Borough Council will seek to secure levels of growth that assist in sustaining important local services.

5.13 As a non-stockholding Housing Authority, the Council has a key role to play in the delivery of the strategic housing function covering policy and enabling, private sector housing, and in identifying and addressing housing needs. Contained within the Housing Strategy the key priorities are:

- Making best use of existing homes, improving housing quality and sustainability.
- Improving housing options and opportunities to prevent homelessness.
- Delivering the homes our residents need where they need them.
- Working in partnership.

5.14 **Use of the Council's Assets**. Maintenance of an Asset Management Plan and performance measures for the use of Council owned assets to ensure optimum returns and early release of redundant assets in support of strategic investment priorities and to attract inward investment. An updated Asset Management Plan, covering a four year period, *was approved* by Members in January 2020.

5.15 **Consideration of the Impact on the Council's Revenue Budget**. To ensure that capital investment decisions are consistent with the Council's Medium Term Financial Strategy, particularly the management of its revenue budget so as to reduce its dependence upon the use of revenue reserves.

5.16 **Value for Money**. Each year the Council's external auditor gives an opinion on whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. All of the Capital Plan processes from identification and selection of schemes, through implementation to subsequent review of completed schemes can contribute to achieving value for money.

5.17 **Investment in IT**. In order to improve efficiency and economy and to meet customer aspirations for self-service, particularly via the website; and to enable more flexible and different ways of working to be adopted to support and assist delivery of the Savings and Transformation Strategy. The IT Strategy 2018 to 2022 along with the Digital Strategy 2019 to 2023 has set the direction of travel for the transformation programme.

6 Partnerships

6.1 **West Kent Partnership**. The Council is a founding member of the West Kent Partnership, (https://investwestkent.com) formed on a sub-regional rather than district basis, reflecting the degree of economic and social homogeneity across West Kent and a shared community of interest. The Partnership works with other partners in a joined-up fashion for the benefit of the local community with a focus on economic development and infrastructure issues. In recent years, a number of strategic priorities have benefited from the Local Growth Fund and the UK Shared Prosperity Fund.

6.2 **Transportation Partnerships**. The Borough Council has consistently sought to influence the quality of transportation services in its area and increase investment in them by the relevant authorities. These authorities include the local highway authority, (Kent County Council), the strategic road network agency (Highways England), railway operators and Government Departments.

6.3 **The Joint Transportation Board**, comprising Members from the Borough and County Councils, provides an overseeing function for the co-ordination of transport investment in the Borough. This ranges from regular reviews of minor improvements, highway maintenance programmes and parking reviews to major investment through key strategies.

6.4 **Kent and Medway Enterprise Partnership (KMEP)**. The Kent and Medway Economic Partnership (KMEP) is a sub-regional body which seeks to promote economic growth across the county. A key role for KMEP is to co-ordinate implementation of the Kent and Medway Economic Framework. TMBC has a key role in promoting local priorities for economic regeneration.

6.5 **Other Partnerships**. Over the past 10 years, the Council been part of a partnership that has brought forward much-needed improvements to our flood mitigation infrastructure, including the expansion of the Leigh Flood Storage Area (LFSA). The LFSA is a strategic infrastructure investment required to safeguard many residential and business properties in the southern part of the Borough and to enable future growth and new development to take place and is scheduled for completion in 2025.

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. In partnership with Clarion Housing Group and other voluntary sector partners, the Council provides funding to support two Community Development Workers to focus activity in areas of greatest need.

6.7 **The Community Safety Partnership (CSP)**. The Crime and Disorder Act 1998 placed an obligation on local authorities and the Police (amongst others) to work together to develop and implement a strategy to tackle crime and disorder in their area. The Tonbridge and Malling CSP vision is: working together to ensure the safety and security of Tonbridge and Malling's residents, businesses and visitors.

6.8 **Tonbridge Central Area Action Plan**. The Plan provides the ambition for Tonbridge Town Centre and the context for partnership projects to attract private sector investment in the town centre and secure transport and environmental improvements. A number of key sites are allocated that have potential to deliver town centre and mixed use development that can generate increased vitality into the town centre and the High Street in particular. The Action Plan is to be reviewed as part of the new Local Plan.

7 Implementing and Managing the Capital Strategy

7.1 The Council has developed a process for considering and evaluating potential capital schemes as an integral part of its Capital Strategy. This process for selecting schemes is described below.

7.2 Schemes, subject to some exceptions listed below, are selected by a phased process. For convenience, the stages have been termed List A, List B and List C, with List A being the approved Capital Plan.

7.3 As schemes come forward, they are stored in a list of schemes (List C) for consideration and possible evaluation. These schemes should emerge from, or be designed to achieve, the Council's strategic priorities and objectives along with a set of criteria used to guide the inclusion of new schemes to List C and ultimately the inclusion of schemes on List A. The criteria are: to meet legislative requirements including health and safety obligations; funded from external resources; and reduce revenue expenditure and or generate income. Justification would need to be provided for any schemes that failed to meet one or more of these criteria in order for them to progress through the capital plan process.

7.4 From List C, Members select schemes for evaluation. Evaluations will include:

- Specification of the purpose of the scheme and its relevance to the Council's strategic objectives and any wider national policy objectives, the setting of targets by which the success or otherwise of the project can be judged post-implementation.
- An outline design to facilitate costing and, where appropriate, consultation.
- Identification of milestones and risks to aid project management and decision making.
- Consultation, including, where appropriate, public consultation on the scheme's principle.
- The establishment of a realistic estimated capital cost, incorporating any consultation feedback on design issues.
- An assessment of the ongoing revenue costs and income generating capacity of the completed scheme including an assessment of the loss of interest from investments and impact on capital renewals provisions.
- Consideration of partnership and external funding opportunities.
- Consideration of the time after the end of the project during which the targets and objectives should be reviewed and reported to stakeholders.
- An equality impact assessment.

7.5 The evaluation process will reveal the impact of the project on the revenue base budget, enabling Members to compare the value of the scheme with the financial savings required to pay for it or the impact on the council tax requirement. Schemes successfully passing through evaluation will be included in List B.

7.6 The Council is conscious that the process of evaluation is a revenue cost in itself; involving in-house staff and resources or the buying in of external resources and which may draw resources away from the implementation of the approved Capital Plan. In order to minimise the resource impact of evaluation it is important that restraint is exercised in selecting schemes for evaluation. A balance is struck each year between deliverability of the programme and the evaluation of new schemes.

7.7 Under the constitutional arrangements adopted by the Council, the evaluated schemes will be reviewed by the Overview and Scrutiny Committee which will advise the budget meeting of Cabinet of those schemes deemed suitable to progress to be included on List B. By considering all eligible schemes at the same time, a corporate approach can be taken to selecting those schemes deemed suitable to progress. Prioritisation of such schemes will be informed by the wider financial climate, the Medium Term Financial Strategy and the requirements of the CIPFA Prudential Code. Prioritisation will take account of national and regional priorities, the Council's strategic priorities and objectives and the financial consequences arising from the schemes proposed.

7.8 The main exception to this selection procedure is the investment necessary to maintain existing levels of service. This will consist primarily of renewals provisions and some one-off items outside the basic renewal provisions. These provisions are subject to Member scrutiny within List A and application of value for money principles.

7.9 Ultimately the selection of new Capital Plan schemes from List B for inclusion in the Capital Plan (List A) will be determined by the Council following recommendations from the Cabinet in the light of advice from the Overview and Scrutiny Committee.

7.10 The Overview and Scrutiny Committee will also review existing Capital Plan (List A) schemes, advising Cabinet of the result. This provides an opportunity to review the budget and progress of existing schemes or even to propose their deferment or deletion.

8 The Capital Plan

8.1 The result of the process described in section 7 is the Council's Capital Plan. This is a medium term financial and capital planning document covering a seven-year period (current financial year + six).

8.2 Achievement against the Capital Plan is monitored regularly via monthly reports posted on the Council's intranet for use by the Council's staff. At the end of each quarter a statement is considered by the Council's Corporate Management Team and regular monitoring reports are presented to Members.

9 Post Implementation Reviews

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

Strategy updated: January 2025

Overview and Scrutiny Committee

23 January 2025

Capital Plan Review 2024/25 & 2025/26

Annexes 1 - 4

Annex	Colour	Contents	Page
1	White	Capital Plan List A	
		Summary	CP 1
		Planning, Housing & Environmental Health	CP 3
		Street Scene, Leisure & Technical Services	CP 9
		Corporate	CP 23
2	Blue	List B Schemes for Consideration	CP 30
3	Green	List C Schemes	CP 33
4	Cream	List C Evaluations	CP 50

Capital Plan: List A
Service Summary

	Expenditure To 31/03/24	2024/25 Estimate inc Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Plan Schemes									
Planning, Housing & Environmental Health	1	429	30	30	30	30	30	30	610
Street Scene, Leisure & Technical Services	683	2,386	275	159	159	174	159	159	4,154
Corporate	203	700	3,137	250	0	0	0	0	4,290
Sub-total	887	3,515	3,442	439	189	204	189	189	9,054
Capital Renewals									
Planning, Housing & Environmental Health	n/a	0	16	0	0	21	22	34	93
Street Scene, Leisure & Technical Services	n/a	997	1,868	574	554	446	991	501	5,931
Corporate	n/a	595	420	120	126	232	324	253	2,070
Sub-total	n/a	1,592	2,304	694	680	699	1,337	788	8,094
Total	887	5,107	5,746	1,133	869	903	1,526	977	17,148

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Capital Plan: List A
Planning, Housing and Environmental Health

	Expenditure To 31/03/24	2024/25 Estimate inc Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Plan Schemes									
Housing	0	30	30	30	30	30	30	30	210
Temporary Accommodation & Resettlement Scheme	0	400	0	0	0	0	0	0	400
Home Upgrade Grant Scheme	0	0	0	0	0	0	0	0	0
Environmental Health	1	(1)	0	0	0	0	0	0	0
Sub-total	1	429	30	30	30	30	30	30	610
Capital Renewals	n/a	0	16	0	0	21	22	34	93
Total Planning, Housing and Environmental Health	1	429	46	30	30	51	52	64	703

Capital Plan: List A
Planning, Housing and Environmental Health

	Code	Expenditure To 31/03/24	2024/25 Estimate inc Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
Housing		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
(a) Better Care Fund (DFGs)										
(i) Mandatory Grants	P03AC	n/a	1,288	1,150	1,300	1,300	1,300	1,050	1,050	8,438
Less repayments			(10)	(10)	(10)	(10)	(10)	(10)	(10)	(70)
(ii) Discretionary Grants	P03AT	n/a	261	150						411
(iii) Government Grant		n/a	(1,539)	(1,290)	(1,290)	(1,290)	(1,290)	(1,040)	(1,040)	(8,779)
Sub-total		n/a	0	0	0	0	0	0	0	0
(b) Housing Assistance	P03AD	n/a	60	60	60	60	60	60	60	420
Less repayments		n/a	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(210)
Sub-total		n/a	30	30	30	30	30	30	30	210
Total Housing to Summary		0	30	30	30	30	30	30	30	210
(c) Temporary Accommodation & Resettlement Scheme	P03AW	n/a	400							400
Sub-total		n/a	400	0	0	0	0	0	0	400
Total Temporary Accommodation to Summary		0	400	0	0	0	0	0	0	400

Capital Plan: List A
Planning, Housing and Environmental Health

	Code	Expenditure To 31/03/24	2024/25 Estimate inc Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
(d) Home Upgrade Grant Scheme (HUG2)	P03AF	n/a	168							168
Government Grant		n/a	(168)							(168)
Sub-total		n/a	0	0	0	0	0	0	0	0
Total Home Upgrade Grant Scheme to Summary		0	0	0	0	0	0	0	0	0

Capital Plan: List A
Planning, Housing and Environmental Health

	Justification	Scheme notes
Housing		
(a) Better Care Fund (DFGs)	*Former Corp't Aims & Priorities*	Given the level of carry forward this year which includes prior year slippage the budget has been reprofiled across the years until 2028/29. Funding continues to be made available from the Better Care Fund to enable qualifying residents to apply for grants to help with adaptation costs and we are now seeing spend return to pre-Covid levels.
(b) Housing Assistance	*Former Corp't Aims & Priorities*	Budget reviewed by Communities & Housing Advisory Board, July 2016. Gross budget provision reduced from £90,000 to £60,000 per annum. An earmarked reserve has been established to meet any shortfall in assumed grant repayments.
(c) Temporary Accommodation and Resettlement Scheme	*Former Corp't Aims & Priorities*	The Local Authority Housing Fund provided an opportunity to secure future funding of £1,672,000 for Temporary Accommodation, and homes for use under the Afghan Citizens Resettlement Scheme. The eligibility criteria stipulates the acquisition of a 4 bed property within 2024/25. Full Council agreed the contribution of £400,000 to be added to the Capital Plan in order to facilitate the year one purchase which is to be funded from the Temporary Accommodation Reserve.
(d) Home Upgrade Grant Scheme (HUG2)	*External Funding*	The Home Upgrade Grant Scheme will deliver retrofit energy efficiency measures to thirty private sector homes over a two year period. Due to challenges in relation to scheme set up there has been significant delays such that the first batching of homes only commenced in September 2024. This has impacted on the number of homes that can be delivered before the 31 March 2025 deadline. HUG2 has proved to be a complex scheme, targeting a limited number of 'off gas' low energy efficient homes, occupied by low-income households. We have therefore revised our delivery plan based on discussion with our managing agent, reducing the target number of completed homes from 30 to 14. While the HUG scheme in-principal grant funding of £540,000 was based on a Department for Energy Security and Net Zero allocated spend of £18,000 per home our scheme managing agent has assessed the average spend per property (to date) to be £12,000 per home, based on an average spend nationally within EON. We have therefore reduced the expected HUG scheme capital spend figure from the in-principal grant sum allocated to £168,000.

Capital Plan: List A
Planning, Housing and Environmental Health

	Code	Expenditure To 31/03/24	2024/25 Estimate inc Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Environmental Health										
(a) Anti-idling Campaign Project	P02EM	21	10							31
Government Grant		(20)	(11)							(31)
Sub-total		1	(1)							0
Total Environmental Health to Summary		1	(1)	0	0	0	0	0	0	0
Capital Renewals										
(b) Environmental Protection	P02EBCR01	n/a		16			20	20	30	86
Provision for Inflation	P02EZ	n/a					1	2	4	7
Total Capital Renewals to Summary		n/a	0	16	0	0	21	22	34	93

Capital Plan: List A
Planning, Housing and Environmental Health

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

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

	Expenditure To 31/03/24	2024/25 Estimate inc Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Plan Schemes									
Street Scene	n/a	167	129	129	129	129	129	129	941
Leisure									
Larkfield Leisure Centre	130	160	0	0	0	0	0	0	290
Angel Centre	0	150	0	0	0	0	0	0	150
Sports Grounds	127	83	0	0	0	0	0	0	210
Other Leisure Schemes	138	5	0	0	0	15	0	0	158
Technical Services									
Car Parking	n/a	560	30	30	30	30	30	30	740
Electrical Vehicle Charging Points	7	33	0	0	0	0	0	0	40
Land Drainage / Flood Defence	281	1,228	116	0	0	0	0	0	1,625
Sub-total	683	2,386	275	159	159	174	159	159	4,154
Capital Renewals	n/a	997	1,868	574	554	446	991	501	5,931
Total Street Scene, Leisure & Technical Services	683	3,383	2,143	733	713	620	1,150	660	10,085

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

	Code	Expenditure To 31/03/24	2024/25 Estimate inc Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Street Scene										
(a) Green Waste Bins Growth / Replacement	P02BC	n/a	73	31	31	31	31	31	31	259
(b) Refuse Bins Growth / Replacement	P02DA	n/a	62	61	61	61	61	61	61	428
(c) Garden Waste Bin Replacement	P02CF	n/a	32	37	37	37	37	37	37	254
(d) Food Waste - Communal Properties	P02EP	n/a	30	30						60
Less Grants			(30)	(30)						(60)
Total Street Scene to Summary		n/a	167	129	129	129	129	129	129	941
Larkfield Leisure Centre										
(e) PV System	P05LR	130	10							140
(f) Wetside Changing Room Refurbishment	P05LS	n/a		150						150
Total Larkfield Leisure Centre to Summary		130	10	150	0	0	0	0	0	290

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

	Code	Expenditure To 31/03/24	2024/25 Estimate inc Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
SSLTS Schemes con't/…										
Angel Centre										
(g) Boiler Replacement	P05BF		150							150
Total Angel Centre to Summary		0	150	0	0	0	0	0	0	150

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

	Justification	Scheme notes
Street Scene		
(a) Green Waste Bins Growth / Replacement	*Former Corp't Aims & Priorities*	Recycling and refuse provisions cater for growth in the number of properties served and the replacement of existing collection bins and boxes.
(b) Refuse Bins Growth / Replacement		
(c) Garden Waste Bin Replacement	*Reduce Expenditure & Income*	Provision for replacement of garden waste containers.
(d) Food Waste - Communal Properties	*Reduce Expenditure & Income*	Provision to separate food waste collections for all communal properties. This will divert food waste from residual waste to maximise recycling of this waste stream. Full cost to be met from external DEFRA Funding.
Larkfield Leisure Centre		
(e) PV System	*Climate Change & Cost*	Installation of PV system (solar panels) to the sports hall roof at Larkfield Leisure Centre. This will allow the site to produce some of it's elelctricty demand from an on-site renewable source, resulting in annual savings to energy costs. Scheme completed and working well.
(f) Wetside Changing Room Refurbishment	*Reduce Expenditure & Income Generation*	The changing village cubicles have come to the end of their economic life and are in need of replacement. The project will see the replacement of the cubicles and a refurbishment of the wet change area providing increased customer satisfaction and reducing ongoing repair costs.

Capital Plan: List A Street Scene, Leisure & Technical Services		
	Justification	Scheme notes
SSLTS Schemes con't/… **Angel Centre** (g) Boiler Replacement	*Former Corp't Aims & Priorities*	The Council is obliged under the Management Agreement to maintain the facilities, including plant and equipment and the building structure. Replacement of boilers is needed to ensure the continuing operation of the building.

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

	Code	Expenditure To 31/03/24	2024/25 Estimate inc Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
Sports Grounds										
(a) Racecourse Sportsground Riverside Revetment	P05DD	141	84							225
Less Grants		(19)	(9)							(28)
Sub-total		122	75	0	0	0	0	0	0	197
(b) Racecourse Sportsground Rugby Pitch Drainage	P05DE	15	16							31
Less Developer Contributions		(10)	(8)							(18)
Sub-total		5	8	0	0	0	0	0	0	13
Total Sports Grounds to Summary		127	83	0	0	0	0	0	0	210

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

	Justification	Scheme notes
Sports Grounds		
(a) Racecourse Sportsground Riverside Revetment	*Health & Safety*	Replace sections of the existing wooden revetment which is failing and causing erosion of the riverbank at Tonbridge Racecourse Sportsground. Scheme is to be part funded by a grant from the Environment Agency. Phase 1 & Phase 2 has been completed but has overspent by £14,300 (phase 2) due to weather conditions and the requirement to replace trees.
(b) Racecourse Sportsground Rugby Pitch Drainage	*External Funding*	The scheme will improve drainage to the rugby pitches at Tonbridge Racecourse Sportsground that are currently subject to regular flooding to maintain and enhance their use. Funded from developer contributions and a virement of £8,000 from the Land Drainage Improvement Programme. Budget approved in February 2020, and increased by £10,000 to £26,000 which is offset in full by grant from Sport England. Underspend relates to modifications to scheme in liason with Rugby Club and cabinet member. To complete by end of financial year.

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

	Code	Expenditure To 31/03/24	2024/25 Estimate inc Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other Leisure Schemes										
(a) Tonbridge Cemetery / Closed Churchyards Memorial Safety	P05KV	141	5				15			161
Less Developer Contributions		(3)								(3)
Sub-total		138	5	0	0	0	15	0	0	158
Total Other Leisure Schemes to Summary		138	5	0	0	0	15	0	0	158

Capital Plan: List A Street Scene, Leisure & Technical Services		
	Justification	Scheme notes
Other Leisure Schemes		
(a) Tonbridge Cemetery / Closed Churchyards Memorial Safety	*Former Corp't Aims & Priorities*	Provision based on Local Government Ombudsman's recommendation to inspect every five years.

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

	Code	Expenditure To 31/03/24	2024/25 Estimate inc Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Car Parking										
(a) Existing Car Parks Improvement Programme	P01AB	n/a	30	30	30	30	30	30	30	210
(b) Bailey Bridge East Car Park Improvements	P01AE	n/a	300							300
(c) Introduction of Automatic Number Plate Recognition	P01AF	n/a	70							70
(d) Parking Amendments to Car Parks & On-Street Parking	P01AG	n/a	160							160
Total Car Parking to Summary		n/a	560	30	30	30	30	30	30	740
Transportation										
(e) Electrical Vehicle Charging Points	P01EA	86	113							199
Less grant and contributions		(79)	(80)							(159)
Total Transportation to Summary		7	33	0	0	0	0	0	0	40
Land Drainage / Flood Defence										
(f) Wouldham River Wall	P01HS	25	1,100							1,125
(g) Leigh Flood Storage Area	P01HV	256	128	116						500
Total Land Drainage/Flood Defence to Summary		281	1,228	116	0	0	0	0	0	1,625

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

	Justification	Scheme notes
Car Parking		
(a) Existing Car Parks Improvement Programme	*Former Corp't Aims & Priorities*	An annual provision for capital investment in the Council's off-street car parks to ensure that their condition is adequate for health & safety, legislation, the needs of our customers and income generation. A condition survey of the car parks has been progressed to determine a future work programme.
(b) Bailey Bridge East Car Park Improvements	*Income Generation*	The formalisation of the existing grass overflow area in Bailey Bridge East car park with new appropriate surfacing and marked parking bays. The scheme is to include additional car park lighting, together with the extension of the existing CCTV system, new pay and display machines, and associated signage to make the car park suitable for the introduction of new charges.
(c) Introduction of Automatic Number Plate Recognition	*Management Improvements*	The scheme will see the introduction of a trial period for an ANPR system within two Council car parks. This will include the installation of a new entry/exit point camera, barrier, payment point and signage, as well as the mangagement of the system and the collection of revenue for both car parks. The project outcome will provide the basis of further assessment to the wider use of ANPR within the Borough.
(d) Parking Amendments to Car Parks & On-Street Parking	*Income Generation*	The scheme will make modifications to exisiting car parks and on-street parking in order to make them suitable for the introduction of Pay and Display charging. The modifications across multiple sites will include Pay and Display machines and associated signage, drainage improvement works (Bailey Bridge West), and the installation of a new passive CCTV system (Martin Square).
Transportation		
(e) Electrical Vehicle Charging Points	*Former Corp't Aims & Priorities*	Provision to progress phases 1 and 2 of programme to install Electric Vehicle charging points in Council owned car parks across the borough. Procurement progressed using framework and KCC countywide tender exercise. Installation of phase 1 nearing completion and phase 2 due before the end of the financial year.

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

	Justification	Scheme notes
Land Drainage / Flood Defence		
(f) Wouldham River Wall	*Former Corp't Aims & Priorities*	Strengthening / rebuilding to address movement detected in the retaining wall between the public open space and the River Medway. Budget increased by £300,000 to £1,000,000, as part of the 2015/16 Capital Plan Review, reflecting a re-evaluation of scheme costs by the consultant Quantity Surveyor. Budget increased by a further £125,000 to maintain the purchasing power of the reprogrammed scheme. Wouldham River Wall is being developed in liaison with the Environmental Agency to ensure the replacement and design of the structure is fit for future purpose and able to cope with the impact of climate change. A project team is due to be established with the project being developed over the next financial year.
(g) Leigh Flood Storage Area	*Former Corp't Aims & Priorities*	Contribution to an Environment Agency project to improve the Leigh Flood Storage Area. Project aims to provide additional flood protection and reduce the risk of flooding to local households and business premises and a range of community and leisure facilities, including those in the ownership of the Council, particularly in central Tonbridge. Scheme approved Cabinet September 2016. Works commenced and due for completion in 25/26.

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

	Code	Expenditure To 31/03/24	2024/25 Estimate inc Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Renewals										
Sports Grounds & Open Spaces	P05KGBC05	n/a	113	1,152	166	122	175	220	182	2,130
Less grant and contributions		n/a								
			113	1,152	166	122	175	220	182	2,130
Technical Services:										
(a) CCTV	P01BA	n/a	40	40	40	47	40	40	40	287
(b) Car Parking	P01JF	n/a	48	0	83	161	0	6	21	319
			201	1,192	289	330	215	266	243	2,736
Provision for Inflation		n/a	0	12	9	17	15	25	28	106
Sub-total			201	1,204	298	347	230	291	271	2,842
Leisure Centres:										
(c) Angel Centre	P05KGBC01	n/a	412	306	62	15	28	347	90	1,260
(d) Larkfield Leisure Centre	P05KGBC02	n/a	438	198	144	77	86	405	104	1,452
(e) Tonbridge Swimming Pool	P05KGBC04	n/a	139	325	92	86	85	60	59	846
(f) Poult Wood Golf										
Clubhouse	P05KGBC03	n/a	37	59	35	37	19	11	25	223
Course	P05KGBC07	n/a	0	26	11	0	67	24	11	139
Grounds Maintenance	P05KGBC06	n/a	111	26	39	67	3	68	6	320
			1,137	940	383	282	288	915	295	4,240
Provision for Inflation	P05KZ	n/a		9	12	14	21	85	34	175
Savings Target (assumes 25%)		n/a	(341)	(285)	(119)	(89)	(93)	(300)	(99)	(1,326)
Sub-total			796	664	276	207	216	700	230	3,089
Total Capital Renewals to Summary		n/a	997	1,868	574	554	446	991	501	5,931

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

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

Capital Plan: List A
Corporate

	Expenditure To 31/03/24	2024/25 Estimate inc Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Plan Schemes									
Land and Property	128	600	3,137	250	0	0	0	0	4,115
Information Technology Initiatives	49	90	0	0	0	0	0	0	139
Other Schemes	26	10	0	0	0	0	0	0	36
Sub-total	203	700	3,137	250	0	0	0	0	4,290
Capital Renewals	n/a	595	420	120	126	232	324	253	2,070
Total Corporate	203	1,295	3,557	370	126	232	324	253	6,360

Capital Plan: List A
Corporate

	Code	Expenditure To 31/03/24	2024/25 Estimate Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Land and Property										
(a) Tonbridge Castle Offices: Re-tile Roof	P06AA	10			250					260
(b) Gibson East Refurbishment	P06AL	n/a	600	2,400						3,000
(c) De-carbonising the Council's Estate	P06AM									0
Solar PV at Tonbridge Pool	AM10	97								97
LED at Tonbridge Pool	AM20	21								21
LED at Larkfield Leisure Centre	AM30		60							60
Solar PV at Larkfield Leisure Centre	AM40		393							393
Re-felt and roof insulation upgrade at Larkfield Leisure Centre	AM50		575							575
Air Source Heat Pumps at Larkfield Leisure Centre	AM60		189	1,165						1,354
Sub-metering at Larkfield Leisure Centre and Tonbridge Pool	AM70									0
Less Grants			(1,217)	(428)						(1,645)
Total Land and Property to Summary		128	600	3,137	250	0	0	0	0	4,115
Information Technology Initiatives										
(d) General Data Protection Regs	P06DR	49	9							58
(e) Integra Centros Financial Management System	P06CS	n/a	81							81
Total Information Technology Initiatives to Summary		49	90	0	0	0	0	0	0	139

Capital Plan: List A
Corporate

	Code	Expenditure To 31/03/24	2024/25 Estimate Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other Schemes										
(f) UK Shared Prosperity Fund Projects/Initiatives	P06FN									
Mobile CCTV	FN10	21								21
Tonbridge Wayfinding	FN20	10	14							24
Digital Information Boards	FN30	40	80							120
Shopfront and Vacant Unit Improvements	FN40	34	61							95
Bus Shelter Green Roofs Pilot	FN50	31								31
West Kent Green Business Grants	FN60	35	50							85
Carbon Descent Plans	FN70	n/a	75							75
Safer Sustainable Car Parks	FN80	n/a	100							100
Less Grants	FN90	(145)	(370)							(515)
Sub-total		26	10	0	0	0	0	0	0	36
(g) Rural England Prosperity Fund Projects/Initiatives	P06F0									
Investment in Micro & Small Enterprises	F010	36	89							125
Develop and Promote Visitor Economy	F020		89							89
Create/Improvements to Local Green Spaces	F030		67							67
Existing Cultural, Historic & Heritage Institutions	F040	40	37							77
Active Travel Enhancements in the Local Area	F050		67							67
Rural Circular Economy Projects	F060		22							22
Less Grants	F090	(76)	(371)							(447)
Total Other Schemes to Summary		26	10	0	0	0	0	0	0	36

Capital Plan: List A
Corporate

	Justification	Scheme notes
Land and Property		
(a) Tonbridge Castle Offices : Re-tile roof	*Former Corp't Aims & Priorities*	Retiling of roof to protect asset. Condition of roof has started to deteriorate and the scheme now needs to be planned in, based on contractor estimates. The current £60k budget has been uplifted by £190k due to the affect of 16 years of inflation and the bulk of the budget has been deferred to 2026/27. Spend to 31/3/16 relates to re-roofing works associated with the Tonbridge Castle Reception enhancement project carried out a number of years ago.
(b) Gibson East Refurbishment	Cost Saving	To allow the consolidation of the Council's Kings Hill office accommodation, Gibson East will need to undergo a refurbishment of both internal and external spaces, in order to allow relocation of facilities and uses which are currently provided at Gibson Building West. This will include the installation of renewable and low carbon technologies in line with the Council's Climate Chagne Strategy. A £200,000 annual saving associated with the disposal of Gibson Building West has already been incorporated into the Council's Medium Term Financial Strategy from 2026/27.
(c) De-carbonising the Council's Estate	Cost Saving	The de-carbonisation of the Council's Estate will be supported by the investment in renewable technologies. The project will deliver LED lighting at Tonbridge Swimming Pool and Larkfield Leisure Centre, the installation of Solar PV panels at both sites, including the upgrading of roofing insulation and re-felting at Larkfield Leisure Centre. The building management systems (BMS) will be upgraded, and the installation of sub-metering at both sites will enable the monitoring of energy and water usage. Installation of Air Source Heat Pumps to replace the current end of life gas boilers serving the fitness pool and will support the Council's plan to become carbon neutral by 2030. This will provide an anticipated annual CO2 saving of 185 tonnes, in addition to this there will be a reduction in maintenance costs from the existing gas fired boilers. External grant funding has been obtained for the installation of additional solar PV and air source heat pumps at Larkfield Leisure Centre. This will result in a TMBC contribution of £930,000 and an external grant contribution of £1,644,799.

Capital Plan: List A
Corporate

	Justification	Scheme notes
Information Technology Initiatives		
(d) General Data Protection Regs	*Cost Saving*	To provide an upgrade to the current cash receipting system to ensure data protection is maintained.
(e) Integra Centros Financial Management System	*Maintenance*	The upgrade to Integra Centros has been required due to the existing version of the software, Integra 2, having its software support ceased from 31st March 2025, meaning any security vulnerabilities and/or bugs will no longer be addressed. The upgrade to Centros will involve the base software, upgrades to the current reporting software and additional modules requested by services. The budget required of £80,500 will include additional support if required and the project management on the upgrade will be run in-house with support from the Council's software supplier. Upgrade is to be funded from the earmarked Transformation Reserve.
Other Schemes		
(f) UK Shared Prosperity Fund Projects/Initiatives	*External Funding*	Projects/Initiatives to be funded largely from the UK Shared Prosperity Fund Grant Award and the balance from the Kent and Medway 100% Business Rates Retention Pilot Reserve. Further details can be found in the report to Cabinet on 5 July 2022. Within the UKSPF Programme, Government does allow considerable flexibility in spend between the three key intervention areas, with up to 30% of the total programme budget being able to be moved from one intervention to another. Up until Year 3, there was limited change to the existing Investment Plan produced in 2022. Recent report to MT and cabinet Member in June 2024 established the principle that if there is underspend in any of the individual UKSPF project capital allocations, then this would look to be mopped up by other existing UKSPF capital projects, instead of sending funding back to Government. This report was subsequently followed up with a further report in December 2024 which set out some proposed amendments to the Investment Plan aimed at ensuring as close to 100% of the funding is retained for the benefit of the borough (**PLEASE NOTE - still in Call-in period**).
(g) Rural England Prosperity Fund Projects/Initiatives	*External Funding*	The split set out above is the indicative split used in the UKSPF Investment Plan Addendum. The reality on the ground is likely to be slightly different as the level of funding per intervention is dictated by the number and value of applications submitted and whether they get approved by the panel. With the funding fully allocated by November 2024, it is clear that 'Active Travel Enhancements' budget will be underspent and the 'Visitor Economy' budget will likely be overspent, whilst the other interventions will be roughly similar to the original forecast. Like the UKSPF, there is considerable flexibility between interventions should it be required, so any amendments to the initial indicative split will be acceptable to DEFRA (and expected).

Capital Plan: List A
Corporate

	Code	Expenditure To 31/03/24	2024/25 Estimate inc Prior Year Slippage	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Renewals	P06FA									
(a) General										
Departmental Administration	GR01	n/a	8		1					9
Council Offices	GR02	n/a	3	16				3	4	26
Print Unit	GR03	n/a	23	105		19			89	236
Telephones	GR05	n/a			10					10
Tonbridge Christmas Lighting	GR09	n/a		43						43
Elections	GR10	n/a	12							12
Sub-total		n/a	46	164	11	19	0	3	93	336
Information Technology	P06FB	n/a	549	252	105	101	216	293	134	1,650
Desktop Hardware	FB10									
Mobile Hardware	FB20									
Computer Suite	FB30									
Other Hardware	FB40									
Network	FB50									
Corporate Software	FB60									
Operational Software	FB70									
User Software	FB80									
Sub-total		n/a	549	252	105	101	216	293	134	1,650
Provision for Inflation	P06FZ	n/a	0	4	4	6	16	28	26	84
Total Capital Renewals to Summary		n/a	595	420	120	126	232	324	253	2,070

Capital Plan: List A
Corporate

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

Schedule of List B Schemes

Service	Scheme Title	Cost (£'000)	Recommended Action
Planning, Housing & Environmental Health	**Acquisition of Resettlement and Temporary Accommodation.** (Revised cost is inclusive of the £400k previously approved).	**4,200**	**Inclusion to:** **List A**

Schedule of List B Schemes

Service	Scheme Title	Cost (£'000)	Recommended Action
Street Scene, Leisure & Technical Services			**Inclusion to:**
	Haysden Country Park - Site Improvements Works, Phase 2 works, Various.	**50**	**List A**
	Tonbridge Racecourse Sportsground - Site Improvement Works, Phase 3, Tennis Courts.	**65**	**List A**
	Swanmead Sportsground - Flood Alleviation Works.	**25**	**List A**
	Tonbridge Cemetery Vaults.	**43**	**List A**
	Installation of digital CCTV systems at the Council's Leisure Facilities.	**85**	**List A**

Schedule of List B Schemes

Service	Scheme Title	Cost (£'000)	Recommended Action
Corporate Inc. Property Services	De-carbonising the Council's Estate: Boiler Replacement at PWGC.	250	Inclusion to: List A

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000			
Service **New / Existing Scheme**	**Scheme Title** **Details of Scheme / Comments**	**Recommended for Evaluation** **✓ = Yes** **X = No** **A/S = Already Selected**	**Cost Band** **and** **Justification**
Planning, Housing & Environmental Health **Existing Scheme**	**Environmental Improvements: River Medway Riverside Environmental Improvements, Tonbridge** Proposal for new riverside environmental improvements including lighting along sections of the River Medway in Tonbridge. Section 1, from Town Lock to Cannon Lane; Section 2, from the Big Bridge to Tonbridge Swimming Pool and Section 3 along River Walk and through River Lawn. Brought forward following residents and Member requests to improve the security of pedestrian access to the town centre. Monies are currently being secured through developer contributions and further opportunities for developer contributions may be forthcoming. External consultant appointed to ensure a co-ordinated approach across the 3 sections. The consultant's report will be used to inform the evaluation. Section 1 is being evaluated for delivery. **Recommended for evaluation in 2025/26.**	**A/S**	Band D External funding
	Revenue budget needed for evaluation: Nil		

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000			
Service **New / Existing Scheme**	**Scheme Title** **Details of Scheme / Comments**	**Recommended for Evaluation** **✓ = Yes** **X = No** **A/S = Already Selected**	**Cost Band** **and** **Justification**
Planning, Housing & Environmental Health **Existing Scheme**	**Housing: Acquisition of Resettlement and Temporary Accommodation** Further to Council decision C24/87 taken on 22nd October 2024, TMBC was awarded a sum of £1.68m through the Local Authority Housing Fund (LAHF). In order to comply with the grant conditions, the Council needs to provide eight properties: three properties for resettlement families and five for temporary accommodation. It is hoped that utilising further Council funding already set aside will enable a higher number of properties for temporary accommodation to be delivered Officers are in the process of identifying suitable properties and sites for these properties but need to have Council approval to proceed in a timely manner. Including the LAHF grant award, and the funds approved in October 2024, the authority currently has around £4.2m set aside to fund the provision of these properties. This is made up as follows: LAHF - grant £1,683,863 Earmarked Reserve – TA £1,300,000 Revenue reserve for Capital Schemes (ringfenced) £ 940,000 S106 funds (received) £ 250,000 Further funds are being sourced via pending Section 106 agreements for affordable housing.	✓	Band E Provision of Temp Accommodation in the borough and to comply with Local Authority Housing Fund conditions

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000				
Service **New / Existing Scheme**	**Scheme Title** **Details of Scheme / Comments**		**Recommended for Evaluation** **✓ = Yes** **X = No** **A/S = Already Selected**	**Cost Band** **and** **Justification**
	Housing: Acquisition of Resettlement and Temporary Accommodation Cont./… Details of properties to be discussed with Cabinet Member for Finance and Housing. **Recommended for 'fast-track' evaluation in 2024/25 and to amend the 'Temporary Accommodation and Resettlement' scheme, currently on the Capital Plan List A, to include the additional resettlement, and temporary accommodation properties.**			
	Revenue budget needed for evaluation:	**No additional revenue will be sought. The scheme cost, including the evaluation, will form part of the overall cost, and will be contained within the funding set out above.**		

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000				
Service **New / Existing Scheme**	**Scheme Title** **Details of Scheme / Comments**		**Recommended for Evaluation** **✓ = Yes** **X = No** **A/S = Already Selected**	**Cost Band** **and** **Justification**
Street Scene, Leisure & Technical Services **Existing Scheme**	**Open Spaces: Haysden Country Park – Site Improvements Phase 2** Additional site improvements have been identified within the Management Plan for the site including path improvements, play area improvements, and replacement of the existing building facility. The park remains extremely popular throughout the year. Funding from developer contributions of £50,000 has been received. **Recommended for 'fast-track' evaluation in 2024/25 due to availability of external funding.**		✓	Band C Health & Safety External funding Income generating
	Revenue budget needed for evaluation:	Nil		

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000				
Service **New / Existing Scheme**	**Scheme Title** **Details of Scheme / Comments**		**Recommended for Evaluation** **✓ = Yes** **X = No** **A/S = Already Selected**	**Cost Band** **and** **Justification**
Street Scene, Leisure & Technical Services **Existing Scheme**	**Open Spaces: Holly Hill Path Improvements** Improvements to path network at Holly Hill Public Open Space. Scheme subject to funding from developer contributions. **Retain on List C for evaluation at some future time if external funding becomes available.**		**X**	Band A External funding Health & Safety
	Revenue budget needed for evaluation:	Nil		

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000			
Service **New / Existing Scheme**	**Scheme Title** **Details of Scheme / Comments**	**Recommended for Evaluation** **✓ = Yes** **X = No** **A/S = Already Selected**	**Cost Band** **and** **Justification**
Street Scene, Leisure & Technical Services **Existing Scheme**	**Open Spaces: Tonbridge Castle - Site Improvements** General site improvements/repairs to include path revetment and refurbishment identified following liaison with the Council's Health and Safety Officer. Potential for developer contributions and other external funding. **Initial evaluation identified a number of health and safety repairs which were rectified using revenue budgets. No developer contributions / external funding opportunities available so full evaluation deferred.**	**A/S**	Band D Health & Safety
	Revenue budget needed for evaluation: Nil		

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000			
Service **New / Existing Scheme**	**Scheme Title** **Details of Scheme / Comments**	**Recommended for Evaluation** **✓ = Yes** **X = No** **A/S = Already Selected**	**Cost Band** **and** **Justification**
Street Scene, Leisure & Technical Services **Existing Scheme**	**Sports Grounds: Tonbridge Racecourse Sportsground – Improvement Works Phase 3** Phase 3 improvements aim to enhance existing provisions and bring forward new facilities for the public. Proposals include issues identified in recent management plan, including the potential extension of the Skate Park and Outdoor Gym, improvements to paths, improvements to drainage, improvements to tennis courts and alternative use of outdoor bowls facilities. Potential for developer contributions and other external funding opportunities. Scheme(s) recommended for evaluation as part of the 2024/25 Capital Plan Review. Retain the main scheme on List C for evaluation in the future if external funding becomes available. **Tennis Court recommended for 'fast-track' evaluation in 2024/25 due to health & safety issues and the availability of external funding to cover the full cost of the scheme.**	**A/S**	Band D External Funding Health & Safety
	Revenue budget needed for evaluation: Nil		

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000			
Service **New / Existing Scheme**	**Scheme Title** **Details of Scheme / Comments**	**Recommended for Evaluation** **✓ = Yes** **X = No** **A/S = Already Selected**	**Cost Band** **and** **Justification**
Street Scene, Leisure & Technical Services **Existing Scheme**	**Swanmead Sportsground: Flood Alleviation Works** Works required to address existing and potentially increasing issues with flooding on site. Works proposed to ensure future continuing use and support current income from pitch hire. To be progressed subject to the identification of external funding. The project was identified in liaison with the Tonbridge Sports Association. Scheme will also consider the potential of additional on-site parking. **Recommended for 'fast-track' evaluation in 2024/25.**	**A/S**	Band A External Funding
	Revenue budget needed for evaluation: Nil		

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000				
Service **New / Existing Scheme**	**Scheme Title** **Details of Scheme / Comments**		**Recommended for Evaluation** **✓ = Yes** **X = No** **A/S = Already Selected**	**Cost Band** **and** **Justification**
Property Services **Existing Scheme**	**De-carbonising the Council's Estate: Boiler Replacement at PWGC** The Council has an aspiration to become carbon neutral by 2030 and have carbon neutral leisure centres by 2027. In order to achieve that aim the Council will need to reduce its reliance on heating via fossil fuels. The Council will submit an application through the Public Sector Decarbonisation Scheme to obtain grant funding to put toward its replacement. The total estimated project cost is £250,000. If the Council were to be successful in obtaining grant funding there would be a requirement for the Council to fund either the like-for-like replacement cost of the current boilers or 12% of the total project cost, whichever is higher. **Recommended for 'fast-track' evaluation in 2024/25 and to amend the 'Decarbonising the Council's Estate' scheme, currently on the Capital Plan List A, to include the Boiler Replacement at Poult Wood Golf Centre.**		✓	Band D Reducing the Council's carbon footprint in line with the Council's 2030 and 2027 carbon neutral aspirations
	Revenue budget needed for evaluation:	Nil		

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000				
Service **New / Existing Scheme**	**Scheme Title** **Details of Scheme / Comments**		**Recommended for Evaluation** **✓ = Yes** **X = No** **A/S = Already Selected**	**Cost Band** **and** **Justification**
Street Scene, Leisure & Technical Services **New Scheme** ➔	**Technical Services: Tonbridge Racecourse to Lower Castle Fields Car Park Bridge Works** Works required to replace ageing pedestrian bridge (installed in 1994). Replacement works identified during regularised health and safety structural assessment of the bridge and recommended in the next 2-4 years. Options for this bridge to be explored with a relevant Members consultation and appointed consultant. The results of this consultation will assist with the evaluation. **Recommended for evaluation in 2025/26.**		✓	Band E Health and Safety works identified in the Bridge & HS Inspections
	Revenue budget needed for evaluation:	£3,000 - £5,000 for consultant options report.		

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000				
Service **New / Existing Scheme**	**Scheme Title** **Details of Scheme / Comments**		**Recommended for Evaluation** **✓ = Yes** **X = No** **A/S = Already Selected**	**Cost Band** **and** **Justification**
Street Scene, Leisure & Technical Services **New Scheme** ➔	**Technical Services: Haysden Country Park Shallows Bridge Works** Works required to replace ageing timber pedestrian bridge (possibly installed 1988). Defects were identified during regularised health and safety structural assessment of the bridge. It has been noted that wet rot is in the main beams and structural inspection of this will be carried out on an annual basis. The construction of this bridge is laminated timber and if / when delamination of the timber occurs the bridge will be condemned for H&S reasons. Options for this bridge to be explored with a relevant Members consultation and appointed consultant. The results of this consultation will assist with the evaluation. **Recommended for evaluation in 2024/25 upon completion of member consultation.**		✓	Band D Health and Safety works identified in the Bridge & HS Inspections
	Revenue budget needed for evaluation:	£3,000 - £5,000 for consultant options report.		

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000				
Service **New / Existing Scheme**	**Scheme Title** **Details of Scheme / Comments**		**Recommended for Evaluation** **✓ = Yes** **X = No** **A/S = Already Selected**	**Cost Band** **and** **Justification**
Street Scene, Leisure & Technical Services **New Scheme** ➔	**Angel Centre Replacement** The feasibility study for the potential replacement of the Angel Centre is currently being progressed by external consultants. The study is considering the potential location and mix of facilities which will be reported to the New Town Centre Programme Board and Cabinet. **Recommended for evaluation 2025/26.**		✓	Band E Climate Change Income generation Expenditure reduction
	Revenue budget needed for evaluation:	Yes. To be agreed following consideration of proposals by members.		

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000				
Service **New / Existing Scheme**	**Scheme Title** **Details of Scheme / Comments**		**Recommended for Evaluation** **✓ = Yes** **X = No** **A/S = Already Selected**	**Cost Band** **and** **Justification**
Street Scene, Leisure & Technical Services **New Scheme** ➔	**Tonbridge Farm Sportsground Improvements** The master plan for the site is currently being progressed by external consultants. This will be reported to the New Town Centre Programme Board and Cabinet. **Recommended for evaluation 2025/26.**		✓	Band E Income generation Health & Safety External funding
	Revenue budget needed for evaluation:	Yes. To be agreed following consideration of proposals by members.		

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000				
Service **New / Existing Scheme**	**Scheme Title** **Details of Scheme / Comments**		**Recommended for Evaluation** **✓ = Yes** **X = No** **A/S = Already Selected**	**Cost Band** **and** **Justification**
Street Scene, Leisure & Technical Services **New Scheme**	**Car Parks LED Lights** Replacement of existing car park lighting thorough the borough to modern LED lights not progressed in the earlier phase which was funded by UK SPF (Shared Prosperity Funding). **Recommended for evaluation 2025/26.**		✓	Band B Climate Change Expenditure reduction
	Revenue budget needed for evaluation:	Nil		

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000				
Service **New / Existing Scheme**	**Scheme Title** **Details of Scheme / Comments**		**Recommended for Evaluation** **✓ = Yes** **X = No** **A/S = Already Selected**	**Cost Band** **and** **Justification**
Street Scene, Leisure & Technical Services **New Scheme** ➔	**Tonbridge Cemetery Vaults** Due to an increase in the sale of ashes vaults within the Memorial Garden at Tonbridge Cemetery, additional vaults are required to continue to offer this service to the public. The current supply of vaults is expected to run out within the next year, the lead time for vault installations is 6 – 9 months. **Recommended for 'fast-track' evaluation in 2024/25.**		✓	Band B Income generation
	Revenue budget needed for evaluation:	Nil		

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000				
Service **New / Existing Scheme**	**Scheme Title** **Details of Scheme / Comments**		**Recommended for Evaluation** **✓ = Yes** **X = No** **A/S = Already Selected**	**Cost Band** **and** **Justification**
Street Scene, Leisure & Technical Services **New Scheme**	**Grouping of The Scheme: Installation of digital CCTV systems at the Council's Leisure Facilities** New digital CCTV systems for the Council's Leisure Facilities (Larkfield Leisure Centre, Poult Wood Golf Centre, Tonbridge Swimming Pool) to ensure that the sites can continue to be monitored for safety and security. The CCTV systems at the Council's Leisure facilities have effectively reached the end of their serviceable life due to ageing technology (analogue). The systems are currently giving poor performance, with unclear imagery and difficulty in reviewing incidents and areas in detail. It is also becoming more difficult to source items and parts to maintain them, increasing costs to the Council and time without parts of the system being operational. **Recommended for 'fast-track' evaluation 2024/25.**		✓	Band C To ensure the safety and security of the Council's Leisure Facilities
	Revenue budget needed for evaluation:	Nil – a review of existing CCTV and options for new systems has already been completed.		

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000				
Service **New / Existing Scheme**	**Scheme Title** **Details of Scheme / Comments**		**Recommended for Evaluation** **✓ = Yes** **X = No** **A/S = Already Selected**	**Cost Band** **and** **Justification**
Street Scene, Leisure & Technical Services **New Scheme**	**Open Spaces: Leybourne Lakes Country Park – Resurfacing Access Roads and Paths** Resurfacing access roads and paths at the Country Park which have numerous extensive pot holes that are beyond repairs and top filling. The access roads have become increasingly difficult to navigate safely by vehicle and there have also been incidents of slips, trips and falls. The recent Health and Safety Assurance inspection report of the site undertaken in September 2023 by the Council's Health and Safety Officer recorded the road surfaces around the park as having many potholes within the risk assessment noting there appeared too many to try to back fill. Resurfacing the access roads and paths will mitigate the risks identified. **Recommended for evaluation 2025/26.**		✓	Band E Health & Safety
	Revenue budget needed for evaluation:	Nil		

CAPITAL PLAN LIST C – EVALUATIONS

	Project:	Planning, Housing and Environmental Health: ***Acquisition of Temporary Accommodation and Resettlement*.**		
	1	**Specification:**		
		(i)	**Purpose of the scheme**	Acquisition of property for TA and resettlement purposes to discharge our duties and manage homeless provision and deliver a cost saving to the Council. This includes the delivery of eight properties (five TA and three Resettlement) as part of the LAHF round 3 with MHCLG.
		(ii)	**Relevance to National / Council's Objectives**	(a) National: Homelessness Reduction Act (b) Council: Corporate Strategy priority to support those who are most in need of housing support and at risk of becoming homeless Housing Strategy action for reduction in revenue spend on temporary accommodation
		(iii)	**Targets for judging success**	(a) Reduction in use of nightly paid temporary accommodation with private providers (b) Reduction in cost to the Council; reduced revenue expenditure
	2	**Description of Project / Design Issues:** Purchase of property for TA purposes and to support the Afghan Resettlement scheme through the use of Local Authority Housing Funding (LAHF) monies, as agreed with the Ministry of Housing, Communities and Local Government, to deliver eight properties. The delivery of good quality temporary accommodation in the Borough in-line with recommendations set out in the Andy Gale Housing Consultancy Report and Delivering Sustainable Temporary Accommodation Options Report by Altair.		
	3	**Milestones / Risks:** Key delivery requirements are set as part of the LAHF, delivery of one property in 2024/25 and seven properties in 2025/26. Project milestones and chosen delivery method/ property acquisition option to be decided.		
	4	**Consultation:** Research into delivery options for sustainable temporary accommodation carried out by Altair using Housing Advisor Programme Funding and member engagement. Housing Portfolio OSG is the project group for TA delivery.		
	5	**Capital Cost:** A sum of up to £4,200,000 made up from £250,000 S106 funds, £1,300,000 from Temporary Accommodation Earmarked Reserve, £940,000 from Revenue reserve for Capital Schemes (ringfenced). This is alongside £1,683,863 LAHF round 3 funding, which requires 8 properties for Temporary Accommodation and Afghan Resettlement scheme use to be delivered.		

CAPITAL PLAN LIST C – EVALUATIONS

	6	**Profiling of Expenditure:** The figure below reflects the additional funds required, and excludes the £400,000 approved as per the Council's Decision Notice C24/87, 22 October 2024 for 2024/25.

2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)
	3,800				

	7	**Capital Renewals Impact:** Nil.
	8	**Revenue Impact**: Rental income will off-set some of maintenance and occupancy management costs associated with the properties.
	9	**Partnership Funding:** LAHF round 3 funding £1,683,863. Funding from S106 Developer Contribution Fund £250,000, with additional contributions to be considered.
	10	**Project Monitoring / Post Implementation Review:** Director responsible: Eleanor Hoyle Progress reported to: Housing & Planning Scrutiny Select Committee Post Implementation Review: To be carried out twelve months after completion.
	11a	**Screening for equality impacts:**

Question	**Answer**	**Explanation of impacts**
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	no	Allocation and use of TA provision will be governed by homelessness legislation.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	yes	Provision of good quality TA in borough will provide a positive improvement in the TA available to the Council in relation to it's statutory duties.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?	n/a	

CAPITAL PLAN LIST C – EVALUATIONS

	11b	**Climate change impacts:**		
		Question	**Answer**	**Explanation of impacts**
		a. Does the decision being made or recommended through this paper have a positive impact on reducing carbon emissions or enhancing the natural environment?	yes	Any potential provision will seek to achieve high levels of energy efficiency thus reducing carbon emissions.
		b. What steps are you taking to mitigate, reduce, avoid or minimise any negative or neutral impacts identified above?		Will depend on accommodation acquired.
	12	**Recommendation:** Amend the 'Acquisition of Temporary Accommodation and Resettlement' scheme, currently on the **Capital Plan List A**, to include the acquisition of additional units as per the LAHF requirements.		

CAPITAL PLAN LIST C – EVALUATIONS

	Project:	Street Scene, Leisure & Technical Services: ***Haysden Country Park – Site Improvement Works.***		
	1	**Specification:**		
		(i)	**Purpose of the scheme**	Due to increased usage of the Country Park, including the popular weekly Parkrun, resurfacing of the path around Barden Lake is required to maintain good access for the public and make it accessible for less able users.
		(ii)	**Relevance to National / Council's Objectives**	(a) National: Equality (b) Council: Sustaining revenue income, equality, health
		(iii)	**Targets for judging success**	(a) Maintain current level of service provision at the Country Park (b) Improved accessibility for less able users
	2	**Description of Project / Design Issues:** Haysden Country Park has numerous path networks around the site. The most popular path is around the main lake known as Barden Lake (approx. 1.3km). Due to the increased popularity of the park including the weekly parkrun (which uses this path), the path surface has deteriorated making it difficult to use for less able bodied users and wheelchair users. It is proposed to improve specific areas of the path to improve accessibility for all. This project is included within the site Management Plan (2020 – 2024).		
	3	**Milestones / Risks:** Paths will be improved with minimum disruption to the users. The style of the path (due to the countryside setting) does mean that it will wear over time and need to be renewed again in the future.		
	4	**Consultation:** Officers will identify areas of the path that can be improved before seeking quotes for the project.		
	5	**Capital Cost:** The estimated cost to improve areas of the main path is £50,000.		
	6	**Profiling of Expenditure:**		

2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)
	50				

CAPITAL PLAN LIST C – EVALUATIONS

	7	**Capital Renewals Impact:** Nil.		
	8	**Revenue Impact:** Nil.		
	9	**Partnership Funding:** The project will be funded in full using existing S106 Developer Contribution funds.		
	10	**Project Monitoring / Post Implementation Review:** Director responsible: Robert Styles Progress reported to: Communities and Environment Scrutiny Select Committee Post Implementation Review: To be carried out twelve months after completion.		
	11a	**Screening for equality impacts:**		
		Question	**Answer**	**Explanation of impacts**
		a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	no	The proposal increases accessibility for all members of the public
		b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	yes	The proposal increases accessibility for all members of the public
		c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?	n/a	
	11b	**Climate change impacts:**		
		Question	**Answer**	**Explanation of impacts**
		a. Does the decision being made or recommended through this paper have a positive impact on reducing carbon emissions or enhancing the natural environment?	yes / no	
		b. What steps are you taking to mitigate, reduce, avoid or minimise any negative or neutral impacts identified above?		
	12	**Recommendation:** Transfer from List C to List B.		

CAPITAL PLAN LIST C – EVALUATIONS

	Project:	Street Scene, Leisure & Technical Services: ***Tennis Court Improvements at Tonbridge Racecourse Sportsground.***			
	1	**Specification:**			
		(i)	**Purpose of the scheme**	Site improvement projects at Tonbridge Racecourse Sportsground.	
		(ii)	**Relevance to National / Council's Objectives**	(a) National:	Get Active, a strategy for the future of sport and physical activity Green Flag Award status
				(b) Council:	Income generation/ sustaining revenue income to support the maintenance of Tonbridge Racecourse Sportsground Health and Safety considerations Corporate KPI to maintain the number of sites with Green Flag Award status
		(iii)	**Targets for judging success**	(a) Maintaining and improving Green Flag Award status at the site (b) Increase customer satisfaction scores for the site	
	2	**Description of Project / Design Issues:** Several site projects were identified whilst creating the new management plan for Tonbridge Racecourse Sportsground. The renovation of the tennis courts, including resurfacing and the installation of a smart access point is being brought forward as a fast track scheme; driven by health and safety requirements.			
	3	**Milestones / Risks:** Works will be carried out at an appropriate time to minimise the impact upon usage of/revenue generated from the facility.			
	4	**Consultation:** This project was identified via the Public Consultation phase of the new Management Plan for Tonbridge Racecourse Sportsground.			
	5	**Capital Cost:** The estimated cost is c. £65,000, and will be funded in full from Section 106 monies.			
	6	**Profiling of Expenditure:**			

2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)
	65				

CAPITAL PLAN LIST C – EVALUATIONS

	7	**Capital Renewals Impact:** The expected life of the asset is 20 years at which time a new scheme will be put forward for consideration.		
	8	**Revenue Impact:** Loss of interest income - NIL.		
	9	**Partnership Funding:** Fully funded by Section 106 funds to the value of £65,000.		
	10	**Project Monitoring / Post Implementation Review:** Director Responsible: Robert Styles Progress Reported to: Communities and Environment Scrutiny Select Committee Post Implementation Review: to be carried out twelve months after completion.		
	11a	**Screening for equality impacts:**		
		Question	**Answer**	**Explanation of impacts**
		a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	no	The proposal will maintain the current facility and provide access to users
		b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	yes	The proposal will maintain the current service and provide access to users
		c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?	n/a	
	11b	**Climate change impacts:**		
		Question	**Answer**	**Explanation of impacts**
		a. Does the decision being made or recommended through this paper have a positive impact on reducing carbon emissions or enhancing the natural environment?	yes / no	
		b. What steps are you taking to mitigate, reduce, avoid or minimise any negative or neutral impacts identified above?		
	12	**Recommendation:** Transfer from List C to List B.		

CAPITAL PLAN LIST C – EVALUATIONS

	Project:	Street Scene, Leisure & Technical Services: ***Reinstatement of a land drainage system at Swanmead Sportsground.***		
	1	**Specification:**		
		(i)	**Purpose of the scheme**	Carry out works to bring the existing land drainage system back into use, to maximise availability of this facility.
		(ii)	**Relevance to National / Council's Objectives**	(a) National: n/a (b) Council: Income generation/ sustaining revenue income to support the maintenance of Swanmead Sportsground
		(iii)	**Targets for judging success**	(a) Maintaining current level of service provision at Swanmead Sportsground (b) Maintaining current levels of revenue at Swanmead Sportsground
	2	**Description of Project / Design Issues:** Swanmead Sportsground plays host to both football and cricket teams and is well used throughout the year. However in recent years increased flooding and a high water table has limited the availability of one of the football pitches, reducing the ability to generate income from this site. Works carried out to improve the drainage is essential to allow the pitch to remain in use throughout the winter sports season.		
	3	**Milestones / Risks:** Works will be carried out at an appropriate time to avoid disruption to the winter sports season and will also consider the impact that works may have on the use of the site for cricket matches during the summer season.		
	4	**Consultation:** Project identified in consultation with the TSA (Tonbridge Sports Association). Consultation has been undertaken with a specialist contractor to determine a budget cost for the works.		
	5	**Capital Cost:** The estimated cost of the project is £25,000.		
	6	**Profiling of Expenditure:**		

2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)
	25				

CAPITAL PLAN LIST C – EVALUATIONS

	7	**Capital Renewals Impact:** Nil.		
	8	**Revenue Impact:** Loss of investment income - £1,000.		
	9	**Partnership Funding:** Nil.		
	10	**Project Monitoring / Post Implementation Review:** Director responsible: Robert Styles Progress report: Communities and Environment Scrutiny Select Committee Post Implementation Review: To be carried out twelve months after completion.		
	11a	**Screening for equality impacts:**		
		Question	**Answer**	**Explanation of impacts**
		a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	no	The proposal will maintain a facility currently available to all
		b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	yes	The proposal will maintain a facility currently available to all
		c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?	n/a	
	11b	**Climate change impacts:**		
		Question	**Answer**	**Explanation of impacts**
		a. Does the decision being made or recommended through this paper have a positive impact on reducing carbon emissions or enhancing the natural environment?	yes / no	
		b. What steps are you taking to mitigate, reduce, avoid or minimise any negative or neutral impacts identified above?		
	12	**Recommendation:** Transfer from List C to List B.		

CAPITAL PLAN LIST C – EVALUATIONS

	Project:	Street Scene, Leisure & Technical Services: ***Purchase and installation of Vaults at Tonbridge Cemetery.***		
	1	**Specification:**		
		(i) **Purpose of the scheme**	Due to an increase in the sale of vaults within the Memorial Garden at Tonbridge Cemetery, additional vaults are required in order to continue to offer this service to the public. The current supply of vaults is expected to run out within the next year, the lead time for vault installations is 6 – 9 months.	
		(ii) **Relevance to National / Council's Objectives**	(a) National:	To meet the duties as a Burial Authority as set out in the Local Authorities' Cemeteries Order 1977
			(b) Council:	Income generation / sustaining revenue income to support the maintenance of Tonbridge Cemetery
		(iii) **Targets for judging success**	(a) Maintaining current level of service provision at Tonbridge Cemetery	
			(b) Maintaining current levels of revenue at Tonbridge Cemetery	
	2	**Description of Project / Design Issues:** The purchase of 32 new above ground vaults and 32 Sanctum Panorama vaults at Tonbridge Cemetery. The Council provides a number of options for burial services at Tonbridge Cemetery including interments and the scattering and interment of cremated remains. Regarding the interment of cremated remains one option is the use of Sanctum 2000 vaults located within the Cemetery's Memorial Garden. Each vault can accommodate two sets of ashes and a memorial plaque. Over four years, between 2019 and 2022, the number of vaults purchased averaged eight per annum. However, in 2023 fourteen vaults were purchased. The number of leased vaults (to date) in 2024 is three. With only fifteen empty vaults remaining, there is a need to purchase and install additional vaults to continue to provide this service to members of the public. Another option available is the use of Sanctum Panorama, a round memorial containing thirty-two vaults, each one taking up to three sets of cremated remains. Over five years, between 2019 and 2023, the number of vaults purchased averaged four a year. With only seven empty vaults remaining there is a need to purchase and install additional panorama vaults to continue to provide this service to members of the public.		
	3	**Milestones / Risks:** There is a small risk that future sales of vaults could decrease. Historical sales and current demand indicate that this is unlikely.		

CAPITAL PLAN LIST C – EVALUATIONS

	4	**Consultation:** Consultation has been undertaken with specialist providers of vaults to determine a budget cost for the works.
	5	**Capital Cost:** The estimated cost of the project is £43,000.
	6	**Profiling of Expenditure:**

2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)
	43				

	7	**Capital Renewals Impact:** Nil.
	8	**Revenue Impact:** Loss of investment income £1,720. Income from the sale of the new vaults will meet the capital cost of the proposal. Total income generated at current prices will be £149,850.
	9	**Partnership Funding:** None identified.
	10	**Project Monitoring / Post Implementation Review:** Director responsible: Robert Styles Progress report: Communities and Environment Scrutiny Select Committee Post Implementation Review: To be carried out twelve months after completion.
	11a	**Screening for equality impacts:**

Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	no	The proposal will maintain a service option currently available to all

CAPITAL PLAN LIST C – EVALUATIONS

	11a	**Screening for equality impacts:**		
		Question Cont/…	**Answer**	**Explanation of impacts**
		b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	yes	The proposal will maintain a service option currently available to all
		c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?	n/a	
	11b	**Climate change impacts:**		
		Question	**Answer**	**Explanation of impacts**
		a. Does the decision being made or recommended through this paper have a positive impact on reducing carbon emissions or enhancing the natural environment?	yes / no	
		b. What steps are you taking to mitigate, reduce, avoid or minimise any negative or neutral impacts identified above?		
	12	**Recommendation:** Transfer from List C to List B.		

CAPITAL PLAN LIST C – EVALUATIONS

	Project:	Street Scene, Leisure & Technical Services: ***Installation of digital CCTV systems at the Council's Leisure Facilities.***		
	1	**Specification:**		
		(i)	**Purpose of the scheme**	To provide CCTV systems for the health and safety and security of the Council's Leisure facilities, staff and customers at Larkfield Leisure Centre, Tonbridge Swimming Pool and Poult Wood Golf Centre.
		(ii)	**Relevance to National / Council's Objectives**	(a) National: Public safety (b) Council: Providing efficient services for all residents, maintaining an effective Council – facilitating good quality leisure facilities and ensuring safeguarding is an integral part of Council activity
		(iii)	**Targets for judging success**	(a) CCTV systems in place at Council's Leisure facilities giving opportunity to review footage of incidents at sites
	2	**Description of Project / Design Issues:** The CCTV systems at the Council's Leisure facilities have effectively reached the end of their serviceable life due to ageing technology (analogue). The systems are currently under performing, with unclear imagery and difficulty in reviewing incidents and areas in detail. It is becoming more difficult to source items and parts to maintain the systems in their current format, increasing the cost and non-operational time in relation to the CCTV on-site. Replacing the analogue systems with new digital CCTV systems is required to ensure that the sites can continue to be monitored for safety and security purposes. A wholesale review was commissioned with a survey of each existing system, and a review of where cameras were needed at each site, compared to their current/ historic position. In some cases the current systems relate to historic activities, and are no longer required. As a result of the survey, the number of cameras at each site has been significantly reduced.		
	3	**Milestones / Risks:** The main risk to the project is fluctuating prices and supply of technology. However, digital camera systems have been established for a number of years and prices have generally stabilised. The key milestones will be: - Review of detailed design and preparing of tender documentation - Obtaining tenders - Awarding the contract - Completion of the work		

CAPITAL PLAN LIST C – EVALUATIONS

	4	**Consultation:** Consultation has taken place with the relevant Cabinet Member, internal officers, and the Tonbridge & Malling Leisure Trust. A CCTV contractor was appointed to undertake the technical design and have produced the budget costings for the scheme.
	5	**Capital Cost:** Budget cost estimates for the replacement systems obtained as part of the review are: Larkfield Leisure Centre £25,000 - £30,000 Tonbridge Swimming Pool £24,000 - £29,000 Poult Wood Golf Centre £15,000 - £18,000 Contingency (10%) £7,700 **Total £71,700 - £84,700**
	6	**Profiling of Expenditure:**

2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)
	85				

	7	**Capital Renewals Impact:** The new digital CCTV systems would be added to the renewal schedule, replacing the existing annual provision which is as follows: - Tonbridge Swimming Pool: £1,000 for individual replacement parts - Poult Wood Golf Centre: £2,870 for individual replacement parts (includes £130 for maintenance building) - Larkfield Leisure Centre: £3,000 for individual replacement parts The current annual capital renewal provision is: £6,870. It is expected that the new system would not require capital renewal for at least 5-10 years, with maintenance costs covered by BRREP.
	8	**Revenue Impact:** Loss of investment income - £3,400. The Building Revenue Repair Estimate Plan (BRREP) has been used for servicing and general maintenance of the systems. Across the three sites there is an allocation of £4,250 per annum. Whilst there is not felt to be a material change in the operational cost of operating the new systems, these costs are the responsibility of the Tonbridge and Malling Leisure Trust.

CAPITAL PLAN LIST C – EVALUATIONS

	9	**Partnership Funding:** There is no partnership funding for this scheme.		
	10	**Project Monitoring / Post Implementation Review:** Director responsible: Robert Styles Progress reported to: Finance, Regeneration & Property Scrutiny Select Committee / Cabinet as required Post Implementation Review: To be carried out twelve months after completion.		
	11a	**Screening for equality impacts:**		
		Question	**Answer**	**Explanation of impacts**
		a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	no	
		b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	n/a	
		c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?	n/a	
	11b	**Climate change impacts:**		
		Question	**Answer**	**Explanation of impacts**
		a. Does the decision being made or recommended through this paper have a positive impact on reducing carbon emissions or enhancing the natural environment?	yes / no	
		b. What steps are you taking to mitigate, reduce, avoid or minimise any negative or neutral impacts identified above?		
	12	**Recommendation:** Transfer from List C to List B.		

CAPITAL PLAN LIST C – EVALUATIONS

	Project:	Central Services: De-carbonising the Council's Estates – ***Boiler Replacement at Poult Wood Golf Centre.***		
	1	**Specification:**		
		(i)	**Purpose of the scheme**	To replace the oil fired boiler at Poult Wood Golf Centre and replace it with heat pump technology.
		(ii)	**Relevance to National / Council's Objectives**	(a) National: Climate Change (b) Council: Caring for the environment – adhering to the Council's Climate Change Strategy and reducing the use of fossil fuels
		(iii)	**Targets for judging success**	(a) Successful operation of the heating system on completion
	2	**Description of Project / Design Issues:** As part of the Council's Climate Change Strategy, the Council is looking to become carbon neutral from an energy perspective by 2030. Removing systems reliant on burning fossil fuels is a key factor to achieving this goal. Poult Wood Golf Centre was constructed in the mid-1970s. The current heating system, installed in 1999, is powered by oil and has reached the end of its serviceable life. The Council is looking to replace the current system with a heat pump based system, thereby removing oil burning and reducing the carbon footprint of the facility. It is anticipated the internal circulatory pipework and radiators would need to be replaced to allow use of heat pump technology. The Council is looking to submit an application through the Public Sector De-carbonisation Scheme (Phase 4) to obtain grant funding to put toward its replacement. The total estimated project cost is £250,000. If the Council were to be successful in obtaining grant funding there would be a requirement for the Council to fund either the like-for-like replacement cost of the current boilers or 12% of the total project cost, whichever is higher. Until the detailed design has been progressed it is recommended the 12% figure is used, which would result in a TMBC contribution of £30,000. If PSDS funding is obtained the project would need to have been completed by March 2028. In the event the Council are not successful in obtaining grant funding, a further report would be brought back to Members seeking their approval to use the Council's own money to fund the project. This scheme would fall under the umbrella capital plan scheme 'De-carbonising the Council's Estate'. The estimated life expectancy of an air source heat pump would be in the region of 15-20 years.		

CAPITAL PLAN LIST C – EVALUATIONS

	3	**Milestones / Risks:** Completion of feasibility and initial design to allow submission of the PSDS application. If successful, the detailed design would be completed ahead of procuring the works, awarding the contract and completion of the work on site. There is a risk that the Council would not be successful in the application for grant funding. In that scenario Member approval would be sought on utilising the Council's own funds. Risks associated with tender returns exceeding the grant award and Council's budget. In this scenario Member approval would be sought so as to not put at risk the grant funding.
	4	**Consultation:** Consultation has taken place with the relevant Cabinet Member, internal officers and the Leisure Trust.
	5	**Capital Cost:** £250,000, of which at least £30,000 would be met from the climate change reserve.
	6	**Profiling of Expenditure:**

2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)
	250				

	7	**Capital Renewals Impact:** Nil.
	8	**Revenue Impact:** Opportunity cost associated with not receiving interest payments on £30,000 would be £1,200 per annum based on a 4% return. The new heat pumps would need to be suitably maintained via a service contract. The cost for this will be added to the Council's Building Repairs Expenditure Plan. Some of the cost will be offset by not having to maintain the current oil fired boilers. There is currently £1,300 allocated per annum for maintenance of the existing heating system.
	9	**Partnership Funding:** £220,000 of project being applied for through the Public Sector Decarbonisation Scheme.

CAPITAL PLAN LIST C – EVALUATIONS

	10	**Project Monitoring / Post Implementation Review:** Director responsible: Robert Styles Progress reported to: Cabinet Post Implementation Review: To be carried out twelve months after completion.		
	11a	**Screening for equality impacts:**		
		Question	**Answer**	**Explanation of impacts**
		a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	no	
		b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	n/a	
		c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?	n/a	
	11b	**Climate change impacts:**		
		Question	**Answer**	**Explanation of impacts**
		a. Does the decision being made or recommended through this paper have a positive impact on reducing carbon emissions or enhancing the natural environment?	yes	The removal of a fossil fuel based heating system will significantly reduce the carbon footprint of the facility
		b. What steps are you taking to mitigate, reduce, avoid or minimise any negative or neutral impacts identified above?	n/a	
	12	**Recommendation:** Amend the 'Decarbonising the Council's Estate' scheme, currently on the **Capital Plan List A**, to include the Boiler Replacement at Poult Wood Golf Centre.		

RISK MANAGEMENT

Item AU 25/4 referred from Audit Committee of 13 January 2025

The report of the Management Team provided an update on the risk management process and the Strategic Risk Register. An update was also provided in respect of the Zurich Risk Management Review which was initially presented to Members in January 2024.

An executive summary of the RED risks was provided at Annex 1 of the report and a full update on the current strategic risks and how they were being managed as at the time of writing were set out at Annex 1a. The risks that were categorised RED at the time of the September 2024 meeting were:

- Achievement of Savings and Transformation Strategy
- Failure to agree a Local Plan
- Implementation of the Agile software system
- Contract/Contractor Procurement

Management Team had undertaken a review of all the risks contained within the Strategic Risk Register with a view to achieving a more streamlined version, highlighting only the strategic risks to the Council over the next one-to-two-year horizon. Management Team had assessed that the Economic Stability, Homes for Ukraine and Waste/Recycling Income risks should be removed from the Strategic Register.

On the grounds that training had been successfully rolled out to officers and a new procurement strategy had been approved by Cabinet on 10 December 2024, the Contract/Contractor Procurement risk had been reduced to Amber. Therefore, the number of RED risks had reduced to three, as follows:

- Achievement of Savings and Transformation Strategy
- Failure to agree a Local Plan
- Implementation of the Agile software system

In response to questions raised by Members with regard to the risks associated with the Local Plan and the Agile project, the Committee were advised that mitigation measures would be set out in reports due to be presented to the Housing and Planning Scrutiny Select Committee of 12 February 2025 in respect of the Local Plan, and a further internal post-implementation audit report was being commissioned to review the implementation of the Agile system with an update to be provided to this Committee at its next meeting in April 2025.

A schedule of ongoing risks and risks identified by Service Management Teams and Management Team since the last report to the Committee were set out at Annex 2 of the report.

Following the appointment of Risk Champions at both Member and Officer levels, an officer Risk Management Group had been established with the objective of spreading the workload, and word, on the importance of risk management

throughout the Council. The Group would be undertaking a review of the Risk Management Strategy in the forthcoming months and anticipated to provide an updated strategy to the Committee to review in September 2025.

Furthermore, an update on progress in addressing the recommendations identified by Zurich Risk Management in a Risk Management Review report, which was presented to the Committee in January 2024, was provided at Annex 3 of the report.

In addition, particular reference was made by Members to the potential risk to arise from the 'Devolution White Paper' and Local Government Reorganisation. However, given current uncertainties around the 'devolution' programme and implications for the Borough Council, it was hoped that a clearer timescale would be available once the result of the bid from Kent County Council and Medway Council to be considered for the priority devolution programme was known by the end of January, when due regard could be given to assess the risk in more detail and report to Members at the next meeting of the Audit Committee in April 2025.

RECOMMENDED*: That

(1) the updates to the Strategic Risk Register since the last iteration with particular emphasis on those risks categorised as RED, be noted;

(2) the progress towards the delivery of recommendations from the Zurich Risk Management Review, be noted; and

(3) the objective to present an updated Risk Management Strategy to the September 2025 meeting of the Audit Committee, be noted and approved.

***Recommended to Cabinet**

Audit Committee

13 January 2025

Part 1 - Public

Recommendation to Cabinet – Council Decision

Cabinet Members	Matt Boughton – Leader Kim Tanner – Cabinet Member for Finance and Housing
Responsible Officers	Management Team
Report Authors	Sharon Shelton – Director of Finance and Transformation Paul Worden – Chief Financial Services Officer

Risk Management

1 Summary and Purpose of Report

1.1 The report of the Management Team provides an update on the risk management process and the Strategic Risk Register. An update is also provided in respect of the Zurich Risk Management Review which was initially presented to Members in January 2024.

2 Corporate Strategy Priority Area

2.1 Efficient services for all our residents, maintaining an effective council.

2.2 The identification, evaluation, and cost-effective control of risks is essential in safeguarding the Council's assets, employees and customers and the delivery of services to the local community.

2.3 The Council endeavours to pursue a forward-looking and dynamic approach to delivering services to the local community and will not be averse to taking a degree of commercial risk. However, it will always exercise a prudent approach to risk taking and decisions will be made within the parameters of the Council's internal control arrangements.

3 Recommendations

3.1 Members are asked to:

1) **NOTE** the updates to the Strategic Risk Register since the last iteration with particular emphasis on those risks categorised as RED;

2) **NOTE** the progress towards the delivery of recommendations from the Zurich Risk Management Review; and

3) **NOTE** and **APPROVE** the objective to present an updated Risk Management Strategy to the September meeting of this Committee.

4 Introduction and Background

4.1 The Risk Management Strategy sets out the Council's risk management objectives and details the roles and responsibilities of officers, Members and the Council's partners in the identification, evaluation and cost-effective control of risks.

4.2 The Council's risk management arrangements are designed to ensure that risks are reduced to an acceptable level or, where reasonable, eliminated thereby safeguarding the Council's assets, employees and customers and the delivery of services to the local community. Examples of risk include budget deficit, cyber/data loss, environmental and reputational.

4.3 The Council endeavours to pursue a forward-looking and dynamic approach to delivering services to the local community and will not be averse to taking a degree of commercial risk. However, it will always exercise a prudent approach to risk taking and decisions will be made within the parameters of the Council's internal control arrangements, i.e. Constitution, Procedural Rules, etc. These arrangements will serve to ensure that the Council does not expose itself to risks above an acceptable level.

4.4 The current Risk Management Strategy was endorsed by this Committee in January and subsequently adopted by Full Council on 20 February 2024. The strategy would normally be subject to review at this meeting of the committee but will be delayed due to the reasons explained below.

5 Risk Management Escalation Process

5.1 Effectively risks are assessed/scored in terms of their likelihood/impact.

5.2 Any risk evaluated as ‘High Risk’ (score of 15 or above) will be deemed by the Council to be beyond ‘risk tolerance’ and to have exceeded its ‘risk appetite’ and will be escalated immediately. Such risks should be added to the service’s risk register and discussed at the earliest opportunity within the Service Management Team (SMT) to inform a decision as to whether this should be escalated to Management Team by the respective Service Director. Management Team should then consider whether the risk is significant enough for inclusion in the Strategic Risk Register and action this if relevant. A record should be maintained of risks discussed at both SMTs and Management Team and the outcome of those discussions.

5.3 Similarly risks identified as “Medium Risk” may be escalated to the appropriate SMT for advice and to ensure they are kept fully aware of the current risks being faced. Risks determined as “Low Risk” should be managed within the service team. It is recommended that SMTs consider periodic review or moderation processes for Service Risk Registers to ensure they are happy with the scores risks have been given and confirm whether there are ‘Medium’ or ‘Low’ risks they wish to consider further.

6 Strategic Risk Register

6.1 The Strategic Risk Register (SRR) is considered to be a 'live' document and is updated, as often as is required, by the Management Team.

6.2 An executive summary of the RED risks has been provided at **[Annex 1]** and a full update of the current strategic risks and how they are being managed as at the time of writing is appended at **[Annex 1a].**

6.3 For completeness the risks that were categorised as RED at the time of the September meeting of this Committee is given below:

1) Achievement of Savings and Transformation Strategy

2) Failure to agree a Local Plan

3) Implementation of the Agile software system

- Contract/Contractor Procurement

6.4 As Members were previously advised, Management Team undertook a review of all the risks contained within the Strategic Risk Register with a view to achieving a more streamlined version, highlighting only the strategic risks to the Council over the one-to-two-year horizon. Management Team have assessed that three of the risks – Economic Stability, Homes for Ukraine and Waste/Recycling Income - should be removed from the Strategic Register.

6.5 Notes in red font on the Register identify current mitigations and updates to the strategic risks.

6.6 In terms of 'direction of travel', both performance management and procurement show a positive position. Members will recall these were the two significant weaknesses identified by Grant Thornton, our external auditors.

6.7 No risk has a negative direction of travel.

6.8 The number of RED risks at the time of publishing this report have reduced to three. Members are advised that the risk Contract/Contractor Procurement has been reduced to amber following the successful roll out of training to officers and

the preparation of a new procurement strategy which was approved by Cabinet on 10 December.

6.9 The remaining RED risks are:

- Achievement of Savings and Transformation Strategy
- Failure to agree a Local Plan
- Implementation of the Agile software system.

6.10 At the meeting in September, Members expressed an interest in hearing about the risks associated with failure to deliver a Local Plan. As this is still categorised as a RED risk, either the Director of Planning, Housing and Environmental Health or the Head of Planning will be present on-line to answer any questions.

7 Ongoing Service Risks

7.1 To give Members some reassurance as to the effectiveness of risk management outcomes from the risk management escalation process are reported to the meetings of this Committee unless that is there is something that needs to be brought to Members' attention in the interim.

7.2 A schedule of ongoing risks and risks identified by Service Management Teams and Management Team since the last report to this Committee in September is appended at **[Annex 2]**.

7.3 Senior officers undertook mandatory training with the Risk Consultant in October 2024. Risk management appears as an agenda item for all Service Management Teams and Corporate Management Team meetings.

8 Risk Management Strategy

8.1 Normally at this time of the municipal year officers would review, update and present to Members the Risk Management Strategy for their review and approval.

8.2 Following the appointment of Risk Champions at both Member and officer levels, an officer Risk Management Group was established with the objective of spreading the workload, and word, on the importance of risk management throughout the authority.

8.3 The Group will be undertaking a review of the Strategy in the forthcoming months and will look to provide an updated strategy to the September meeting of this Committee.

9 Zurich Risk Management Review

9.1 Members might recall that earlier in the year Zurich Risk Management undertook a Risk Management Health Check. Details were reported to the January meeting of this Committee. The report identified 12 recommendations for improvement.

9.2 **[Annex 3]** to the report gives an update with progress on addressing these recommendations. New comments are tracked in red font.

9.3 The majority of the recommendations had a target implementation date of January 2025, however some of these targets will slip into September 2025.

10 Financial and Value for Money Considerations

10.1 Financial issues may arise in mitigating risk which will be managed within existing budget resources or reported to Members if this is not possible.

10.2 Effective risk management arrangements make a positive contribution to ensuring value for money is provided in the delivery of services.

11 Risk Assessment

11.1 Sound risk management arrangements aid the Council in effective strategic decision-making. The Council's approach to risk should be reviewed on a regular basis to ensure it is up to date and operating effectively.

11.2 A specific item for 'Risk Management' appears on all Management Team and Service Management Team agendas.

12 Legal Implications

12.1 There is a Health and Safety requirement for effective risk management to be in place and the Strategy supports this requirement.

12.2 There is also a requirement in the Accounts and Audit Regulations that accounting control systems must include measures to ensure that risk is appropriately managed.

13 Cross Cutting Issues

13.1 Equalities and Diversity

13.1.1 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.

Background Papers	None

Annexes	Executive Summary – Strategic Risk Register Strategic Risk Register Service Risks Zurich Recommendation

STRATEGIC RISK REGISTER - CURRENT

Date of Review **19/12/2024**
Previous Date of review **10/09/2024**

Direction of Travel key ⇩ Downward or positive movement ⇔ No change in movement ⇧ Upward or negative movement

ANNEX 1

No	Risk Title	Risk Type	Consequences	Date identified	Likelihood Score (1-6)	Impact score (1-4)	Overall risk score	Current Mitigation	Desired Likelihood Score (1-6)	Desired Impact score (1-4)	Desired risk score	Actions required to ensure mitigation remains	Links to Corporate Objectives / Strategies	Lead on behalf of Management Team	Direction of Travel	Review Date
4	Achievement of Savings and Transformation Strategy	F, R, S	Failure to meet objectives and/or make savings. Impact on quality of service, budget overspends, salami slicing, etc. staff motivation impacted and increased risk of fraud or error.	01/04/2017	4	4	16	STS reviewed and updated in line with review of MTFS. Regular reports to update MT and Members. The 24/25 Budget is balanced with contribution to General Revenue Reserve and significant contributions to Earmarked Reserves for Corporate priorities. s25 statement reported to Members in Feb 24 MTFS updated, as interim measure, in November 2024 and reported to Members. Will be updated again once settlement received., Taking all opportunities to maximise income receipts where appropriate Savings, new income and transformation contributions of £820k accrued to date (report to FRPSSC Sept 24 refers) but negated by growth of £96. However, this means overachievement of savings against the in year target of £305k.	3	3	9	The priorities and focus of the incoming government could have an impact on the financial picture for the Council, either adversely or positively. At the time of updating we do not know the extent of how this will impact. Responses to any consultations will be important. Continued updating of MTFS model as new information emerges. Exercise to commence in Spring on identification and assessment of savings opportunities for initial review by Cabinet in Summer 2025	Priority in the Corporate Strategy of "Efficient services for all our residents, maintaining an effective council"	Chief Executive / Director of Finance and Transformation/ Management Team	⇔	Feb-25
5	Failure to agree Local Plan	F, R	~~Lack of sound legal footing for Plan through inadequacies in evidence base, legal advice or process, including duty to cooperate. Leading to widespread public concern, or risk of failure at Examination. External factors or widespread planning reforms leading to delays to timetable,~~ Reputational risks around not being able to agree a Local Plan. Impacts around not meeting the timeframe for submission of the Local Plan. Impacts on development management processes through protracted period with no up-to-date plan, likely speculative development. Infrastructure not delivered. Potential for central Government intervention.	4/1/2017~~, reviewed and updated March 24~~	4	4	16	Members are updated via email updates and reports to the Housing & Planning Scrutiny Select Committee Local Plan risk register in place to manage full range of individual risks Ensure that all other policy tools, including 5 year housing land supply evidence, is up to date The Council has decided to continue progressing the Local Plan under the current legislative and National Planning Policy Framework. It will be critical that the new plan is prepared in compliance with the regulatory framework and relies on a robust evidence base that meets the requirements of the NPPF so that the plan can be found to be sound at the examination stage.	3	3	9	Regular review of Government policy announcements that may impact on delivery, including housing standard methodology and WMS relating to Planning. Regular review of project plan to ensure plan can be delivered within current Government timeframes. Ongoing engagement with Counsel Ongoing engagement with Members including implementation of new engagement strategy Regular analysis of budget position and programme. Maintain staff levels within Planning Policy team to ensure capacity to manage process Regular analysis of programme - within Policy team on a weekly basis, reporting to Head of Planning/DPHEH bi-weekly.	Improving housing options for local people, whilst protecting our outdoor areas - develop a Local Plan which will ensure the provision of new homes in appropriate locations, focusing on tackling the need to deliver a range of housing for the whole community.	Director of Planning, Housing and Environmental Health	⇔	Feb-25
12	Implementation of Agile system	F, S	Service impacts from level of staff time required to configure the Agile product for use as operating system. Significant level of concern from staff about implementation process results in a lack of confidence in implementation, which will adversely impact service delivery and record keeping Post implementation issues result in inefficient service delivery	01/11/2022	5	3	15	Programme of liaison meetings with Agile in place including Project Board and catch ups with various levels of counterparts Employment of Business Change PM to manage project on behalf of TMBC and coordinate all issues Regular informal briefings to Cabinet Internal meetings with staff, managed by Business Change Project Manager Risk and issue log Post-implementation review of APAS implementation being carried out by internal Audit Agreement to deliver enhancement project in 24/25 financial year At least 2 stand ups per week between Business Change PM and SRO (DPHEH)	2	2	4	Further escalation of issues to IEG 4 CEO (Agile parent company) Revised PLACIS implementation programme to be agreed Weekly review of project plan and considerations of service impacts required to meet go live programme - to be reported into MT and informal Cabinet on a regular basis APAS outstanding post go live issues programme to be agreed. Review of project governance and use of Project Board for escalation of issues, to include review of Project Board attendees Completion of all modules for go live	Digital Strategy	Director of Planning, Housing and Environmental Health	⇔	Feb-25

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STRATEGIC RISK REGISTER - CURRENT

Date of Review **19/12/2024**
Previous Date of review **10/09/2024**

Direction of Travel key ⇩ Downward or positive movement ⇔ No change in movement ⇧ Upward or negative movement

ANNEX 1a

No	Risk Title	Risk Type	Consequences	Date identified	Likelihood Score (1-6)	Impact score (1-4)	Overall risk score	Current Mitigation	Desired Likelihood Score (1-6)	Desired Impact score (1-4)	Desired risk score	Actions required to ensure mitigation remains	Links to Corporate Objectives / Strategies	Lead on behalf of Management Team	Direction of Travel	Review Date
1	Safeguarding and PREVENT	S, R	Significant impact should a child, young person or adults at risk come to harm, including radicalisation and child sex exploitation, and TMBC are unable to demonstrate appropriate processes are in place with adequate staff resource to ensure safeguarding procedures are consistently being followed.	01/04/2017	3	4	12	The overall responsibility for safeguarding lies with the Chief Executive, rather than individual services. The Council has undertaken the following actions to mitigate risk Carried out audit review of procedures to identify and address weaknesses Provided training to all licenced Dual, Hackney Carriage and Private Hire Drivers Provides a secure database for the recording and sharing of safeguarding concerns. Officer Study Group with safeguarding champions across services who are able to provide advise and support regarding safeguarding issues Management Team have approved the recruitment of a dedicated safeguarding officer. Training provided to staff	3	4	12	Continue to refer Safeguarding concerns to appropriate agencies where necessary and also raise with partners at the weekly CSU meetings. Undertake actions from the latest Safeguarding Audits/ Self Assessments. Recruitment of dedicated Safeguarding Officer	Safeguarding Policy	Chief Executive	⇔	Mar-25
2	Financial position/budget deficit	F, R	Financially unstable organisation. Failure to deliver a balanced budget, detrimental impact on quality of service, increased intervention and/or s114 notice. This includes Failure to maximise New Homes Bonus (for as long as it exists). Assessment of the current economic implications of higher inflation and interest rates Failure to deliver identified savings / Additional income	01/04/2017	3	4	12	The Council provides an annual statement (as a minimum) on the following areas; Treasury Management and Investment Strategy. Robustness of estimates and adequacy of reserves (s25 statement) Medium Term Financial Strategy (MTFS) Savings and Transformation Strategy (STS) Statement of Accounts containing Audit and Value for Money Opinion. 2023/24 accounts closed in accordance with statutory requirements, and a positive position noted. Growth in business rate income above baseline is assisting overall financial position in current year 24/25 . The Council also considers it has the following Effective Budgetary control and reporting procedures covering areas such as Leisure Trust Utility costs Effective monitoring covering Business Rates and Council Tax income including reporting to the Kent Pool. Regular reviews undertaken on the forecast of the Local Government Settlement. 2023/24 outturn was positive, mainly due to continued high interest rates. This has enabled some additional funds for reserves serving important priorities, but cannot provide a long term solution. Minimum level of General Revenue Reserve maintained at £3m. In addition, a Budget Stabilisation Reserve is held. Update of MTFS presented to Members in November. Current financial position within MTFS shows balanced budget for final year. This is after allowing for assumptions made on long term resourcing issues covering Fair Funding, Business Rates reset and allows for increased contract costs on major council contracts. Budget monitoring to date shows overall budget on track, although individual areas need careful review and attention	3	3	9	Continued budget monitoring during year and actions put in place to address overspending areas, e.g. homelessness. IN addition, through budget 2025/26, consider increased budget pressures and how they will be met. It has always been anticipated that once a Fair Funding Review has been undertaken, the position will dramatically switch and expenditure will outstrip external funding. Therefore savings needs to be made in order to ensure that by the end of MTFS we have a balanced budget again. Under new government, national priorities and actions need to be carefully tracked. Ensure that Business Rate income is maximised for benefit of TMBC prior to any Reset by any incoming Government (expected post 25/26) Interim update of MTFS presented to Members in November 2024 showing sensivitiy analysis and a likely increase in funding gap which will need to be addressed over the next 3 to 4 years. Final update of MTFS (once LG Finance Settlement received) in Feb 2025. Ensure robust scrutinisation and response to any consultations in respect of LG finances, including Fair Funding and Extended Producer Responsibility. Three key financial risks were highlighted to Members: namely Waste (including the proposed Extended Producer Responsibility scheme which has been delayed) , Homelessness and Local Plan. All three have significant financial implications for the Council in different ways and need to be continually assessed and managed. MT and Cabinet continuing to work to consider the best way of delivering transformation which could also to assist with identification and delivery of efficiencies Carefully review any knock on implications from upper tier spending and funding decisions and where appropriate consider action to address this. Continue to actively monitor in year budgets to enable swift action as needed	Priority in the Corporate Strategy of "Efficient services for all our residents, maintaining an effective council"	Director of Finance and Transformation	⇔	Feb-25

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3	Performance Management	F,R,S	Without an effective performance management framework in place, the authority will not be able to monitor delivery, understand any required improvements or achieve value for money for our residents.	30/08/2023 (separated from Corporate Plan)	3	3	9	With the adoption of the new Corporate Strategy 2023-2027, the authority established new aligned KPIs to monitor progress, and provide detail on direction of travel, and targets. These have developed over the course of 18 months to include improved benchmarking and measures have also been undertaken to embed the culture of using performance management. An internal audit of performance management was undertaken in Nov 2023-Feb 2024, finding substantial assurance with very good prospects for improvement. KPIs are initially discussed at SMTs, before being presented to Management Team and Informal Cabinet and then shared with the Scrutiny Select Committees/O&S and Cabinet on a quarterly basis. Following a review of Performance Management, Cabinet approved new measures in October 2024 to streamline the reporting process, so that following consideration by Management Team, the KPIs are reported to O&S in their entirety and then on to Cabinet. The production of an Annual Service Delivery	1	3	3	Following the internal audit and the report to Cabinet in October 2024 setting out proposals for embedding performance management within the organisation, the streamlined reporting process will be implemented in Q3 and the move to the Annual Service Delivery Plan will be approved in February 2025 for 2025/26.	One of the priorities in the new Corporate Strategy is "Efficient services for all our residents, maintaining an effective council"	CE/MT	⇩	Mar-25
4	Achievement of Savings and Transformation Strategy	F, R, S	Failure to meet objectives and/or make savings. Impact on quality of service, budget overspends, salami slicing, etc. staff motivation impacted and increased risk of fraud or error.	01/04/2017	4	4	16	STS reviewed and updated in line with review of MTFS. Regular reports to update MT and Members. The 24/25 Budget is balanced with contribution to General Revenue Reserve and significant contributions to Earmarked Reserves for Corporate priorities. s25 statement reported to Members in Feb 24 MTFS updated, as interim measure, in November 2024 and reported to Members. Will be updated again once settlement received., Taking all opportunities to maximise income receipts where appropriate Savings, new income and transformation contributions of £820k accrued to date (report to FRPSSC Sept 24 refers) but negated by growth of £96. However, this means overachievement of savings against the in year target of £305k.	3	3	9	The priorities and focus of the incoming government could have an impact on the financial picture for the Council, either adversely or positively. At the time of updating we do not know the extent of how this will impact. Responses to any consultations will be important. Continued updating of MTFS model as new information emerges. Exercise to commence in Spring on identification and assessment of savings opportunities for initial review by Cabinet in Summer 2025	Priority in the Corporate Strategy of "Efficient services for all our residents, maintaining an effective council"	Chief Executive / Director of Finance and Transformation/ Management Team	⇔	Feb-25
5	Failure to agree Local Plan	F, R	~~Lack of sound legal footing for Plan through inadequacies in evidence base, legal advice or process, including duty to cooperate. Leading to widespread public concern, or risk of failure at Examination. External factors or widespread planning reforms leading to delays to timetable,~~ Reputational risks around not being able to agree a Local Plan. Impacts around not meeting the timeframe for submission of the Local Plan. Impacts on development management processes through protracted period with no up-to-date plan, likely speculative development. Infrastructure not delivered. Potential for central Government intervention.	4/1/2017~~, reviewed and updated March 24~~	4	4	16	Members are updated via email updates and reports to the Housing & Planning Scrutiny Select Committee Local Plan risk register in place to manage full range of individual risks Ensure that all other policy tools, including 5 year housing land supply evidence, is up to date The Council has decided to continue progressing the Local Plan under the current legislative and National Planning Policy Framework. It will be critical that the new plan is prepared in compliance with the regulatory framework and relies on a robust evidence base that meets the requirements of the NPPF so that the plan can be found to be sound at the examination stage.	3	3	9	Regular review of Government policy announcements that may impact on delivery, including housing standard methodology and WMS relating to Planning. Regular review of project plan to ensure plan can be delivered within current Government timeframes. Ongoing engagement with Counsel Ongoing engagement with Members including implementation of new engagement strategy Regular analysis of budget position and programme. Maintain staff levels within Planning Policy team to ensure capacity to manage process Regular analysis of programme - within Policy team on a weekly basis, reporting to Head of Planning/DPHEH bi-weekly.	Improving housing options for local people, whilst protecting our outdoor areas - develop a Local Plan which will ensure the provision of new homes in appropriate locations, focusing on tackling the need to deliver a range of housing for the whole community.	Director of Planning, Housing and Environmental Health	⇔	Feb-25

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6	Organisational development inc. staff recruitment and retention/skills mix. Impact of loss of capacity caused by recruitment difficulties upon delivery of corporate objectives. Increase in rate of inflation and consequent pressure on level of pay award.	F, R, S	Lack of resources or the right skills to deliver required outcomes, loss of key professionals/senior officers due to pay constraints and pressures, reduced staff morale and quality of work, leading to financial loss, reputational damage and detrimental impact on staff wellbeing.	01/04/2017	3	4	12	Review of staff resources and skills via service reviews. Organisational structure reviews are part of S&TS to achieve efficiency, coordinated service delivery and reflect changing legislative and policy requirements and priorities. The Council implemented it's Market Supplement policy in October 2023. At present all 'qualified' Planning Officer roles receive a market supplement. Vacant Planning Officer roles are advertised with a 'Golden Hello' payment. Specific workstream on Building Control due to Building Safety Act requirements for all surveyors to be recertified - looking at different certification routes and HR processes for staff.	3	4	12	Succession planning and staff development to be prioritised and reflected in an updated appraisal process by 1 April 2025. Engagement of agency staff, external consultants and specialists where required. Reviewed by MT on a monthly basis to ensure Value for Money. Resilience and rationalisation of existing structures. Pay award for 2025/26 for all staff. GP Committee to consider proposals in January 2025. Structural reviews approved by Members on an ongoing basis. Workforce Strategy approved by General Purposes Committee in June 2022. Revised version to be considered by General Purposes Committee in final quarter 2024/2025.	HR Strategy Savings and Transformation Strategy	Director of Central Services and Deputy Chief Executive/ Chief Executive	↔	Feb-25
7	Health and Safety	F, R, S	Significant reputational impact should a service user, officer, member or contractor come to harm and TMBC are unable to demonstrate appropriate processes were in place.	01/04/2017	3	4	12	Lone working policy and service based practices to be continuously monitored. Health and Safety considered by management at weekly SMT meetings. Staff involvement with Health & Safety Group Ongoing review undertaken to react to potential key risk areas. Organisational learning and response to national events. Incident and near miss reporting.	2	3	6	Embedding and dissemination of good practice through staff briefings. Corporate Health and Safety Group (chaired by DPHEH) identifying cross organisational issues with feedback to Management Team and Health and Safety Officer. All services have reviewed all their Health & Safety local Procedures in particular Lone working and service specific risk assessments. Staff survey on H&W completed spring 2021, results reviewed and a future survey will be incorporated into general staff survey approach Corporate Health & Safety Policies and procedures are up to date and reviewed regularly which all staff can access. Continuing focus on risk assessment process including reviews as a result of Coronavirus pandemic. Further staff wellbeing survey to focus on working at home and wellbeing.	Staff wellbeing and customer care underpin the Council's fundamental service and corporate objectives	Director of Planning, Housing and Environmental Health	↔	Ongoing
8	Cyber Security	F, R	Loss of data and legislative breach, leading to financial penalties and reputational impact.	01/04/2017				The Council has; Information Security Policy deployed via Policy Management System. Implemented network security measures including access controls. Considered cyber insurance. Established an Information Governance Group. Appointed a Member Cyber Champion. Rolled out Cyber awareness training to all staff and Members via eLearning. Deployed 'Next generation' Palo Alto firewall technology for improved visibility and control. Deployed software solution to identify potential confidential data held on file servers. Implemented secure email in accordance with NCSC guidelines. Maintained dual level firewall security with the KPSN gateway being primary and the Council's own firewalls secondary. Implemented Solarwinds Security Event Manager. 1 member of IT team obtained Certified Information Systems Security Professional (CISSP) qualification October 2020.				The Council has; Prioritised the resources (both financial and staff) to ensure relevant updates and security mitigations are carried out in a timely manner. Scheduled annual IT Health Check (ITHC), quarterly PCI scans, and monthly vulnerability scans, feeding into remediation plans. Investigating and resolving detected security issues from previous ITHC. New ITHC completed August 2024, including the TMBC Microsoft 365 environment with remediation of security improvements underway. Regular email messages are sent out to all staff and Members on cyber security vigilance. Continuing to investigate emerging threats and cyber alerts, communicating with 3rd party suppliers to check compliance/obtain security updates and implementing mitigations as required to reduce likelihood of compromise. Training for IT staff on security aspects of Cloud environment is underway. Investigating further improvements to DR capability with specific regard to recovery from cyber incidents. Ensuring new staff have been invited to undertake training cyber security training. Further training and audits will follow to ensure the Council is as aware and prepared as possible to respond to potential	IT Strategy	Director of Finance and Transformation	↔	Feb-25

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	Cyber Security. Continued				3	4	12	Implemented cloud backup and DR facilities to improve resilience; and embedded cyber security into DR and BCP processes. Continued to monitor Cybersecurity alerts via LGA Cyber Security email; through membership of NLAWARP and CiSP; and attending information sharing events such as Kent Connects Information Security Group. Cloud based web and email filtering has been deployed to improve availability and resilience. Completed firewall ruleset review following migration to Cloud to ensure our configuration is in line with best practice guidelines. Done Annually at ITHC Carried out phishing simulation exercises for awareness training for staff and members, to highlight areas of risk and to identify training needs. Subsequent online training sent out to all staff and members. Developed and deployed wallpaper/ lock screen to all TMBC laptops and PCs, with cyber security reminder to further reduce risk by increasing awareness. Head of IT appointed Senior Information Risk Owner (SIRO) from October 22. This role has responsibility for information and data risk and protection. Obtained Cyber Essentials accreditation in May 2025, demonstrating that our technical controls are designed to defend against the most common cyber threats. NCSC approved cyber security training has been evaluated and made available via the Council's new LMS. Achieved 'Substantial' rating for Cyber Security at Internal Audit Report TM19-2023 & TM07-2023 - Cyber Security and ICT Infrastructure (Combined Report). An in-depth phishing training package, to highlight specific risks and increase staff awareness, was deployed to all staff and followed up by phishing simulations to check effectiveness of training. PCI DSS accreditation achieved to demonstrate that standards have been met by the Council with compliance of the PCI DSS standards to help protect sensitive payment card information and help reduce the risk of data breaches and fraud. Obtained Cyber Essentials Plus accreditation in October 2024, demonstrating that our technical controls are designed to defend against the most common cyber threats which were independently checked and verified.	3	3	9	cyber attacks. Procured NCSC approved cyber security training for staff and members, deployed during 2023, continued training throughout 2024. As at June 2024, All staff, with exception of new starters have completed Cyber Training, **As of December 2024 28 Members have completed the training, a further 10 have started but have yet to complete leaving 6 members yet to start.** Phishing simulations are carried out on an ad-hoc basis, without prior notification, to check effectiveness of training, and as regular assurance of staff and member awareness. Maintaining of industry standards, PCI DSS, Cyber Essential and Cyber Essential Plus annually to ensure that any changes in the IT environment still demonstrate that our technical controls are designed to defend against the most common cyber threats. Enrolment and management of devices in Intune is now live. It has replaced SCCM for deployment of all line of business apps to PCs and laptops, and Microsoft Defender for Endpoint is being used to leverage additional security features including network blocking when malware is detected and enforcement of encryption on laptops and removable media. Test restore to sandbox environment carried out to validate our ability to recover successfully from a cyber incident. Areas for improvement identified, documentation of process underway and training for all technical support staff planned for Q4 2024/25. Continued ongoing development training to ensure that knowledge is kept up to date. Investigating Microsoft Defender for Cloud to further enhance security of the Council's Azure IaaS infrastructure. Investigating preventative analysis, monitoring and remediation of suspected malicious network activity and NCSC approved cyber incident response retainer services to allow on hand cyber experts to assist with any Cyber Incident that may occur. Investigating and working towards the new government framework Cloud Assessment Framework (CAF) to ensure critical systems are documented and robust. Operation member of the IT team to be trained in the Certified Information Systems Security Professional (CISSP) qualification to ensure there is a higher knowledge of security within the team - Training due to take place Jan 2025				

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9	Business Continuity and Emergency Planning (incl. Civil Contingencies)	F, R, S	Failure to provide statutory service or meet residents' needs resulting in additional costs, risk of harm and reputational impact. Impact/pressures on services and resources. Failure to ensure proper safeguards to prevent or to respond adequately to a significant disaster/event e.g. terrorist attack at a large scale public event , fire or flood	updated January	3	4	12	The Council has in place; Business Continuity Plan. Corporate Business Continuity Risk Register Emergency Plans Disaster Recovery Plans Inter-Authority Agreements Mutual Aid Agreement Partnership agreement with Kent Resilience Team. Emergency Planning Support Officer. Duty Emergency Coordinator System and Duty Officer System introduced to provide greater resilience. Covid Secure rest centre plan has been developed Flood Risk Assessments along with Support from Parishes with Flood Wardens EA support for expansion of Leigh Storage Area and works to Medway River Wall	3	4	12	Emergency planning documentation undergoing constant review and key aspects exercised . Increase % of staff trained in roles identified in the Emergency Plan Training organised by Kent Resilience Team . Business Continuity working group established to review and update existing Plan. Updated plan to be considered by Management Team and tested by a training exercise. Duty Officer rota in place to support Duty Emergency Coordinators out of hours. All staff fully trained before commencing duties. Out of Hours Manual reviewed and regularly updated. DSSLTS sits on Kent Resilience Forum Strategic Board. Actions taken in response to the Covid 19 pandemic will be reviewed and lessons learnt for the future. Any approved changes will be reflected in the Corporate Business Continuity Plan. Business Continuity Group including all members of Management Team meets twice weekly to oversee and coordinate response to pandemic. Annual Emergency planning review to be reported to Management Team. Exercising of plans must be undertaken regularly to ensure they are fit for purpose and to validate them. Recruitment into roles in the Emergency Plan is on-going. Enhanced staff training being developed to ensure rest centre staffing levels Funding allocated in Council's Capital Plan to support works to Leigh Flood storage area which will be completed by 2025. Possible partnership working with EA in improving flood resilience in Wouldham linked to the replacement of the river wall.	Business continuity underpins the delivery of the Council's essential services and is a core of the authorities risk management	Director of Street Scene, Leisure & Technical Services	⇔	Mar-25
10	Sustained or increasing levels of Housing need.	F, R, S	Increased demand on Housing and Revenues & Benefits services. Significant cost of providing temporary accommodation Inability to meet our legislative requirements - increased risk of decisions being challenged.	01/04/2017	4	3	12	TMBC run Welfare Reform Group with partner agencies invited. Knowledge sharing and issue identification. Council has joined the ReferKent network Working with owners to bring long term empty properties back into use. Ongoing work on Empty Homes is being supplemented by fixed term resource. Council in February 24 agreed empty homes premium and second homes premium. EQIA assessment of key decisions included in all Board reports. Signposting now to UC rather than HB for new working age claimants. Keeping track of welfare statistics CTR Scheme approved for 24/25 . Downsizing incentive policy agreed Homelessness services externally reviewed and Member approved action plan being implemented	3	3	9	Improved working with TA providers leading to more guarantees of available accommodation and developing a TA Procurement Strategy Improved working with main housing provider to identify trends/specific cases across borough to jointly agree approach to preventing homelessness using housing provider mechanisms, DHP payments and homeless prevention funding where needed. Development of council owned/leased temporary accommodation portfolio - including delivery of the Local Authority Housing Fund £1.6m funding received. Continue to facilitate Welfare Reform group and widen participation from external partners so as to ensure best support for those affected by welfare reforms in T&M. Work with Kent councils collaboratively to ensure grants and support targeted to those most in need Continued focus on homelessness prevention through staff training, team structure and delivery of homelessness action plan Distribute latest Household Support Fund	Improving housing options for local people, whilst protecting our outdoor areas of importance - use every power we can to support those who are most in need of housing support and at risk of becoming homeless	Director of Planning, Housing and Environmental Health/ Director of Finance & Transformation	⇔	Feb-25

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11	Political factors including stability of political leadership and decision making	F, R	Decisions required to achieve objectives including corporate strategy and savings and transformation may not be made and therefore required savings not achieved.	01/04/2017	3	4	12	Close liaison with Leader, Deputy Leader and Cabinet in developing the Savings & Transformation Strategy. Clear and comprehensive reports to support Members in making appropriate decisions to support the S&TS. Regular Group Leader meetings in place and stability of leadership following election. Regular pattern of informal MT/Cabinet meetings to provide stability and cohesiveness	3	3	9	Member briefings and training sessions.	Underpins delivery of overall strategy and Savings and Transformation.	Chief Executive	⇔	Feb-25
12	Implementation of Agile system	F, S	Service impacts from level of staff time required to configure the Agile product for use as operating system. Significant level of concern from staff about implementation process results in a lack of confidence in implementation, which will adversely impact service delivery and record keeping Post implementation issues result in inefficient service delivery	01/11/2022	5	3	15	Programme of liaison meetings with Agile in place including Project Board and catch ups with various levels of counterparts Employment of Business Change PM to manage project on behalf of TMBC and coordinate all issues Regular informal briefings to Cabinet Internal meetings with staff, managed by Business Change Project Manager Risk and issue log Post-implementation review of APAS implementation being carried out by internal Audit Agreement to deliver enhancement project in 24/25 financial year At least 2 stand ups per week between Business Change PM and SRO (DPHEH)	2	2	4	Further escalation of issues to IEG 4 CEO (Agile parent company) Revised PLACIS implementation programme to be agreed Weekly review of project plan and considerations of service impacts required to meet go live programme - to be reported into MT and informal Cabinet on a regular basis APAS outstanding post go live issues programme to be agreed. Review of project governance and use of Project Board for escalation of issues, to include review of Project Board attendees Completion of all modules for go live	Digital Strategy	Director of Planning, Housing and Environmental Health	⇔	Feb-25
13	Carbon Neutral 2030 Aspiration	F, R, S	Significant reputational risk, particularly if other similar councils have achieved similar goals or targets. Significant financial cost to purchasing offsets to meet carbon neutral. High cost of increased frequency and intensity of extreme events (floods, heat waves) that increase costs and disrupt service delivery.	01/09/2023	3	3	9	Development of climate evidence (e.g. for the Local Plan), partnerships (residents, community and other Councils) and pathway analysis to support move towards transformative and larger-scale emissions reductions Increased contributions to Climate Change Reserve to Support match funding as well as capital projects. Grant Award received for Energy Efficiency measures for Sports Facilities. Total grant award of £1.6m will support installation of LEDs, solar PV and a heat pump at Larkfield Leisure Centre, reducing vulnerability to energy price variations and tackling a significant source of carbon emissions.	3	2	6	New strategic planning, oversight and commitment by Members, senior management and services to ambitious actions beyond 'business as usual'. Improved understanding of financial returns from climate mitigation measures that can be reinvested. Innovative thinking and delivery of services and mitigation options. Gap analysis report endorsed at Overview and Scrutiny Committee January 24 Funding is dependant on successful applications and awards being achieved, otherwise Council Resources will be needed. Successful delivery of decarbonisation projects using grant funding. Ensure all delivery, project and monitoring milestones set by funders are met.	Climate Change Strategy 2020 - 2030, Corporate Strategy 2023 - 2025	Chief Executive	⇔	Feb-25

STRATEGIC RISK REGISTER - CURRENT

Date of Review **19/12/2024**
Previous Date of review **10/09/2024**

Direction of Travel key ⇩ Downward or positive movement ⇔ No change in movement ⇧ Upward or negative movement

ANNEX 1a

No	Risk Title	Risk Type	Consequences	Date identified	Likelihood Score (1-6)	Impact score (1-4)	Overall risk score	Current Mitigation	Desired Likelihood Score (1-6)	Desired Impact score (1-4)	Desired risk score	Actions required to ensure mitigation remains	Links to Corporate Objectives / Strategies	Lead on behalf of Management Team	Direction of Travel	Review Date
14	Contract/Contractor Procurement	F, R	Failure to appoint suitably experienced and qualified contractors leading to poor quality of service, reputational damage and increased costs to the Council.	01/02/2024	2	3	6	Compliance with Council's adopted Procurement Rules and Strategy. Consultation undertaken with Property and Legal Services to ensure appropriate Lease/License/Contract arrangements are in place. Procedure adopted and monitored for the engagement of contractors setting out and seeking minimal requirements including Risk Assessment and Public Liability. Establishment of cross-departmental working groups for key contracts and projects. Contracts awarded on an evaluation of 'most economically advantageous' and 'best value' and not solely on financial benefit. Directorate representatives on the Council's Procurement OSG. Use of Mid-Kent Procurement Partnership Use of specialist advisors on major contracts. Contracts to include break clause and/or extension periods based on performance. Use of contract frameworks where appropriate. Risk assessment approach to appointment of contractors.	1	3	3	Corporate Procurement Strategy adopted Procurement documentation being reviewed. Cabinet 2 April for procurement resources through Mid Kent Partnership agreed Corporate Training progressing for staff and Members Annual report to audit committee on procurement performance	Procurement Strategy. Compliance with legislation. Health and Safety.	Director of Street Scene, Leisure & Technical Services	⇩	May-25

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Ongoing Risks and Risks Identified by Service Management Teams and Management Team

	Risk Identified	Background	Removed or ongoing	Reason for removal / ongoing
Central and Exec	Homes For Ukraine Scheme	Ongoing home assessments and support for Ukrainians hosted under the Homes for Ukraine Scheme. There is a risk of homelessness and duty to place in TA, therefore work needs to be undertaken by the Resettlement Worker to support with sustainable living arrangements.	Ongoing.	Conflict in Ukraine continues and new arrivals into the borough are ongoing. HFU visas are for 3 years and there is now an option to apply for an 18 month Ukraine Permission Extension once the HFU visa expires. All new hosts/houses must be checked and welfare visits undertaken. Rematches via the HFU scheme are unsustainable in the longer term and work needs to be undertaken to support families into PRS or rent a room agreements.
	UK Shared Prosperity Fund Programme (inc. Rural England Prosperity Fund)	Having had our T&M Investment Plans approved by MHCLG, implementation of projects required over the next few years (up to March 2025)	Ongoing.	Need to keep under review to ensure that delivery on track so that future years funding is not compromised (based on annual funding award). UKSPF Year 1 (2022/23) and 2 (2023/24) progress was substantially on track with 100% of budget spent. As of 01 Dec, 50% of Year 3 budget spent (66% of the programme), but there remain a number of larger capital projects which are still to deliver and this remains the key risk. Report being considered by Cabinet Member for the re-allocation of some funds to ensure as close to 100% is spent by the end of the financial year. REPF (used to create the West Kent Rural Grants Scheme) - as of 01 Dec, 103% of the pot has been awarded to projects, 50% of the budget has been spent (i.e. projects completed and claimed funding in arrears).
	Gibson Building - unable to deliver financial saving which has been assumed within MTFS	Cabinet agreed in Sept 2022 that the main offices of the Council should remain located at Kings Hill and that Officers should investigate the feasibility of progressing option 4 set out in the report.	Updated	Need to keep under review to ensure that changes in office accommodation deliver value for money and deliver identified savings. Deal now agreed with KCC in respect of covenants, subject to completion of legal agreement. Risk of capital cost for works to Gibson East exceeding previously agreed budget.
	Tonbridge Castle Gatehouse Roof - costs of resolving roof issue	Water ingress from roof in Great Hall. Feb 2023 rot discovered in roof beam ends. Facility now open following completion of remedial works in July 2023. Permanent works in autumn 2024 to now be scoped	Ongoing	Extent to permanent works required still unknown and therefore operational and financial risk remains
	Elections	Introduction of Elections Bill changes Tranche 2	Ongoing	All Election Act changes up and running and being improved including new Postal vote portal, Postal vote renewals changing to every 3 years Proxy Vote changes. Overseas electors renewal every 3 years, the last one EU citizenship eligibility starts 7/5/24. Some training has been undertaken for this.
	Elections	Changes to Parliamentary boundaries	Ongoing	Work completed and register changed 1/2/24, in readiness for a Parliamentary election.
	Elections	Parliamentary Election	Ongoing	Parliamentary Election to take place on 04/07/24 together with by-election for vacant seat in Judd Ward. Concern over lack of PO's and Count supervisors, due to Polling and Count being on the same day.
	Climate Change Action Scorecard	Climate Emergency UK conduct an annual review of all local authority's climate actions. For 2022-23, the Right to Reply process revealed that TMBC is likely to score only around 25% and, as such, we should expect to be one of the lower scoring authorities. Climate Emergency UK will seek national media coverage for its findings and publish its results in Autumn 2023, posing a reputational risk to TMBC.	Ongoing	Scorecard results not yet published so level of media interest and final TMBC score unknown. Climate Emergency UK will carry out the annual process again for 2024/25 and while some further actions will result in a higher score (e.g. we have started climate literacy training) it is hard to assess progress relative to other authorities at this stage.

Ongoing Risks and Risks Identified by Service Management Teams and Management Team

	Risk Identified	Background	Removed or ongoing	Reason for removal / ongoing
Finance and Transformation	IT Security (formerly COCO Compliance)	Review of IT Infrastructure identified several areas of weakness for IT standards compliance	Ongoing	Number of risk removed, expected that remaining risks, once removed, will allow full compliance.
	Economic Stability	Economic issues surrounding Council Finances	Ongoing	Part of Strategic Risk Register.
	Staffing	Year end processes are a significant demand on staffing resources.	Ongoing	This has been exhibited but staff shortages at the present time. Workloads will be monitored closely to ensure service delivery maintained.
	Corporate Insurance	Increases and changes to premiums for 2023/24 insured year	Ongoing	The Councils Insurers have made changes to the charges included within the premiums. Therefore changes will be required to capital and revenue project evaluations to include insurance assessment.
	Payroll	Key information being supplied to Payroll in a timely manner, causing risk of staff and members not being paid.	Ongoing.	The Payroll Team pay over 250 Staff and Councillors on a monthly basis. Due to the date of payment, being the closest working day to the 15th of the month, information to be included in the pay run must be received no later than three working days into the month. In recent months some delays have occurred on the submission of data due to incomplete or incorrect information being supplied. this has jeopardised the payment to all staff requiring addition unsocial hours to be worked by the payroll team.
	IT Resources	Resource capacity for Development Staff	Ongoing	The current demands on IT Development Staff are placing increased pressures on the resource capacity on the staff given competing demands of corporate systems being reviewed and implemented.
	Street Naming and Numbering	Resourcing within Team	New	One of the team of two is currently on long term sickness, the impact is meaning that the work being undertaken is now rising in conjunction with the implementation of the Agile system. Management Team report will be prepared for consideration of maintaining resourcing levels.
	GDPR Compliance findings	Redacted information being stored with unredacted information	Ongoing	Access being restricted and will be removed once uniform is fully deactivated.
	Security and Access to Information	Access to information with shared access with DWP	Ongoing	Review of staff access to be carried out and further additional checks to be carried out.
	Back Scanning	Additional requirements identified, resource assessment and funding to be identified	Ongoing	Review of volumes being undertaken to assess resource need to enable Gibson East redevelopment.
	Supported Accommodation	The Supported Housing (Regulatory Oversight) Act 2023 came in to force August 2023. Assessment of the act has been ongoing and a consultation on how the act will regulated in practice. The practice is likely to involve a Licensing duty for the responsibility of the Council. Further implications could effect Housing Benefit payments to Landlord where care levels are considered to be unsuitable for the tenant.	Ongoing	Further investigation work will need to be undertaken following the practice regulation are issued, this will involve potentially new service staffing and income to the council. Greater working relationship with Adult Social Care Services will need to be considered and protocols arranged.

Ongoing Risks and Risks Identified by Service Management Teams and Management Team

	Risk Identified	Background	Removed or ongoing	Reason for removal / ongoing
Planning, Housing and Environmental Health	Temporary Accommodation (TA)	TA consultancy review undertaken Dec 2021, actions implemented in 2022. Cost of living crisis and DA legislation implementation are impacting on maintaining TA levels within the agreed range.	Ongoing	TA costs remain high, as does level of need. Project underway to look at sustainable TA portfolio approach to help manage unit costs for TA. This is alongside ongoing work/training in service to support demand.
	Temporary Accommodation (TA)	Personal injury claims	Ongoing	Updated inspection regime being developed by officers.
	Food & Safety	Increased risk of food complaints/poisoning. Additional resources to manage backlog of inspections.	Ongoing	During the Covid-19 crisis the ceasing/reduction in the food hygiene inspection regime may result in food safety issues. There will also be a backlog of food safety inspections due to restrictions on visiting/businesses closed. Agreed catch up programme in place utilising COMF funding.
	Increased number of planning appeals/inquiries	Application determination timescales not being met, more speculative development, creates reputational risks and increases likelihood of appeals.	Ongoing	Volume and complexity of applications coming forward in parallel with local plan progression and given current uncertainties in timescales for adoption. MT agreed agency planning funding for short term. Head of Planning conducting service review summer 2022
	Staffing challenges in Planning services	Ongoing recruitment and retention difficulties in the sector and in T&M specifically. Several recruitment campaigns carried out.	Ongoing.	MT agreed that development of a Workforce Strategy will include recruitment and retention. Part 2 report to GP in July 2023 to look at immediate pressures. This will likely be followed by a new recruitment campaign and therefore this risk remains.
	Windmill Lane Gypsy Site	KCC have requested return of management of this site (which is already owned by TMBC) to TMBC on 31 March 2024. This is part of a programme of returns to districts of their owned G&T sites. Initial discussions about management issues and costs have been undertaken.	Ongoing	The return requires Member approval, proposing that this happens via Cabinet in Jan 2024. There are a mixture of Property and Housing risks relating to this potential transfer. Officers are awaiting detailed information from KCC on maintenance costs, the detailed works schedule for grant funded improvements that are scheduled to complete before end of financial year and rent roll. TMBC will require a management arrangement for the site, which is being explored with neighbouring authorities as well as external providers. There will also be a requirement for the Council to have a G&T Allocation Scheme. Risk that the approach to management of this site is not fully in place before the proposed transfer, which could cause liability issues. Also need to consider specific equalities considerations for this group of residents.
	Local Plan	Reg 18 carried out in Autumn 2022. Changes to NPPF and proposed changes to system via LURB published December 2022. Assessing options for delivery of a Local Plan.	Ongoing	Members to make a decision on a revised Local Development Scheme in Summer 2023. This is subject to a number of challenges including ongoing delays in Govt announcements on national planning policy. The Council has decided to continue progressing the Local Plan under the current legislative and National Planning Policy Framework. It will be critical that the new plan is prepared in compliance with the regulatory framework and relies on a robust evidence base that meets the requirement of the NPPF so that the plan can be found to be sound at the examination stage. Timing is of the essence as the Local Plan will need to be submitted to the Planning Inspectorate by 30th June 2025. The Council has recently engaged Trowers and Hamlins Law Firm to advise and support the Planning Policy Team up until adoption stage.

Ongoing Risks and Risks Identified by Service Management Teams and Management Team

	Risk Identified	Background	Removed or ongoing	Reason for removal / ongoing
Street Scene, Leisure and Technical	Bridge inspections	Bridges on Council owned land identified as service risk. Internal Officer Group established and bridge audit progressed. Identified as Service Pressure Aspiration. Revenue budget approved to inspect and repair bridges over 2 years and annual inspections to be progressed. Structural assessments being undertaken.	Ongoing	Second year programme of work currently being progressed. Further survey undertaken and report to be analysed. Remembrance Garden and Maintenance bridges reassessed to check if structurally stable. Remembrance Garden bridge confirmed safe for 5-7 years, Maintenance bridge confirmed safe for 3-5 years. Structural assessment being undertaken re Haysden Country Park bridge replacement.
	Phone Signal	CEOs having difficulty enforcing parking in Tonbridge and customers having issues accessing Ringo due to deterioration in mobile phone signal.	Ongoing	Multi-network sim cards issues to CEO's and liaison taking place with service providers.
	Garden Waste invoices	Delay in invoices being issued to subscribers wanting to renew due to IT issues.	Ongoing	Financial Services reviewing use of recurring payments.
	Utilities costs	Significant energy price increases at leisure centres is resulting in financial cost to the Council under the risk sharing agreement in the Management Agreement with the Trust.	Ongoing	Trust providing regular updates via Strategic/Service Fee meetings - cost of swim charges increased to help contribute to additional cost, energy saving initiatives being investigated and implemented and central government being lobbied. Government recently announced support package within the Budget statement.
	KRF Review	The KRF have undertaken a review and plan to make adjustments to how the forum operates.	Ongoing.	Risks associated with increased responsibility being undertaken by LA's . Many Kent Chief Executives are recruiting dedicated full-time resource to enable work to be developed and maintained. This appears to be requiring LA's to delivery work areas that were historically delivered through the KRF and KRT.
	Business Continuity & Emergency Planning	The current structure of the LRF and legislation has been added to. The Kent Resilience Forum has undergone review with significant changes to how the Kent Resilience Team will provide support and guidance to Local Authorities. The UK Government has also recently published a new 'UK Government Resilience Framework'. Further guidance is expected but the theme is around increasing locally led resilience and planning at the LA level. Additional recommendations have now been published in relation to the Grenfell Tower Enquiry. These are likely to be included with the review of the CCA.	Ongoing	Need to track new guidance and review how we contribute and participate in the Kent Resilience Forum. We also need to be able to ensure that we maintain a fit-for-purpose organisation to enable suitable response.

ZM Risk Management Review Recommendation Matrix

Reference	Recommendation	Management Response	Update January 2025	Officer / Member Responsible	Date Proposed for Implementation
	Culture and Leadership				
1	Consider assigning a corporate risk champion who will drive risk management conversations, set the tone and be the example to follow for both fellow senior level managers and officers at all levels.	This role should be considered by Corporate Management Team on who would have sufficient seniority and resource.	Director of Finance and Transformation appointed as Corporate Risk Champion to be supported by Service Officers as individual Service Risk Champions.	Director of Finance and Transformation	November 2024
2	Clarify risk management roles and responsibilities, in particular to separate officers and members' roles. This should include not just what is expected, but also how responsibilities should be carried out.	This will be considered as part of the Risk Strategy Review	Risk Strategy to include terms of reference for Risk Champions, Officer and Members. To be discussed at first Risk Meeting. Risk Strategy will be subject to wider review by Officer Risk Group during 2025	Appointed Risk Champion, CMT and Chief Financial Services Officer	September 2025
3	Review the level of engagement that is possible from senior officers within current workloads to ensure that risk management responsibilities and objectives are realistic.	Wider review will need to be undertaken	Ongoing discussion at Officer Risk Group	CMT	September 2025
	Risk Appetite & Strategy				
4	Define risk appetite levels and statements across different risk categories. This will provide an organisational approach and align thinking across officer and members while providing officers practical guidance at key decision points.	Wider review will need to be undertaken	Will form part of review of Risk Strategy and Guidance notes issued to service managers and staff.	Appointed Risk Champion, CMT and Chief Financial Services Officer	September 2025
5	Revisit the risk management strategy and it's place among other frameworks. Determine if there are opportunities to include risk management as an integrated part of working rather than an add-on requiring specific resources.	The Council's Risk Strategy and Guidance will be reviewed following the clarification of risk appetite.	Workflow to be developed, giving links between areas such as Safeguarding, Budget and Savings, Procurement and Workforce Strategies. These strategies are under review by responsible officers and will be linked following approval	Chief Financial Services Officer	September 2025
	Governance				
6	Consider a process for increasing visibility of risks across services, this could be either at management level through a management board or more informally through risk champion officers from each service that take on responsibilities for both risk updates within services but also meet to share practices and discuss emerging risks.	Ensure that risks are adequately discussed at Team and Service Management Meetings.	Service Risk officer have been appointed and Risk is a weekly item on Service and Corporate Management Team agendas.	Appointed Risk Champion and CMT	November 2024
7	Ensure that members, and audit committee representatives in particular, receive risk management training that include clear descriptions of their remit and responsibilities.	Training to Members is being prepared and delivered on 15th January 2024. The session will be recorded and placed into the members resources library.	Received January 2024	Chief Financial Services Officer	January 2024
	Methodology				
8	Initiate dedicated risk identification sessions at both service- and corporate level to increase proactive risk identification and expand the timeline available to manage risks by being proactive rather than reactive.	Ensure that risks are adequately discussed at Team and Service Management Meetings.	Officer Risk Group discussions are to include the both the Service Risks identified and Strategic Risk Registers in order to provide wider challenge and feedback to CMT and Members.	Appointed Risk Champion, CMT and SMTs	September 2025
9	Ensure controls are SMART and that risk owners complete follow-ups. Risk should have practical roadmaps to desired risk score.	Risk Registers need reviewing on an annual basis by Service Management Teams along with documented evidence showing review.	To be discussed at Risk Group but plan is that Risk 'route map' to be discussed with Service Risk Holder and they are to provide project plan to eliminate or reduce risk.	Risk Champions on SMTs	September 2025

	People & Training				
10	Mandate training sessions for elected members, senior leadership, service heads and possibly also third tier managers.	Members training will be delivered in January 2024, Officer training will be arranged following policy renewal in June 2024	Member Training delivered Jan 24 Officer Training Oct 24.	Chief Financial Services Officer	November 2024
11	Consider if there are officers within teams that could have capacity to receive extra training and be integrated risk champions in each service.	Review following Risk training	Consideration to be made following Officer Training in October.	CMT	November 2024
	Projects, Partnerships, Contracts & Supply Chain				
12	Review procurement and contract policies and ensure that a defined risk management approach is included. Ensure training is supplied to increase the skills and confidence of officers managing contracts and partner relationships.	Consideration to be made by Procurement OSG	Cabinet approved Procurement Strategy December 2024 integration into risk Strategy will take place during review.	Head of Procurement OSG, Appointed Risk Champion	September 2025

TREASURY MANAGEMENT UPDATE AND TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY FOR 2025/26

Item AU 25/5 referred from Audit Committee of 13 January 2025

The report of the Director of Finance and Transformation provided details of the investments undertaken and return achieved in the first eight months of the current financial year and introduced the Treasury Management and Annual Investment Strategy 2025/26 (attached at Annex 5).

A full list of investments held on 30 November 2024 was attached at Annex 1 to the report and a copy of the lending list at Annex 2. In terms of cash flow and core cash investments, £2,024,350 was earned in interest to the end of November 2024, which was £442,600 above the original budget estimate for the same period. The positive variance was primarily attributed to the bank rate remaining higher for longer than initially anticipated. An extract from Link's latest benchmarking data was provided in the form of a scatter graph at Annex 3, which showed that as at 30 September 2024 the Borough Council's return was 5.12%, above the local benchmarking group average of 4.98%.

With regard to long term investment, during the period 1 April 2024 to 30 September 2024, the £4.04m investment in property funds generated dividends of £82,980 which represented an annualised return of 4.09% compared to 3.68% in 2023/24. Following the termination of the Lothbury Property Trust, five payments had been received to-date totalling £1.276m. The remaining assets were expected to be sold by February/March 2025, when further distributions would be made as and when asset sales had concluded and dividends paid from income generating assets.

Under medium term investment, during the period April 2024 to November 2024, the £4.25m investment in multi asset funds generated dividends of £127,690, which represented an annualised return of 4.51%.

An extract from the draft income and expenditure estimates attributed to the Treasury Management function were provided at Annex 4.

The parameters to limit the Borough Council's exposure to investment risks were summarised as part of the 2025/26 Annual Investment Strategy in Annex 5. Except where indicated by bold italic text, the 2025/26 Strategy adopted the same risk parameters as currently approved.

In addition, the report made reference to non-treasury management practices and the required procedures to ensure compliance with the Treasury Management and Prudential Codes of Practice and Statutory Guidance on Local Government Investments relating to non-treasury investments.

RECOMMENDED*: That

(1) the treasury management position as at 30 November 2024, be noted; and

(2) the Treasury Management and Annual Investment Strategy for 2025/26 (attached at Annex 5), be adopted.

*__Recommended to Cabinet__

Audit Committee

13 January 2025

Part 1 - Public

Recommendation to Cabinet – Council Decision

Cabinet Member	Kim Tanner – Cabinet Member for Finance and Housing
Responsible Officer	Sharon Shelton – Director of Finance and Transformation
Report Author	Donna Riley – Principal Accountant

Treasury Management Update and Treasury Management and Annual Investment Strategy for 2025/26

1 Summary and Purpose of Report

1.1 The report provides details of investments undertaken and return achieved in the first eight months of the current financial year and an introduction to the 2025/26 Treasury Management and Annual Investment Strategy. Members are invited to recommend adoption of the Strategy to Cabinet.

2 Corporate Strategy Priority Area

2.1 Efficient services for all our residents, maintaining an effective council.

2.2 Prudent financial management of Council's investments will generate a yield to assist with the Council's overall budget objectives.

3 Recommendations

3.1 Members are invited to **RECOMMEND** that Cabinet:

3.2 Note the Treasury Management position as at 30 November 2024.

3.3 Adopts the Treasury Management and Annual Investment Strategy for 2025/26 set out at [**Annex 5**].

4 Introduction and Background

4.1 The Local Government Act 2003 requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are 'affordable, prudent and sustainable'.

4.2 The Act also requires the Council to set out its Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy. The latter sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

5 Interest Rate Forecast

5.1 The Bank Rate held at 5.25% for longer than anticipated, with the Bank of England initiating its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in September. The MPC voted in favour of a further reduction of 25bps in November bringing the current bank rate to 4.75%. Market expectation is for the New Year to see a manged reduction to the rates throughout 2025/26 settling at 3.5% over the next three years.

5.2 The net fiscal loosening of £36 billion (1.1% of GDP) in 2029/30, relative to previous plans unveiled by the Chancellor in the Budget, has led analysts to revise their GDP growth expectations, now forecasting GDP growth of 1.8% in 2025 and 1.7% in 2026, compared to the previous projections of 1.5% for both years. This looser fiscal policy suggests that monetary policy will likely need to be tighter than previously anticipated. As a result, analysts now expect core CPI inflation to remain elevated, with a projected reduction to 2% only by late 2026, rather than in late 2025 as previously forecast.

5.3 Although analysts now expect inflation to average 2.8% in 2025, up from the previous forecast of 2.6%, the freeze in fuel duty announced in the Budget means that analysts' overall CPI inflation forecast remains broadly unchanged. The fuel duty freeze will help mitigate upward pressure on inflation from rising fuel costs, balancing out other factors contributing to the inflation outlook. As a result, despite the slight upward revision in inflation expectations, the overall inflation forecast remains relatively stable due to this policy intervention.

5.4 Further easing in the UK labour market will be welcomed by the Bank of England as it signals that market conditions are continuing to cool. The 3-month year-on-year (3m y/y) growth rate of average earnings dropped from 4.6% in June to 4.0% in July. On a three-month annualised basis, average earnings growth slowed from 3.0% to 1.8%, marking its lowest rate since December 2023. Excluding bonuses, the 3m y/y rate fell from 5.4% to 5.1%.

5.5 Link's latest Bank Rate forecast, updated in November 2024, shows the rates moving steadily downward, is included in **[Annex 5]** and anticipates the Bank Rate will level out at 3.5% around December 2026.

6 Investment Performance

6.1 The Council's investments are derived from cash flow surpluses, core cash balances and other long term cash balances.

6.2 Cash flow surpluses are available on a temporary basis and the amount is mainly dependent on the timing of council tax and business rates collected and their payment to precept authorities and government. Less significant cash flows relate to receipt of grants, payments to housing benefit recipients, suppliers and staff. Cash flow surpluses build up during the course of a financial year and are spent by financial year end. Thus far in 2024/25 cash flow surpluses have averaged £28.2m.

6.3 The Authority also has £33m of core cash balances. These funds are for the most part available to invest for more than one year, albeit a proportion is usually transferred to cash flow towards the end of the financial year to top-up daily cash balances. Core cash includes the Council's capital and revenue reserves which are being consumed over time to meet capital expenditure and 'buy time' to enable the authority to deliver its revenue savings targets.

6.4 Cash flow and core cash balances also include sums to meet business rate appeals which are expected to be resolved in 2024/25 and future years.

6.5 Long term investment comprises of £4.04m in property fund investments.

6.6 Medium term investment comprises £4.25m in diversified income fund investments.

6.7 A full list of investments held on 30 November 2024 is provided at **[Annex 1]** and a copy of our lending list of 30 November 2024 is provided at **[Annex 2]**. The table below provides a summary of funds invested and income earned at the end of November.

	Funds invested on 30 November 2024	Average duration to maturity	Weighted average rate of return 1 April to 30 November 2024	SONIA benchmark November 2024	Interest / dividends earned 1 April to 30 November 2024	Gross annualised return
	£m	Days	%	%	£	%
Cash flow	28.26	4	4.78	4.72	908,610	4.41
Core cash	33.00	112	4.83	4.68	1,115,740	5.30
Long term	4.04				82,980	4.09
Medium term	4.25				127,690	4.51
Total	**69.55**				**2,235,020**	**--**

Table 1

Property funds pay dividends quarterly. The return quoted above is based on dividends received for the period April to September 2024.

6.8 **Cash flow and core cash investments**. The SONIA (Sterling Overnight Index Average) benchmark has indeed followed the trend of reducing in line with the cuts in the Bank of England's interest rate over the past few months. However, the recent inflation data has complicated expectations. Given the persistent inflation pressures, the Monetary Policy Committee (MPC) meeting in December is not anticipated to agree on further reductions in the bank's interest rate.

6.9 Looking ahead, market sentiment suggests that any future interest rate cuts will likely remain slow and gradual throughout 2025. As a result, this may present an opportunity to secure longer-duration investments (up to 12 months), allowing the Council to lock in favourable rates ahead of any future rate cuts.

6.10 Continuing this strategy could be advantageous if rates remain relatively stable or decline gradually in the coming months, enabling the Council to stay ahead of the curve for longer.

6.11 As of the end of November, investment interest earned was £2,024,350, which is £442,600 above the original budget estimate for the same period. The positive variance is primarily attributed to the bank rate remaining higher for longer than initially anticipated.

6.12 The revised budget has been updated to incorporate the sustained higher bank rate, ensuring that future investment interest income projections are aligned with the current market expectations.

6.13 The Council takes advantage of Link's benchmarking service which enables performance to be gauged against Link's other local authority clients. An extract from the latest benchmarking data is provided in the form of a scatter graph at **[Annex 3]**. The graph shows the return (vertical scale) vs. the credit / duration risk (horizontal scale) associated with an authority's investments. As at 30 September 2024 the Council's return was 5.12% (purple diamond) was above the local benchmarking group average of 4.98%. Link's predicted return is between the upper and lower boundary indicated by the diagonal lines. The Council's risk exposure was consistent with the local authority average.

6.14 Only cash flow and core cash returns form part of the benchmarking data. The additional return the Council makes from its property fund, and diversified income fund investments are not included. The data also excludes any short-term borrowing costs authorities may have incurred to meet payment obligations; however, no such costs have been incurred to date and none are anticipated during the remainder of 2024/25.

6.15 **Long term investment**. The availability of cash balances over the longer term (10 years) and the suitability of different types of long-term investment (equities, bonds and commercial property) was previously explored and reported to Audit Committee. Of the alternatives, investment in property funds was considered best

suited to meet the Council's more immediate funding need: a sustainable, stable income stream.

6.16 £5m was invested in property investment funds, spread across three funds to ensure, as far as is possible, stability of annual income and capital growth over time.

6.17 During the period 1 April 2024 to 30 September 2024, as property funds are reported quarterly, the £4.04m investment in property funds generated dividends of £82,980 which represents an annualised return of 4.09% (3.68% in 2023/24). The long-term investment figure set out in Table 2 has been reduced to take into account the repayment of capital investment from the sale of assets by Lothbury Property Trust, which terminated on 30 May. Income generated from property funds has been revised downward to reflect the changes in shares held, and the ability of these shares to generate future dividends. It is possible that dividends will continue to be paid on assets not yet sold within the Lothbury portfolio, but as this is not guaranteed, will not form part of the revised budget. The income from all property funds is expected to be in line with the revised budget for the financial year 2024/25.

6.18 Property funds issue and redeem primary units at a buy and sell price with the difference between the two prices reflecting the costs associated with buying and selling property (legal and other fees, stamp duty etc.). The price spread varies from fund to fund but is typically in the region of 8% (6% on entry to a fund and 2% on exit). Where units are traded on a secondary market the impact of the spread can be reduced and delays in the purchase / redemption of units avoided.

6.19 Although each property is unique, its value is informed by the sale of similar properties. During recession property transaction volumes diminish making valuation less certain. Each of our property fund managers attributed "uncertainty" to their monthly valuations during the summer. At the same time, and by regulation, when valuation is uncertain fund managers are required to suspend the purchase and redemption of units by investors. The suspension is intended to protect the interests of purchasers, sellers and continuing investors such as the Council.

6.20 Sale values at the end of November 2024 vs initial purchase prices are as follows:

Property fund (Primary = units in the fund purchased from the fund manager. Secondary = units purchased from another investor at a discount. Date = first month the investment attracted dividends)	Purchase price a £	Sale value at date of purchase b £	Sale value 30 November 2024 c £	30 November sale value above (below) purchase price (c-a) £
LAPF (Primary, July 2017)	1,000,000	922,200	884,700	(115,300)
Hermes (Secondary, Oct 2017)	1,000,000	939,000	888,560	(111,440)
LAPF (Primary, June 2018)	1,000,000	922,200	848,250	(151,750)
Total change in principal	**3,000,000**	**2,783,400**	**2,621,510**	**(378,490)**
			Total dividends received to September 2024	**802,440**
			Net benefit since inception	**423,950**

Table 2

6.21 Since inception, the Council have received dividends from the above property fund investments totalling £802,440. Investment institutes continue to diversify their portfolios to ensure the best return taking into consideration the current market conditions. All property fund investments recorded capital depreciation in the period April 2024 to September 2024. The property funds continue to distribute dividends of which we have received £82,980 for the first six months of the year.

6.22 Following the withdrawal of several investors, Lothbury Property Trust were unable to secure a way forward, and the fund was terminated on 30 May 2024. As per Table 3 below, we have, to date, received four payments totalling £961,220 of our initial investment. The remaining assets are expected to be sold by December 2024, distributions will be made as and when asset sales have concluded, and dividends paid from income generating assets. Taking into account the dividends received from the inception of the fund, the breakeven point would be the recovery of £671,540 against the outstanding assets:

Property fund (Primary = units in the fund purchased from the fund manager. Secondary = units purchased from another investor at a discount. Date = first month the investment attracted dividends)	Purchase price a £	Sale value at date of purchase b £	Principal Investment Received c £	Principal Investment Balance Outstanding £
Lothbury Property Trust	2,000,000	1,900,700	961,220	(1,038,780)
			Total dividends received to September 2024	**367,240**
			Net balance to breakeven point	**(671,540)**

Table 3

6.23 At the end of June 2024 Hermes Property Trust, having received a redemption request for approximately 22% of the fund, announced they would be seeking investor approval on a proposal to gate the fund. The EGM vote was 71.3% in favour of the resolution which was short of the 75% needed to pass. The Fund appointed CBRE Capital Advisors to provide an independent report on options available, including a potential merger option. A revised timetable has been produced with an EGM set to be held on 30 January 2025.

6.24 Members are reminded that higher yielding investments (e.g. property, equities) have the potential to fluctuate in value, both up and down. It is this feature which makes them unsuitable for short term investment where certainty over value at maturity is a key criteria. The Council's property fund investments are not required to meet day to day spending commitments and will only be realised should a higher yielding opportunity be identified.

6.25 **Medium term investment**. In recent years multi asset (diversified income) funds have grown in popularity. The rational for adopting such a fund was explored in the Audit Committee report of January 2018 and their use for medium-term investment reaffirmed in the January 2021 Audit Committee report which introduced the multi asset (diversified income) funds into the Annual Investment Strategy.

6.26 Like property funds, multi asset (diversified income) funds aim to generate returns over and above inflation and thus preserve spending power.

6.27 A total of £4.25m was invested in 2021/22 between three funds chosen from the rigorous selection process, Fidelity Multi Asset Income Fund, Ninety-One Diversified Income Fund and Aegon Diversified Monthly Income Fund. It is expected that each fund will deliver a return in excess of 3% per annum and preserve capital over the five-year duration of the investment. Additional multi asset fund investments could be made in the future as resources become available from asset disposals and other windfalls.

6.28 During the period April 2024 to November 2024 the £4.25m investment in multi asset funds generated dividends of £127,690 which represents an annualised return of 4.51%.

6.29 **Treasury management function**. An extract from the draft income and expenditure estimates (*due to be presented to the Overview and Scrutiny Committee on 23 January*) attributed to the Treasury Management function are provided at **[Annex 4]**. This shows the aggregate staff resource applied to treasury management is less than one full time equivalent and that income exceeds costs by a significant margin. Income in future years forms part of the Council's medium term financial strategy and is expected to decrease in the short term as Bank Rate pulls back. Expenditure is expected to rise in-line with inflation.

7 Annual Investment Strategy for 2025/26

7.1 The Council's treasury advisors anticipate the bank rate reduction will continue for the foreseeable future before settling at 3.5% by December 2026 and will remain there for the foreseeable future.

7.2 CPI inflation will likely rise in the coming months before it falls back to its target of 2.0% in mid-2025. The increasing uncertainties of the Middle East may also exert an upward pressure on inflation, with oil prices rising in the aftermath of Iran's missile attack on Israel on 1 October. China's recent outpouring of new fiscal support measures in the latter stages of September has also added to the upshift in broader commodity prices, which, in turn, may impact on global inflation levels and thus monetary policy decisions. Despite these recent developments, Link's forecast is still for rates to fall to 4.5% by the end of 2024 with further cuts likely throughout 2025. This is in line with market expectations; however, a December rate cut may be more problematic for the Bank if CPI inflation spikes towards 3%. In the second half of 2025 it is expected that a more marked easing in inflation will prompt the Bank to speed up, resulting in rates eventually reaching 3.0%, rather than the 3.25-3.50% currently priced in by financial markets.

7.3 The further easing in wage growth will be welcomed by the Bank of England as a sign that labour market conditions are continuing to cool. The 3m year on year growth rate of average earnings fell from 4.6% in June to 4.0% in July. On a three-month annualised basis, average earnings growth eased from 3.0% to 1.8%, its lowest rate since December 2023. Excluding bonuses, the 3myy rate fell from 5.4% to 5.1%. labour market indicators also point to a further loosening in the labour market. The 59,000 in the alternative PAYE measure of the number of employees in August marked the fourth fall in the past five months. And the 77,000 decline in the three months to August was the biggest drop since November 2020. Moreover, the number of workforce jobs fell by 28,000 in Q2. The downward trend in job vacancies continued too. The number of job vacancies fell from 872,000 in the three months to July to 857,000 in the three months to August. That leaves it 34% below its peak in May 2022, and just 5% above its pre-pandemic level. Nonetheless, the Bank of England is still more concerned about the inflationary influence of the labour market rather than the risk of a major slowdown in labour market.

8 Risk Parameters

8.1 The Strategy sets out the parameters that limit the Council's exposure to investment risks by requiring overnight and term deposits to be placed with highly credit rated institutions and that those investments are diversified across a range of counterparties. Except where indicated by bold italic text, the 2025/26 Annual Investment Strategy **[Annex 5]** adopts the same risk parameters as currently approved. In summary these are:

- 100% of funds can be invested in the UK. Exposure to non-UK institutions is restricted to no more than 20% of funds per sovereign.

- Non-UK counterparties must be regulated by a sovereign rated AA- or higher as recognised by each of the three main rating agencies (Fitch, Moody's or Standard & Poor's).

- Investment in UK institutions is subject to the UK sovereign being rated A- or higher by each of the three main rating agencies. The UK currently receives a rating of AA- from Fitch and Moody's and AA from Standard and Poor's.

- Exposure to individual counterparties / groups of related counterparties must not exceed 20% of funds or ***10% of funds if a housing association***.

- In selecting suitable counterparties for overnight deposits and deposits up to 2 years in duration (3 years with a local authority), the Council has adopted Link's credit worthiness methodology. The methodology combines the output from all three credit rating agencies including credit watches / outlooks and credit default swap data to assign a durational band to a financial institution (100 days, 6 months, 1 year, 5 years, etc.). At the time of placing an investment the financial institution must be assigned a durational band of at least 100 days (based on credit ratings alone). Other than for UK nationalised institutions this broadly equates to a minimum long term credit rating of Fitch A- (high) and a short-term credit rating of Fitch F1 (highest).

- Investment in UK nationalised banks is subject to the bank having a minimum long term credit rating of Fitch BBB (good) and a short-term credit rating of Fitch F2 (good*).* The Royal Bank of Scotland and National Westminster Bank are currently rated Fitch A+, F1.

- The duration of an investment in a foreign bank must not exceed Link's post CDS recommendation. For UK financial institutions Link's duration recommendation can be enhanced by up to 6 months subject to the combined duration (Link recommendation plus the enhancement) not exceeding 12 months. The Council's Treasury Management Practices have been modified to ensure that where duration is being enhanced by more than 3 months the bank's CDS must be below the average for all other banks at the time the investment is placed.

- Money Market funds will be AAA rated**,** and exposure limited to no more that 20% per fund. LVNAV (low volatility) or VNAV (variable net asset value) funds may be used as an alternative to CNAV (constant net asset value) funds.

- Enhanced cash and Government liquidity funds will be AAA rated, and ***ultra-short duration bond funds rated AA or higher***. Exposure is limited to no more than 10% of investment balances per fund and 20% to all such funds.

- Exposure to non-credit rated property funds is limited to no more than 20% (£3m) of expected long term cash balances. No limit applies where invested funds are derived from or in anticipation of new resources e.g. proceeds from selling existing property.

- Exposure to non-credit rated diversified income (multi-asset) funds ***and or short dated bond funds*** is limited to no more than 20% (£3m) of expected long term cash balances per fund and across all such funds.

- The strategy also limits the type of instrument (e.g. fixed term deposits, certificates of deposit, commercial paper, floating rate notes, treasury bills, etc.) that can be used and establishes a maximum investment duration for Gilts of 5 years, 3 years for deposits with local authorities and 2 years for all other types of investment other than investment in property funds, diversified income funds and ***short dated bond funds.***

8.2 The strategy includes prudential indicators for borrowing. Whilst there is no expectation, ***based on the current capital plan***, that the Council will need to borrow to fund its capital expenditure proposals prior to 2029/30, borrowing on a temporary basis may be required to meet payment obligations. Borrowing limits are expressed as the operational limit (£4m) and authorised limit (£7m). Our largest monthly outflows relate to business rates (£5m) and precept payments (£8.8m). Whilst those payments tend to fall on different days of the month that is not always the case. The limits are a precautionary measure to allow borrowing on a short-term basis should the need arise. In recent years, the Council's cash flows have been managed in such a way that no overdraft fees or temporary borrowing costs have arisen.

8.3 The returns on our **property fund investments**, though representing only 5.81% in 2024/25 (6.80% in 2024/25) of the investment portfolio, they are likely to generate investment income of circa 3.6% next year. This is expected to adjust in future years and will represent a high percentage of future income. The property fund investments are long term (10 year) investments. As a consequence of the high entry / exit costs (circa 8%) and potential for significant volatility in capital values, our strategy limits exposure to property funds from existing resources to 20% of expected long term balances, circa £3m per fund.

8.4 The returns on our **diversified income fund investments**, though representing only 6.11% in 2024/25 (5.78% in 2023/24) of the investment portfolio, are likely to generate investment income of circa 3.7% next year. This is expected to adjust in future years and will represent a high percentage of future income. The diversified income fund investments are medium term (5 year) investments. As a consequence of the potential for significant volatility in capital values, our strategy limits exposure to diversified income funds from existing resources to 20% of expected long term balances, circa £3m per fund.

8.5 Diversified income fund investment typically implies a 5-year commitment to negate volatility in capital values over the life of the investment.

9 Non-Treasury Management Practices

9.1 The authority is currently debt free, and no borrowing is forecast to meet the ongoing Council's capital expenditure proposals (based on the current capital plan) prior to 2029/30. This does not however, preclude a decision to borrow in order to fund in full or in part an investment opportunity that meets the Council's strategic priorities and objectives, and achieves value for money. Each such opportunity to be considered on a case by case basis as appropriate.

9.2 At present the Council has no material non-treasury investments, e.g. expenditure on loans or the acquisition of non-financial assets (property) intended solely to generate a profit. **[Annex 6]** is reviewed and updated accordingly in order to ensure compliance with the Chartered Institute of Public Finance & Accountancy's Treasury Management and Prudential Codes, and Statutory Guidance on Local Government Investments relating to non-treasury investments**.**

10 Financial and Value for Money Considerations

10.1 The Bank Rate is currently 4.75%. Link's current forecast (November 2024) anticipates Bank Rate will fall back to 3.75% by March 2026. Longer term, the rates are expected to fall back to 3.50% and remain there for the foreseeable future.

10.2 Whilst the Council has benefited from the interest rates being held higher for longer, the Bank of England initiated the rate cut cycle in August 2024, taking the bank rate from 5.25% to 5.0%. The benefit of the former has produced interest earned over the past several months to the end of November 2024 from cash flow surpluses and core cash investments. This has exceeded the original budget for the same period by £442,600. Income from property funds at the end of September 2024 is £82,980 and has been revised downward to take Lothbury Property Trust's termination on 30 May 2024 into consideration. Investment income from multi-asset funds has generated £127,690 and is £5,360 in excess of the original budget. Investment income for the year as a whole is expected to exceed the original budget which is reflected in the revised estimates for 2024/25.

10.3 Performance is monitored against a benchmark return and against other local authorities in Kent and the broader local authority pool via Link's benchmarking service.

10.4 Whilst the annual income stream from a property fund exhibits stability (circa 4% per annum net of management fees) capital values rise and fall with the cyclical nature of economic activity. During a downturn in the economy capital values may fall significantly. The duration of a property fund investment may need to be extended to avoid crystalizing a loss and as a consequence the investment's duration cannot be determined with certainty.

10.5 Buying and selling property involves significant costs making property unsuitable for short term investment. Buying and selling costs are reflected in the entry fees (circa 6%) and exit fees (circa 2%) a property fund will charge unit holders. These fees are expected to be recouped overtime through capital appreciation.

10.6 The money being applied to property fund investment from existing resources is expected to be available in perpetuity. Nevertheless, the Council's cash balances will continue to be monitored, and due regard had to the potential for a fund to delay payment of redemption requests by up to 12 months. Funds will seek to minimise their own cash balances in favour of holding property and therefore manage redemption requests for the benefit of all fund participants. The Council is only likely to seek redemption to pursue a higher yielding income opportunity should one be identified.

10.7 Diversified income funds aim to limit risk by spreading investment across a broad range of asset classes (equities, bonds, property and cash). Nevertheless, the principal sum invested may fall as a consequence of adverse economic or market events.

10.8 Short term bond values are linked to interest rate expectations and long-term bond values are linked to inflation expectations. Funds aim to minimise the risk of issuer default by investing in a broad spread of issuers and across different sectors and geographic regions. Nevertheless, the principal sum invested may fall as a consequence of adverse economic or market events.

11 Risk Assessment

11.1 Link Asset Services are employed to provide advice on the content of the Treasury Management and Annual Investment Strategy and this, coupled with a regular audit of treasury activities ensures that the requirements of the Strategy and the Treasury Policy Statement adopted by this Council are complied with.

11.2 Credit ratings remain a key tool in assessing risk. It is recognised that their use should be supplemented with sovereign ratings and market intelligence. Appropriate sovereign, group and counterparty limits are established to ensure an appropriate level of diversification.

11.3 In the light of these safeguards and stringent Treasury Management Procedures it is considered that any risks to the authority implicit in the 2025/26 Strategy have been minimised.

12 Legal Implications

12.1 Under Section 151 of the Local Government Act 1972, the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management.

12.2 This report fulfils the requirements of the Chartered Institute of Public Finance & Accountancy's Treasury Management and Prudential Codes of Practice 2017 and the 2018 Statutory Guidance on Local Government Investments. Please note, both Codes have been updated in December 2021 and have been taken into account in the 2025/26 Treasury Management and Annual Investment Strategy.

13 Cross Cutting Issues

13.1 Climate Change and Biodiversity

13.2 While the Treasury Management Code outlines the principle for investments as Security Liquidity and Yield is core, it recognises that ESG issues are increasingly significant for investors.

13.3 Consideration will be given to how we can formalising ESG as part of the Treasury Management Strategy Statement, while appreciating it is better developed in the equity and bond markets, than the short-term cash deposits, where the majority of the Council's portfolio is held.

13.4 Equalities and Diversity

13.4.1 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.

Background Papers	Link Asset Services: Interest rate forecast (December 2024) Economic commentary Benchmarking data.
Annexes	(1) TMBC Investment Summary 30 November 2024 (2) TMBC Lending List November 2024 (3) TMBC Benchmarking September 2024 (4) TMBC Treasury Management Estimates 2024/25 and 2025/26 (5) TMBC Treasury Management and Annual Investment Strategy 2025/26 (6) TMBC Non-Treasury Management Practices

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Tonbridge and Malling Borough Council - Investment summary 30 November 2024

Counterparty / type of investment	Sovereign	Fitch long term	Fitch short term	Link suggested post CDS duration limit	Investment						Cash Flow surpluses £	Core Cash balances £	Medium term investment balances £	Long term investment balances £
					Start date	End date	Duration at start	Amount invested £	Return %	Proportion of total %				
Banks, Building Societies & Other Financials														
Barclays Bank :	UK	A+	F1	6 months				**3,000,000**		4.31%				
95 day notice account					23/07/2019	TBD	95 Days	3,000,000	4.80			3,000,000		
Goldman Sachs :	UK	A+	F1	6 months				**6,000,000**		8.63%				
Fixed Term Deposit					15/08/2024	15/05/2025	9 Months	3,000,000	4.82			3,000,000		
Fixed Term Deposit					06/11/2025	06/08/2025	9 Months	3,000,000	4.72			3,000,000		
Handelbanken :	UK	AA	F1+	1 year				**3,000,000**		4.31%				
Fixed term deposit					17/01/2024	17/01/2025	1 Year	3,000,000	4.70			3,000,000		
HSBC Bank :	UK	AA-	F1+	1 year				**3,000,000**		4.31%				
31 day notice account					02/12/2019	TBD	31 Days	3,000,000	4.75		3,000,000			
National Westminster Bank :	UK	A+	F1	1 year				**6,050,000**		8.70%				
Deposit account					29/11/2024	02/12/2024	Overnight	50,000	3.00		50,000			
Certificate of Deposit					20/06/2024	20/06/2025	1 Year	3,000,000	5.15			3,000,000		
Certificate of Deposit					06/08/2024	05/08/2025	1 Year	3,000,000	4.62			3,000,000		
Rabobank :	Netherlands	A+	F1	1 year				**6,000,000**		8.63%				
Certificate of Deposit					23/07/2024	22/07/2025	12 months	3,000,000	5.13			3,000,000		
Certificate of Deposit					06/11/2024	05/11/2025	12 months	3,000,000	4.69			3,000,000		
Standard Chartered :	Netherlands	A+	F1	1 year				**3,000,000**		4.31%				
Sustainable Fixed Term Deposit					14/11/2024	13/11/2025	12 months	3,000,000	4.72			3,000,000		
Toronto Dominion Bank :	Canada	AA-	F1+	1 year				**6,000,000**		8.63%				
Certificate of Deposit					20/12/2023	19/12/2024	1 year	3,000,000	5.23			3,000,000		
Certificate of Deposit					04/10/2024	03/10/2025	1 year	3,000,000	4.59			3,000,000		
Money Market Funds														
Blackrock MMF - shares/units held	N/A	AAA	mmf (Eq)	5 years	29/11/2024	02/12/2024	Overnight	**3,541,000**	4.77	5.09%	3,541,000			
BNP Paribas MMF - shares/units held	N/A	AAA	mmf (Eq)	5 years	29/11/2024	02/12/2024	Overnight	**7,878,000**	4.78	11.33%	7,878,000			
CCLA PSDF MMF - shares/units held	N/A	AAA	mmf	5 years	29/11/2024	02/12/2024	Overnight	**3,036,000**	4.78	4.37%	3,036,000			
DWS Deutsche MMF - shares/units held	N/A	AAA	mmf	5 years	29/11/2024	02/12/2024	Overnight	**2,759,000**	4.80	3.97%	2,759,000			
Federated MMF - shares/units held	N/A	AAA	mmf	5 years	29/11/2024	02/12/2024	Overnight	**8,000,000**	4.79	11.50%	8,000,000			
Morgan Stanley MMF - shares/units held	N/A	AAA	mmf	5 years	29/11/2024	02/12/2024	Overnight	**0**	4.75		-			
Property Funds														
Hermes Property Unit Trust :	N/A	N/A	N/A	N/A				**1,000,000**		1.44%				
Property fund units					29/09/2017	N/A	N/A	1,000,000	3.53					1,000,000
Local Authorities' Property Fund :	N/A	N/A	N/A	N/A				**2,000,000**		2.88%				
Property fund units					29/06/2017	N/A	N/A	1,000,000	4.18					1,000,000
Property fund units					30/05/2018	N/A	N/A	1,000,000	5.59					1,000,000
Lothbury Property Trust :	N/A	N/A	N/A	N/A				**1,038,776**		1.49%				
Property fund units					06/07/2017	N/A	N/A	38,776	2.89					38,776
Property fund units					02/07/2018	N/A	N/A	1,000,000	2.88					1,000,000
Multi Asset Funds														
Aegon	N/A	N/A	N/A	N/A				**1,750,000**		2.52%				
Multi Asset fund units					29/07/2021	N/A	N/A	1,750,000					1,750,000	
Fidelity	N/A	N/A	N/A	N/A				**1,000,000**		1.44%				
Multi Asset fund units					12/08/2021	N/A	N/A	1,000,000					1,000,000	
Ninety One	N/A	N/A	N/A	N/A				**1,500,000**		2.16%				
Multi Asset fund units					12/08/2021	N/A	N/A	1,500,000					1,500,000	
Total invested								**69,552,776**		**100.00%**	**28,264,000**	**33,000,000**	**4,250,000**	**4,038,776**

Number of investments	27	**Average investment value £**	2,576,000
Number of counter parties	20	**Average counter party investment £**	3,478,000

Group exposures:	**Core £**	**Cash £**	**Combined £**	**%**
Royal Bank of Scotland + National Westminster (UK Nationalised MAX 20%)	6,000,000	50,000	6,050,000	8.70
Bank of Scotland + Lloyds (MAX 20%)	-	-	-	-
			£	**%**
Property Funds Total			4,038,776	5.81
Multi Asset Funds Total			4,250,000	6.11

Total non-specified investments should be less than 60% of Investment balances	11.92%

Notes:
Property fund returns are based on dividends distributed from the start of each investment. Capital appreciation / depreciation is recorded elsewhere. Last update September 2024.

End date for notice accounts to be determined (TBD)

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Tonbridge and Malling Borough Council Lending List

Checked against Link's "Suggested Credit List" dated 29/11/24
Minimum investment criteria is Link's green duration band (100 days). Entry point broadly equates to Fitch A-, F1 unless UK nationalised.

Counterparty	Sovereign	Sovereign rating [1]	Fitch long term	Fitch short term	UK classification	Exposure limit	Link duration based on [2]	
							Credit ratings	Post CDS
UK Banks, Building Societies and other Financial Institutions :								
Bank of Scotland (Group limit BOS & Lloyds £7m)	UK	AA-	AA-	F1+	Ring-fenced	£7m	1 year	1 year
Barclays Bank (Group Limit Barclays and Barclays UK £7m)	UK	AA-	A+	F1	Non-RF	£7m	6 months	6 months
Barclays Bank UK (Group Limit Barclays and Barclays UK £7m)	UK	AA-	A+	F1	Ring-fenced	£7m	6 months	6 months
Close Brothers Ltd	UK	AA-	BBB+	F2	Exempt	£7m	N/A	N/A
Goldman Sachs International Bank	UK	AA-	A+	F1	Exempt	£7m	6 months	6 months
Handelsbanken Plc (Group Limit with Svenska Handelsbanken AB £7m)	UK	AA-	AA	F1+	Exempt	£7m	1 year	1 year
HSBC UK Bank	UK	AA-	AA-	F1+	Ring-fenced	£7m	1 year	1 year
Lloyds Bank (Group limit BOS & Lloyds £7m)	UK	AA-	AA-	F1+	Ring-fenced	£7m	1 year	1 year
National Westminster Bank (Group limit Nat West and RBS £7m).	UK	AA-	A+	F1	Ring-fenced	£7m	1 year	1 year
Santander UK	UK	AA-	A+	F1	Ring-fenced	£7m	6 months	6 months
Standard Chartered Bank	UK	AA-	A+	F1	Exempt	£7m	1 year	1 year
The Royal Bank of Scotland (Group limit Nat West and RBS £7m).	UK	AA-	A+	F1	Ring-fenced	£7m	1 year	1 year
Coventry Building Society	UK	AA-	A-	F1	Exempt	£7m	100 days	100 days
Nationwide Building Society	UK	AA-	A	F1	Exempt	£7m	6 months	6 months
Skipton Building Society	UK	AA-	A-	F1	Exempt	£7m	6 months	6 months
UK Debt Management Office including Treasury Bills	UK	AA-	n/a	n/a	n/a	No limit	5 years	5 years
UK Treasury Sovereign Bonds (Gilts)	UK	AA-	n/a	n/a	n/a	£16m/£8m	5 years	5 years
UK Local Authority (per authority)	UK	AA-	n/a	n/a	n/a	£7m	5 years	5 years
Non-UK Banks :								
Australia & New Zealand Banking Group	Australia	AAA	AA-	F1+	n/a	£7m	1 year	1 year
Bank of Montreal	Canada	AA+	AA-	F1+	n/a	£7m	1 year	1 year
Toronto Dominion Bank	Canada	AA+	AA-	F1+	n/a	£7m	1 year	1 year
Royal Bank of Canada	Canada	AA+	AA-	F1+	n/a	£7m	1 year	1 year
Nordea Bank Abp	Finland	AA+	AA-	F1+	n/a	£7m	1 year	1 year
Rabobank (Cooperatieve Rabobank U.A.)	Netherlands	AAA	A+	F1	n/a	£7m	1 year	1 year
ING Bank	Netherlands	AAA	AA-	F1+	n/a	£7m	1 year	1 year
Development Bank of Singapore	Singapore	AAA	AA-	F1+	n/a	£7m	1 year	1 year
Svenska Handelsbanken AB (Group Limit with Handelsbanken Plc £7m)	Sweden	AAA	AA	F1+	n/a	£7m	1 year	1 year

[1] Reflects the lowest of the three rating agencies views (Fitch, Moody's and Standard and Poor's). Strategy requires non-UK sovereigns to be rated at least AA- and the UK rated at least A-. Non-UK sovereign limit of 20% or £7m per sovereign.

[2] **All deposits overnight** unless otherwise **approved in advance** by the Director of Finance and Transformation **AND** Chief Financial Services Officer. If other than overnight duration for non-UK entities must not exceed Link's post CDS duration suggestion. For UK entities duration may be extended by up to three months **based on credit ratings alone** or six months if **CDS is below average,** subject to a maximum combined duration of 12 months.

Money Market Funds (Minimum investment criteria AAA) :

Fund Name	Moody	Fitch	S&P	Exposure Limit	Link credit worthiness
Blackrock Institutional Cash Series - Sterling Liquidity	AAA	-	AAA	£8m	5 years
BNP Paribas InstiCash - GBP	-	-	AAA	£8m	5 years
CCLA Public Sector Deposit Fund	-	AAA	-	£8m	5 years
DWS Deutsche Global Liquidity - Deutsche Managed Sterling	AAA	AAA	AAA	£8m	5 years
Federated Cash Management - Short Term Sterling Prime	-	AAA	AAA	£8m	5 years
Insight - Sterling Liquidity (Group limit IL & ILP of £7m)	-	AAA	AAA	£8m	5 years
Morgan Stanley Liquidity - Sterling	AAA	AAA	AAA	£8m	5 years

Enhanced Cash Funds (Minimum investment criteria AAA) :

Fund Name	Moody	Fitch	S&P	Exposure Limit	Link credit worthiness
Insight - Sterling Liquidity Plus (Group limit IL & ILP £7m)	-	AAA	AA+	£3.5m	5 years

Approved by Director of Finance and Transformation	No change
02 December 2024	

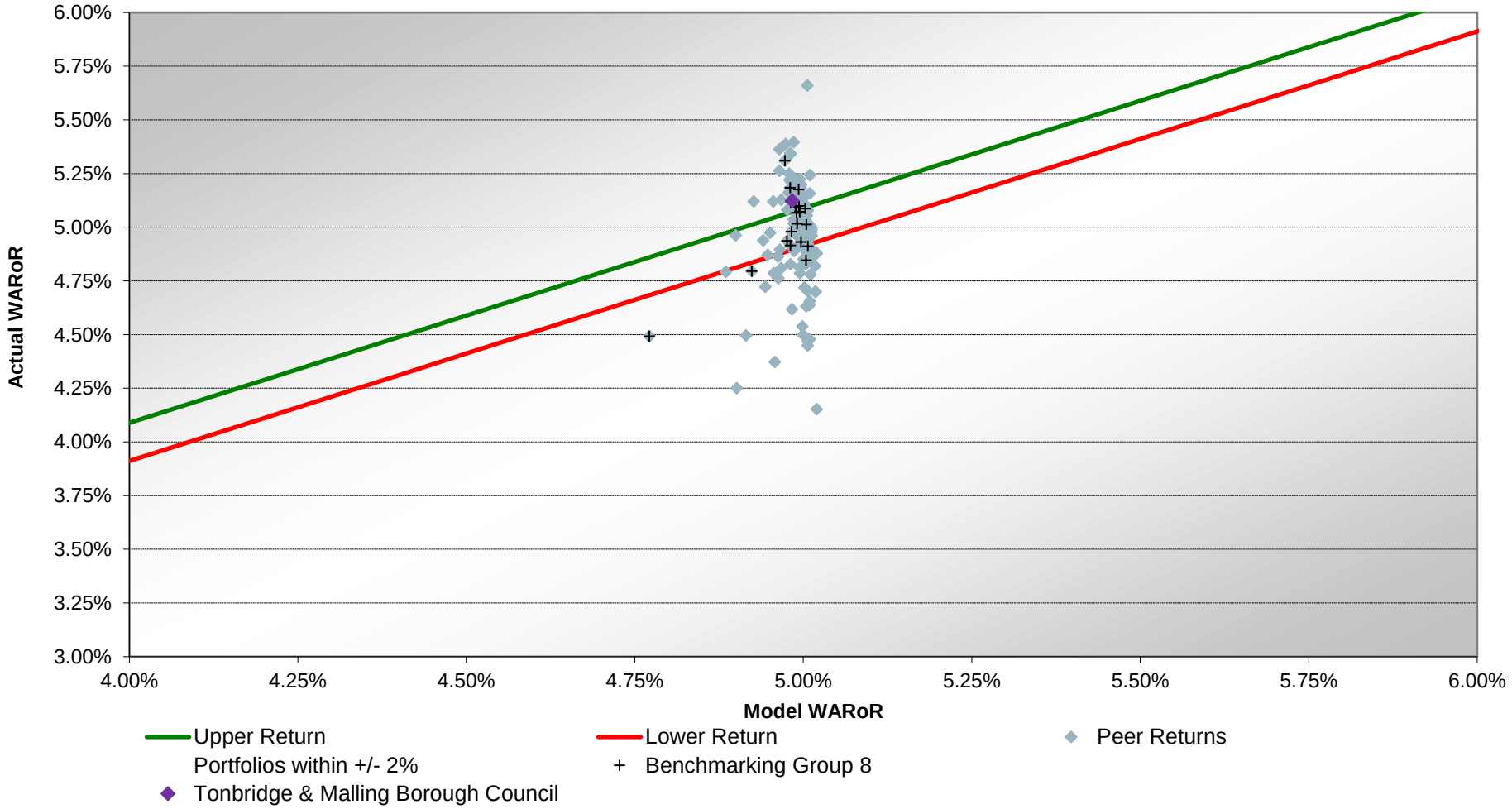
Note: Close Brothers removed from Link's Suggested Credit List 12/02/2024. Although removed, Link have stated that the Fitch long term rating change from A- to BBB+ would have no impact on the rating suggested duration and would remain at 6 months.

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Tonbridge & Malling Borough Council

Population Returns against Model Returns

September 2024



Tonbridge & Malling Borough Council	Actual WARoR	Model WARoR	Difference	Lower Bound	Upper Bound	Performance
	5.12%	4.98%	0.14%	4.90%	5.07%	Above

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Extract from O&S estimates presentation - January 2025. Costs attributed to banking arrangements and transfers in lieu of interest are excluded.

DIRECTOR OF FINANCE & TRANSFORMATION

	2024/25 ORIGINAL ESTIMATE £	2024/25 REVISED ESTIMATE £	2025/26 ESTIMATE £
4 TREASURY MANAGEMENT			
Employees			
Salaries	35,050	37,550	40,900
Supplies & Services			
Treasury Advisor & Dealing Fees	16,000	17,000	18,000
	51,050	54,550	58,900
Less Income			
Interest on:			
Cash Flow Investments	(1,433,000)	(965,000) **a)**	(686,000) **a)**
Core Cash Investments	(676,000)	(1,730,000) **a)**	(1,486,000) **a)**
Medium Term Investments	(183,500)	(148,750) **b)**	(157,250) **b)**
Long Term Investments	(185,000)	(105,000) **c)**	(72,000) **c)**
	(2,477,500)	(2,948,750)	(2,401,250)
Sub-total	(2,426,450)	(2,894,200)	(2,342,350)
Central, Departmental & Technical Support Services			
Central Salaries & Administration	12,650	13,400	14,250
Information Technology Expenses	1,100	1,350	1,250
Departmental Administrative Expenses	19,150	19,800	20,350
TO SUMMARY	**(2,393,550)**	**(2,859,650)**	**(2,306,500)**
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.91	0.98	1.04

a) Increased interest receipts due to the Bank base rate being held at 5.25% for longer than originally anticipated. Forward estimate reflects anticipated reduction in the Bank base rate.

b) Reflects fluctuations in the performance of the Multi-Asset Diversified Income Funds.

c) Lower level of investment income anticipated mainly due to the Lothbury Property Trust being terminated on 30th May 2024.

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Treasury Management and Annual Investment Strategy 2025/26

1 Introduction

1.1 Treasury management is defined as:

'***The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks'***.

1.2 The strategy covers:

- Statutory and regulatory requirements
- Balanced budget requirement
- Prudential and Treasury Indicators
- Borrowing requirement
- Current treasury position
- Prospects for interest rates
- Investment policy
- Creditworthiness policy
- Country, counterparty and group exposure limits
- Cash flow and core fund investment
- Medium and long term investment
- Year end investment report
- Policy on the use of external service providers
- Training

2 Statutory and regulatory requirements

2.1 The Local Government Act 2003 (the Act) and supporting regulations require the Council to 'have regard to' the Chartered Institute of Public Finance (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

2.2 The elements set out above in 1.2 cover the requirements of the Local Government Act 2003, Ministry of Housing, Communities and Local Government (referred to as MHCLG within the document) Investment Guidance, MHCLG MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. In December 2021 CIPFA published revised updates to the Treasury Management Code which has been taken into account in the 2025/26 Strategy.

2.3 The Act requires the Council to set out its Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy which sets out the Council's policies for managing its investments and for giving priority to the **security** and **liquidity** of those investments.

2.4 Historically, the scope of the statutory guidance and CIPFA codes was limited to the investment of an authority's cash surpluses and the management of borrowing undertaken to support its capital expenditure plans. The updated statutory guidance and codes broaden that scope to include expenditure on loans and the acquisition of non-financial assets (property) intended to generate a profit. The Council has not engaged in any commercial investments and has no material non-treasury investments.

2.5 The Council formally adopted the revised CIPFA Treasury Management Code of Practice (2017 Edition) on 30 October 2018 and in December 2021 CIPFA published updates to the Treasury Management Code. The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- Receipt by the full Council of an Annual Treasury Management Strategy, including the Annual Investment Strategy, for the year ahead; a mid-year Review Report; and an Annual Report (stewardship report) covering activities during the previous year.
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

- Delegation by the Council of the role of scrutiny of the Treasury Management Strategy and policies to a specific named body. For this Council, the delegated body is the Audit Committee.

2.6 The scheme of delegation and role of the Section 151 officer that gives effect to these requirements are set out **[Appendix 1]**.

3 Balanced budget requirements

3.1 It is a statutory requirement for the Council to produce a balanced revenue budget, broadly meaning that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed.

3.2 Local authorities should calculate a budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:

- increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
- any increases in running costs from new capital projects are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

4 Prudential and treasury indicators

4.1 It is a statutory duty under Section 3 of the Act and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the 'Affordable Borrowing Limit'. In England and Wales, the Authorised Limit represents the legislative limit specified in the Act.

4.2 The Council must have regard to the Prudential Code when setting the 'Authorised Limit', which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax levels is 'acceptable'.

4.3 Whilst termed an 'Affordable Borrowing Limit', the capital plans to be considered for inclusion may incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The 'Authorised Limit' is to be set on a rolling basis, for the forthcoming financial year and two successive financial years.

4.4 Prudential and Treasury Indicators relevant to setting an integrated treasury management strategy are set out in **[Appendix 2]**.

5 Borrowing requirement

5.1 Other than for cash flow purposes and then within the limits set out at **[Appendix 2]** borrowing will not be necessary (based on the current capital plan). All capital expenditure prior to 2029/30 is expected to be funded from the Revenue Reserve for Capital Schemes, grants, developer contributions and capital receipts arising from the sale of assets. ***This does not however, preclude a decision to borrow in order to fund in full or in part a capital investment opportunity that meets the Council's strategic priorities and objectives and achieves value for money. Each such opportunity to be considered on a case-by-case basis as appropriate***.

5.2 The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

6 Current treasury position

6.1 The Council is debt free and as such the overall treasury position at 30 November 2024 comprised only investments. On that date the Council's cash flow and core fund investments totaled £61.26m and was invested in a mix of money market funds, bank notice accounts and time deposits with banks. The average duration to maturity for core investments was 112 days with a weighted average rate of return 4.83%. Returns in future years are expected to decrease as Bank Rate cuts are implemented. Income from investments forms part of the Council's ten-year medium term financial strategy (MTFS). An updated MTFS will be presented to Council in February 2025.

6.2 The Council held £4.038m in externally managed property fund investments at 30 November 2024, a reduction from £5.0m due to the Lothbury Property Trust fund closure announcement in May 2024. The remaining property funds are expected to generate a stable income of 3.6% in 2025/26 and this level should continue in future years. Over time, the rise in the value of each property funds' assets (capital appreciation) is expected to negate fund entry and exit costs.

6.3 The Council also held £4.25m in externally managed multi asset fund investments at 30 November 2024. The multi asset funds are expected to generate income of 3.7% in 2025/26 and this level should continue in future years. There are no exit costs associated with multi asset funds.

6.4 At present the Council has no material non-treasury investments (e.g. directly owned commercial property, shares in subsidiaries or loans to third parties). The procedures, practices and governance arrangements to enable the Council to meet the requirements of the Chartered Institute of Public Finance & Accountancy's Treasury Management and Prudential Codes of Practice, and the Statutory Guidance on Local Government Investments relating to non-treasury investments **[Appendix 6]** is reviewed annually and forms part of The Audit Committee report and endorsed by Council to approve appropriate Non-treasury Management Practices.

7 Prospects for interest rates

7.1 The Council has appointed Link Asset Services as treasury advisor to the Council and part of their service is to assist the Council to formulate a view on interest rates. Link's current interest rate forecast is provided at **[Appendix 3]**. Link's expectation for Bank Rate, for each financial year ending March, are:

- 2025/2026 3.75%
- 2026/2027 3.50%
- 2027/2028 3.50%

7.2 The forecast may be overly optimistic (downside risks) dependent on:

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity.
- **UK / EU trade arrangements** - if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant issues.
- **Geopolitical risks**, for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

7.3 The forecast may be overly pessimistic (upside risk) dependent on:

- **The Pound weakens** because of a lack of confidence in the UK Government's post-election fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.

7.4 Link's more detailed view of the current economic background is included at **[Appendix 4]**.

8 Investment policy

8.1 The Council's investment policy has regard to the DLUHC's Guidance on Local Government Investments and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes. **The Council's investment priorities will be security first, liquidity second, and then yield**.

8.2 In accordance with the above guidance from the DLUHC and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

8.3 Ratings are not the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment also takes account of information that reflects the opinion of the markets. To this end the Council engages with its advisors to maintain a monitor on market pricing such as 'credit default swaps' and overlay that information on top of the credit ratings.

8.4 Other information sources used includes the financial press, share price and other information relating to the banking sector in order to establish a robust scrutiny process on the suitability of potential investment counterparties.

8.5 Investment instruments identified for use are listed in **[Appendix 5]** under 'specified' and 'non-specified' investment categories. Counterparty limits are detailed in section 10 below.

9 Creditworthiness policy

9.1 The creditworthiness service provided by Link has been progressively enhanced over the last few years and now employs a sophisticated modelling approach using credit ratings from each of the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings are supplemented using the following overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings; and
- Sovereign ratings to select counterparties from only the most creditworthy countries.

9.2 This modelling approach combines credit ratings, and any assigned credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour coded bands are also used by the Council to inform the duration of an investment and are therefore referred to as durational bands. The Council is satisfied that this service now gives a much improved level of security for its investments.

9.3 The selection of counterparties with a high level of creditworthiness is achieved by selecting institutions down to a minimum durational band within Link's weekly credit list of potential counterparties (worldwide). Subject to an appropriate sovereign and counterparty rating the Council uses counterparties within the following durational bands:

Yellow/Pink	5 years
Purple	2 years
Blue	1 year (UK nationalised Banks)
Orange	1 year
Red	6 months
Green	100 Days

9.4 The Council does not use the approach suggested by CIPFA of using the lowest rating from all three rating agencies to determine creditworthy counterparties. Moody's tends to be more aggressive in giving low ratings than the other two agencies and adopting the CIPFA approach may leave the Council with too few banks on its approved lending list. The Link creditworthiness service uses a wider array of information than just primary ratings and in combination with a risk weighted scoring system undue preponderance is not given to any one agency's ratings.

9.5 All credit ratings are reviewed weekly and monitored on a daily basis. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- If a downgrade results in the counterparty no longer meeting the Council's minimum criteria its use for new investment is withdrawn immediately.
- In addition to the use of credit ratings the Council is advised of movements in Credit Default Swap data against the iTraxx European Financials benchmark and other market data on a daily basis. Extreme market movements may result in a scaling back of

the duration assessment or removal from the Councils lending list altogether.

9.6 Sole reliance is not placed on the use of the Link service. In addition, the Council uses market information including information on any external support for banks to assist the decision making process.

10 Country, counterparty and group exposure limits

10.1 The Council has determined that it will only use approved counterparties from the UK. Counterparties from other countries will be subject to a minimum sovereign credit rating of AA-. The minimum will be the lowest rating determined by Fitch, Moody's and Standard and Poor's. The list of countries that qualify using this credit criteria as at the date of this report are shown in **[Appendix 6]**. The list will be amended in accordance with this policy should ratings change.

10.2 Avoidance of a concentration of investments in too few counterparties or countries is a key to effective diversification and in this regard the limits set out below are thought to achieve a prudent balance between risk and practicality.

Country, Counterparty and Group exposure	Maximum Proportion of Portfolio
UK regulated institutions subject to UK Sovereign rating of A- or higher and the institution limits detailed below.	100%
Non-UK regulated institutions as an amount per sovereign rated AA- or higher and subject to the institution limits detailed below.	20%
Group of related institutions.	20%
Each financial institution rated Fitch A-, F1 or higher (green excluding CDS using Link's credit methodology) or each local authority.	20%
Each UK nationalised bank rated Fitch BBB, F2 or higher (green excluding CDS using Link's credit methodology).	20%
Each AAA rated multilateral / supranational bank.	20%
Each AAA rated CNAV, LVNAV or VNAV money market fund.	20%
Each AA or higher rated enhanced cash fund / government liquidity fund / gilt fund / ultra-short dated bond fund subject to a maximum 20% exposure to all such funds.	10%
Each housing association rated Fitch A- or higher and 20% for all housing association investment.	10%

Non-specified investments over 1 year duration.	60%
Each non-rated property fund used for long term investment subject to a maximum £3m (20% of expected long term balances) per fund and across all such funds. No cash limit applies to new resources made available from, or in anticipation of, the sale of existing property assets or other windfalls.	N/A
Each non-rated diversified income (multi-asset) fund and or short dated bond fund used for medium term investment subject to a maximum £3m (20% of expected long term balances) per fund and across all such funds. No cash limit applies to new resources made available from, or in anticipation of, the sale of existing property assets or other windfalls.	N/A

10.4 Cash flow balances vary depending on the timing of receipts and payments during the month and from month to month. The investment limits identified in paragraph 10.2 will be based on an estimate of the expected average daily cash flow balance at the start of the financial year augmented by core cash and other balances. Counterparty investments will be managed to ensure compliance with the limits at the start and end of each financial year when balances available for investment will be at a low point.

11 Cash flow and core fund investment

11.1 Funds available for investment are split between cash flow and core cash. Cash flow funds are generated from the collection of council tax, business rates and other income streams. They are consumed during the financial year to meet payments to precept authorities and government (NNDR contributions) and to meet service delivery costs (benefit payments, staff salaries and suppliers in general). The consumption of cash flow funds during the course of a financial year places a natural limit on the maximum duration of investments (up to one year). Core funds comprise monies set aside in the Council's revenue and capital reserves and are generally available to invest for durations in excess of one year.

11.2 **Cash flow investments**. The average daily cash flow balance throughout 2025/26 is expected to be £13.1m with a proportion available for longer than three months. Cash flow investments will be made with reference to cash flow requirements (liquidity) and the outlook for short-term interest rates i.e. rates for investments up to 12 months. Liquidity will be maintained by using bank deposit accounts and money markets funds. Where duration can be tolerated, additional

yield will be generated by utilising term deposits with banks and building societies and enhanced cash and government liquidity funds. Investment in ultra-short dated bond funds will also be considered. Cash balances available for more than 3 months may be transferred to the core fund portfolio if a better overall return for the Council can be achieved by doing so.

11.3 In compiling the Council's estimates for 2025/26 a return on cash flow investments of 3.6% has been assumed.

11.4 **Core fund investments**. Historically the Council's core funds have been managed by an external fund manager. All core funds were returned to the Council for in-house management during 2014/15. The core fund balance is diminishing as a proportion is consumed each year to support the Council's revenue budget and capital expenditure plans. The average core fund balance during 2025/26 is expected to be £16.6m.

11.5 The Council will avoid locking into longer term deals while investment rates continue their current low levels unless attractive rates are available with counterparties of particularly high creditworthiness which make longer term deals worthwhile and are within the risk parameters set by the Council.

11.6 In compiling the Council's estimates for 2025/26 a return on core fund investments of 4.0% has been assumed. Subject to the credit quality and exposure limits outlined in paragraph 10.2, liquidity and yield will be achieved by a mix of investments using predominantly fixed term deposits and certificates of deposit. Notice accounts, enhanced cash and government liquidity funds and ultra-short dated bond funds will also be used if these offer favourable returns relative to term deposits. Investment with housing associations and other local authorities will also be considered.

12 Medium and long term investment

12.1 The strategy includes provision (paragraph 10.2 and detailed in Appendix 5) to undertake medium term investment in either short dated bond funds and or diversified income funds (a mix of cash, bonds, equity and property) through externally managed collective investment schemes. Investment in such schemes typically implies a three to five year commitment to recoup entry and exit fees and mitigate the potential for a fall in the value of assets under management.

12.2 A detailed evaluation of a fund's asset quality, market risk, redemption constraints, management and governance arrangements will be

undertaken in advance of any investment taking place. Support to identify and select the most appropriate fund(s) will be sought from the Council's treasury advisor. Any sums invested will be reported at regular intervals with income received and changes in capital value separately identified. The strategy places an upper limit on exposure to such funds of 20% of expected long term cash balances, circa £3m.

12.3 The strategy includes provision (paragraph 10.2 and detailed in Appendix 5) to undertake long term investment in property through an externally managed collective investment scheme (fund). Investment in such schemes typically implies a 10 year commitment to recoup entry and exit fees. To mitigate the risk that capital values may fall due to changes in economic activity, investment duration cannot be determined with certainty at the time the investment commences. As a consequence, any cash balances applied to such an investment must be available for the long term and there must be flexibility over the timing of redemption(s) in the future. Sums invested will be reported at regular intervals with income received and changes in capital value separately identified. The strategy places an upper limit on exposure to such funds from existing resources of 20% of expected long term cash balances, circa £3m. No limit applies to new resources made available from the sale of existing assets or other windfalls.

13 Year end investment report

13.1 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

14 Policy on the use of external service providers

14.1 The Council uses Link Asset Services as its external treasury management advisors.

14.2 The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers.

14.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

15 Training

15.1 The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

15.2 The following training has been undertaken by members:

Understanding Local Authority Financial Reporting

Introduction to Treasury Management

Risk Management Training

Further training will be arranged as required.

15.3 The training needs of treasury management officers are periodically reviewed, and officers continue to attend treasury specific training, including strategic treasury management webinars, fraud and market updates from a number of providers.

Financial Services
December 2024

Appendices

1. Treasury management scheme of delegation
2. Prudential and treasury indicators
3. Interest rate forecasts
4. Economic background provided by Link Asset Services
5. Credit and counterparty risk management (TMP1)
6. Approved countries for investments

Appendix 1 Treasury management scheme of delegation

Full Council

- Budget approval.
- Approval of treasury management policy.
- Approval of the annual treasury management and investment strategy.
- Approval of amendments to the Council's adopted clauses, treasury management policy and annual treasury management and investment strategy.
- Approval of the treasury management outturn and mid-year reports.

Cabinet

- Budget consideration.
- Approval of the division of responsibilities.
- Approval of the selection of external service providers and agreeing terms of appointment.
- Acting on recommendations in connection with monitoring reports.

Audit Committee

- Reviewing the annual treasury management and investment strategy and making recommendations to Cabinet and Council.
- Receive reports on treasury activity at regular intervals during the year and making recommendations to Cabinet.
- Reviewing treasury management policy, practices and procedures and making recommendations to Cabinet and Council.

The S151 (responsible) officer

- Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance.
- Submitting regular treasury management policy reports.
- Submitting budgets and budget variations.
- Receiving and reviewing management information reports.
- Reviewing the performance of the treasury management function.
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.
- Prepare and maintain effective treasury management practices (TMPs).
- Ensuring the adequacy of internal audit and liaising with external audit.
- Recommending the appointment of external service providers.
- Preparation of a Capital Strategy and for ensuring the strategy is sustainable, affordable and prudent in the long term and that due diligence has been carried out to support each investment decision and those decisions are in accordance with the risk appetite of the authority.

Appendix 2 Prudential and treasury indicators

The prudential indicators relating to capital expenditure cannot be set until the capital programme is finally determined and will as a consequence be reported as part of the Setting the Budget for 2025/26 report that is to be submitted to Cabinet on 11 February 2025.

The treasury management indicators are as set out in the table below:

TREASURY MANAGEMENT INDICATORS	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Authorised Limit for external debt :					
borrowing	nil	7,000	7,000	7,000	7,000
other long term liabilities	nil	nil	nil	nil	nil
TOTAL	nil	7,000	7,000	7,000	7,000
Operational Boundary for external debt:-					
borrowing	nil	4,000	4,000	4,000	4,000
other long term liabilities	nil	nil	nil	nil	nil
TOTAL	nil	4,000	4,000	4,000	4,000
Actual external debt	nil	nil	nil	nil	nil
Upper limit for fixed interest rate exposure < 1 year at year end	35,365 (64.8%)	It is anticipated that exposure will range between 0% to 60%			
Upper limit for variable rate exposure < 1 year at year end	10,916 (20.0%)	It is anticipated that exposure will range between 40% to 100%			
Upper limit for total principal sums invested for over 365 days at year end	8,288 (15.2%)	60% of funds			

Maturity structure of fixed rate borrowing during 2024/25 – 2027/28	upper limit	lower limit
under 12 months	100 %	0 %
Over 12 months	0 %	0 %

A new Liability Benchmark indicator was introduced in 2023/24. Whilst consideration has been given to the Liability Benchmark, the Council is debt free and therefore there is no debt maturity profile to report. The forecast net investment requirement for the next three years (excluding the liquidity allowance) is: 2025/26 £39.9m, 2026/27 £31.8m and 2027/28 £27.4m.

Appendix 3 Interest rate forecasts – November 2024

Link Group Interest Rate View 11.11.24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 mth ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 mth ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 mth ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30
Bank Rate													
Link	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
Capital Economics	4.75	4.50	4.25	4.00	3.75	3.50	3.50	3.50	--	--	--	--	--
5yr PWLB Rate													
Link	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
Capital Economics	5.20	5.10	4.90	4.80	4.60	4.60	4.50	4.50	--	--	--	--	--
10yr PWLB Rate													
Link	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
Capital Economics	5.30	5.20	5.10	4.90	4.80	4.80	4.70	4.60	--	--	--	--	--
25yr PWLB Rate													
Link	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
Capital Economics	5.60	5.40	5.30	5.20	5.00	4.90	4.90	4.80	--	--	--	--	--
50yr PWLB Rate													
Link	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30
Capital Economics	5.60	5.50	5.30	5.20	5.10	5.00	4.90	4.80	--	--	--	--	--

Appendix 4 Economic background based on text provided by Link Asset Services

1 **UK** – The third quarter of 2024 saw:

- The Bank of England initiating its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in its September.
- CPI inflation hitting its target in June before edging above it to 2.2% in July and August.
- Core CPI inflation increasing from 3.3% in July 3.6% in August.
- A further easing in wage growth as the headline 3myy rate (including bonuses) fell from 4.6% in June to 4.0% in July.
- 10 year gilt yields falling to 4.0% in September.

2 The Government's announcement to raise public spending have caused concerns that large tax rises could weaken GDP growth in the medium-term. However, taxes raised in line with spending would mean the overall stance of fiscal policy would be similar to the previous government's plan to reduce the budget deficit. Additionally, rises in public spending tend to boost GDP by more than increases in taxes reduce it. Capital Economics suggest GDP growth will hit 1.2% in 2024 before reaching 1.5% for both 2025 and 2026.

3 The economy's stagnation in June and July points more to a mild slowdown in GDP growth than a sudden drop back into a recession. Moreover, the drop in September's composite activity Purchasing Managers Index, from 53.8 in August to 52.9, was still consistent with GDP growth of 0.3%-0.4% for the summer months. This is in line with the Bank of England's view, and it was encouraging that an improvement in manufacturing output growth could be detected, whilst the services PMI balance suggests non-retail services output grew by 0.5% q/q in Q3. Additionally, the services PMI future activity balance showed an uptick in September, although readings after the Chancellor's announcements at the Budget on 30th October will be more meaningful.

4 The 1.0% m/m jump in retail sales in August was stronger than the consensus forecast for a 0.4% m/m increase. The rise was reasonably broad based, with six of the seven main sub sectors recording monthly increases, though the biggest gains came from clothing stores and supermarkets, which the ONS reported was driven by the warmer-than-usual weather and end of season sales. As a result, some of that strength is probably temporary.

5 The further easing in wage growth will be welcomed by the Bank of England as a sign that labour market conditions are continuing to cool. The 3m year on year growth rate of average earnings fell from 4.6% in June to 4.0% in July. On a three-month annualised basis, average earnings growth eased from 3.0% to 1.8%, its lowest rate since December 2023. Excluding bonuses, the 3myy rate fell from 5.4% to 5.1%.

6 Other labour market indicators also point to a further loosening in the labour market. The 59,000 fall in the alternative PAYE measure of the number of employees in August marked the fourth fall in the past five months. And the

77,000 decline in the three months to August was the biggest drop since November 2020. Moreover, the number of workforce jobs fell by 28,000 in Q2. The downward trend in job vacancies continued too. The number of job vacancies fell from 872,000 in the three months to July to 857,000 in the three months to August. That leaves it 34% below its peak in May 2022, and just 5% above its pre-pandemic level. Nonetheless, the Bank of England is still more concerned about the inflationary influence of the labour market rather than the risk of a major slowdown in labour market.

7 CPI inflation stayed at 2.2% in August, but services inflation rose from a two-year low of 5.2% in July to 5.6%, significantly above its long-run average of 3.5%. Food and fuel price inflation exerted some downward pressure on CPI inflation, but these were offset by the upward effects from rising furniture/household equipment inflation, recreation/culture inflation and a surprisingly large rise in airfares inflation from -10.4% in July to +11.9% in August. As a result, core inflation crept back up from 3.3% to 3.6%. CPI inflation is also expected to rise in the coming months, potentially reaching 2.9% in November, before declining to around 2.0% by mid-2025.

8 The Bank initiated its loosening cycle in August with a 25bps rate cut, lowering rates from 5.25% to 5.0%. In its September meeting, the Bank, resembling the ECB more than the Fed, opted to hold rates steady at 5.0%, signalling a preference for a more gradual approach to rate cuts. Notably, one Monetary Policy Committee (MPC) member voted for a consecutive 25bps cut, while four members swung back to voting to leave rates unchanged. That meant the slim 5-4 vote in favour of a cut in August shifted to a solid 8-1 vote in favour of no. A vote at the November meeting saw the rate cut again bring the current bank rate from 5.0% to 4.75%.

9 Looking ahead, CPI inflation will likely rise in the coming months before it falls back to its target of 2.0% in mid-2025. The increasing uncertainties of the Middle East may also exert an upward pressure on inflation, with oil prices rising in the aftermath of Iran's missile attack on Israel on 1 October. China's recent outpouring of new fiscal support measures in the latter stages of September has also added to the upshift in broader commodity prices, which, in turn, may impact on global inflation levels and thus monetary policy decisions. Despite these recent developments, Link's forecast is still for rates to fall to 4.5% by the end of 2024 with further cuts likely throughout 2025. This is in line with market expectations; however, a December rate cut may be more problematic for the Bank if CPI inflation spikes towards 3%. In the second half of 2025 it is expected that a more marked easing in inflation will prompt the Bank to speed up, resulting in rates eventually reaching 3.0%, rather than the 3.25-3.50% currently priced in by financial markets.

10 **Central Bank Concerns.** Currently, the US started its rate cutting cycle with an anticipated 50bps reduction in mid-September, the Fed opted for a more modest 25bps cut at the conclusion of its two-day FOMC meeting taking the Fed Funds target range down to between 4.5% and 4.75%. Analysts are expecting the Fed to call time on this loosening cycle a little earlier than before and anticipate 25bps reductions at each meeting until May 2025. Eurozone

GDP growth picked up in Q3, but timelier data suggest that the economy is poised for a weak Q4. Analysts expect growth to remain slow next year regardless of whether President Trump raises tariffs on imports from Europe. Analysts also believe that inflation will be well below 2% in 2025. As a result, forecasts suggest the ECB will cut interest rates rapidly, and more quickly than investors anticipate, taking the deposit rate down to 1.5% by mid-2025.

Link Asset Services
November 2024

Appendix 5 Credit and counterparty risk management (TMP1)

All specified and non-specified Investments will be:

Subject to the sovereign, counterparty and group exposure limits identified in the Annual Investment Strategy (Section 10).

Subject to the duration limit ***where applicable*** suggested by Link (+6 months for UK institutions) at the time each investment is placed.

Subject to a maximum of 60% of funds being held in non-specified investments at any one time.

Sterling denominated.

Specified Investments (maturities up to 1 year):

Investment	Minimum Credit Criteria
UK Debt Management Agency Deposit Facility	UK Sovereign A-
Term deposits - UK local authorities	UK Sovereign A-
Term deposits - UK nationalised banks	UK Sovereign A- Counterparty BBB, F2 or Green excluding CDS
Term deposits – all other banks and building societies	UK Sovereign A- / Non-UK Sovereign AA- Counterparty A-, F1 or Green excluding CDS
Certificates of deposit - UK nationalised banks	UK Sovereign A- Counterparty BBB, F2 or Green excluding CDS
Certificates of deposit – all other banks and building societies	UK Sovereign A- / Non-UK Sovereign AA-. Counterparty A-, F1,or Green excluding CDS
UK Treasury Bills	UK Sovereign A-
UK Government Gilts	UK Sovereign A-
Bonds issued by multi-lateral development banks	AAA
Sovereign bond issues (other than the UK Gov't)	AAA
Money market funds (CNAV, LVNAV or VNAV)	AAA
Enhanced cash / Government liquidity / ***Ultra-short dated bond funds***	***AA***

Non-specified Investments (maturities in excess of 1 year and any maturity if not included above):

Investment	Minimum Credit Criteria	Max duration to maturity
Fixed term deposits with variable rate and variable maturities (structured deposits) - UK nationalised banks	UK Sovereign A- Counterparty BBB,F2 (Green)	2 years
Fixed term deposits with variable rate and variable maturities (structured deposits) - banks and building societies	UK sovereign A- / Non-UK Sovereign AA-. Counterparty A-, F1 (Green)	2 years
Term deposits - local authorities	UK Sovereign A-	3 years
Term deposits - UK nationalised banks	UK Sovereign A- Counterparty BBB,F2 (Green)	2 years
Term deposits - banks, building societies	UK Sovereign A- / Non-UK Sovereign AA-. Counterparty A-, F1 (Green)	2 years
Term deposits – housing associations	UK Sovereign A- Counterparty A-	2 years
Certificates of deposit - UK nationalised banks	UK Sovereign A- Counterparty BBB,F2 (Green)	2 years
Certificates of deposit - banks and building societies	UK Sovereign A- / Non-UK Sovereign AA-. Counterparty A-, F1 (Green)	2 years
Commercial paper - UK nationalised banks	UK Sovereign A- Counterparty BBB,F2 (Green)	2 years
Commercial paper - banks and building societies	UK Sovereign A- / Non-UK Sovereign AA-. Counterparty A-, F1 (Green)	2 years
Floating rate notes issued by multilateral development banks	AAA	2 years
Bonds issued by multilateral development banks	AAA	2 years
Sovereign bonds (other than the UK Government)	AAA	2 years
UK Government Gilts	UK Sovereign A-	5 years
Property funds	N/A	N/A
Diversified income ***and or short dated bond*** funds	N/A	N/A

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

Appendix 6 Approved countries for investments

Each financial institution must meet the minimum credit criteria specified in the Annual Investment Strategy (Section 10). For non-UK regulated institutions the institutions sovereign must be rated AA- or higher by each of the three rating agencies - Fitch, Moody's and Standard and Poor's.

This list will be reviewed and amended if appropriate on a weekly basis by the Director of Finance and Transformation.

As of 29 November 2024 sovereigns meeting the above requirement which also have banks operating in sterling markets with credit ratings of green or above on the Link Asset Services' Credit Worthiness List were:

AAA	Australia
	Denmark
	Germany
	Netherlands
	Norway
	Singapore
	Sweden
	Switzerland
AA+	Canada
	Finland
	USA
AA	Abu Dhabi (UAE)
	Qatar
AA-	Belgium
	France
	UK

Non-treasury Management Practices

1 Introduction

1.1 The Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries, and investment property portfolios.

1.2 The Council will ensure that all its investments are covered in a capital strategy, investment strategy or equivalent, and will set out, where relevant, the Council's risk appetite and specific policies and arrangements for non-treasury investments. It is recognised that the risk appetite for these activities may differ from that for treasury management.

1.3 The Council will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the organisation's risk exposure.

1.4 The Council recognises that many of the principles underlying treasury management practices will apply to non-treasury investments as they do to treasury investments. However, some aspects are likely to differ significantly.

1.5 It is recognised that the Council may make investments for policy reasons outside of normal treasury activity, and these may include:

- Service investments – these are held clearly and explicitly in the course of the provision, and for the purposes of, operational services, including regeneration
- Commercial investments – these are undertaken for mainly financial reasons. They may include:
    - Investments as part of business structures, such as loans to and shares in subsidiaries.
    - Investments explicitly taken out with the aim of making a financial surplus for the council and include commercial properties

1.6 The investment practices for non-treasury investments detailed below will be complied with by all officers and agencies responsible for such investments. These practices will evolve over time and will be subject to annual review.

.

2 Risk management (NTMP 1)

2.1 Investment of the Council's cash surpluses and reserves is governed by the CIPFA Treasury Management Code of practice and DLUHC Statutory Guidance. These require authorities to prioritise security and liquidity over yield. Compliance aims to protect the value of sums invested and ensure funds are available to spend as spending commitments arise. Investment in equity, bonds or property are likely to fail the security and liquidity tests and are therefore considered inappropriate for short term cash surplus and reserve fund management purposes.

2.2 Commercial property covers a broad range of property uses and types including, retail outlets, office accommodation, warehouses, industrial units, and residential accommodation.

2.3 Risks associated with commercial property ownership include:

- Close correlation between value and changes in **GDP**. Values fall significantly in a downturn. Values rise when the economy is growing.
- Property is **illiquid** both in terms of transaction times and price transparency.
- **Tenant covenant strength** will impact on ability to meet rental payments, lease renewal, exercise break clauses and CVA.
- **Valuations** are not a guarantee of sale price and may be subject to investor confidence / sentiment.
- **Stock, sector, and geographic** risk will all impact on the value of a particular property.
- Subject to **environmental risk** such as flooding and land contamination.
- **Interest rate** changes not only affect the cost of borrowing but also bond / equity prices which may impact on the relative attractiveness of property.
- Changes in **legislation and regulation** e.g. energy efficiency may involve additional cost to the investor.
- Changes in **taxation** (stamp duty / SDLT) may affect value.

2.4 Risks will be explored in the property acquisition business case and through regular monitoring of the property market post acquisition. Nevertheless, risk will persist.

2.5 A risk assessment is provided at **[Appendix 1]**.

3 Decision making, governance and organisation (NTMP 2)

3.1 Any new commercial property investment will be subject to a business case review. The report seeking Capital Plan budget provision will follow the normal budget approval process (O&S, Cabinet and Council).

3.2 Day to day management of commercial property investments is delegated to the Director of Central Services (DCS). The DCS will undertake that management using in-house resources or appoint specialist external agents where appropriate. Functions include:

- Collection of rent & service charges
- Establishing lease terms
- Advertising vacant units
- Negotiating tenant lease agreements
- Monitoring the commercial property market
- Undertaking annual property revaluations

3.3 New lease agreements will be certified, without delegation, by the DCS. Any rent free periods and other tenant inducements will be reported under the reporting arrangements detailed in NTMP 4.

3.4 The Director of Finance and Transformation will undertake a periodic reconciliation of income and expenditure. Internal audit, subject to a risk assessment, will review commercial property activity.

4 Performance management (NTMP 3)

4.1 Baseline performance requirements for commercial properties will be drawn from the business case submitted as part of property purchase approval. Gross income, service costs and tenant arrears will be monitored against baseline on a quarterly basis. Variation from a pre-determined tolerance level will trigger a report to the Council's Management Team and, if appropriate, will be escalated in accordance with NTMP 4.

4.2 Performance of the Council's commercial property function and that of any associated external support will be monitored and reviewed annually to ensure best practice and value for money are being achieved.

5 Reporting and management information (NTMP 4)

5.1 An information report setting out the performance of the Council's commercial property investments will be prepared by the Director of

Central Services and submitted to Members. Reports will be subject to prior consideration by the Council's Management Team.

5.2 Reports will include:

- A commentary on commercial property market conditions
- Gross income against budget
- Income performance against benchmark
- Operating costs
- Changes in occupancy
- Changes to existing lease agreements / new lease agreements
- Tenant arrears
- Market value (to be reported annually).

5.3 Commercial property investment performance against budget will also be incorporated in the financial planning & control reports submitted to members.

5.3 Any extraordinary issues that are likely to generate a change in budget requirement will be subject to endorsement by Cabinet and approval by Council.

6 Training and qualifications (NTMP 5)

6.1 Members and officers involved in the property investments decision making process need to have appropriate capacity, skills, and information to enable them to take informed decisions as to whether to enter into a specific property investment.

6.2 The Councils employs suitably qualified property, legal and finance officers to manage activity and provide advice within their respective disciplines. Specialist external advisors will be engaged where appropriate. Member training will be provided in-house or by external agents as required.

Property Investment – Risk Register

Risk	Risk Areas	Likelihood 1(low) 6(High)	Impact 1(low) 4(High)	Total Score	Controls
Downturn in property market	Capital value and income potential reduce for purchased assets.	4	4	16	Continued monitoring of markets. Sale of Assets at a benchmarked threshold. Annual Valuation.
Upturn in property market	Purchase cost of potential assets increases.	4	3	12	Continued monitoring of markets. Adjusting purchase criteria to reflect market movement. Consider sales of assets for capital gain. Annual Valuation.
Increase in interest rates (borrowing)	Cost of borrowing where adopted increases with detrimental impact on income.	4	3	12	Ensure most competitive rate achieved if borrowing, fixed term if possible. Consider increased use of reserves to ensure loan to value ratios are acceptable.
Increase in interest rates (investment)	Lower rate of return when compared to other potential investments	4	3	12	Consider revising income return criteria upwards. Consider disposal of assets for re-investment.
Available opportunities	Market opportunities meeting investment criteria not available.	4	3	12	Identify opportunities early and move swiftly to acquire.
Changes in Tenant demand	Certain types of property may become less favorable with tenants.	3	3	9	Consider alternative use at acquisition. Construct a varied portfolio by use.

Risk	Risk Areas	Likelihood 1(low) 6(High)	Impact 1(low) 4(High)	Total Score	Controls
Obsolescence of Asset	Physical obsolesce in terms of building fabric and fit out.	3	3	9	Ensure full repairing and insuring leases are in place via pre-purchase due diligence. Have building surveys undertaken to establish condition of building.
Tenant default	Loss of rental income, increased costs incurred.	3	3	9	Undertake financial due diligence of tenants pre-purchase, obtain the best possible tenant covenants. Look for guarantors or cash deposits where covenants are considered weak. Consider multi-tenanted properties in order to diversify risk. Ensure robust credit control procedures in place. Monitor tenant company performance.
Void periods	Loss of rental income, holding costs incurred – rates, utilities etc. Costs of re-letting.	3	3	9	Monitoring tenancies as described above. Move quickly to appoint letting agents should a “void” period appear likely. Act expediently in concluding legal process of letting.
Government Legislation - Energy Performance (Minimum Energy Efficiency Standards, MEES)	From 1 April 2018 it is illegal for a landlord to grant a new letting of a commercial property that has an EPC of below E.	4	3	12	Undertake appropriate pre purchase due diligence to establish what the EPC rating of a property is and purchase accordingly. Identify if opportunities exist to increase the EPC rating appropriately.
Illiquidity of Property Assets	Asset identified for disposal to raise capital receipt or for reinvestment.	3	3	9	Ensure that assets are kept “sale ready” in terms of documentation and information.

Risk	Risk Areas	Likelihood 1(low) 6(High)	Impact 1(low) 4(High)	Total Score	Controls
Staff Resources	Lack of suitably professionally qualified staff.	3	3	9	Ensure that appropriately professionally qualified staff, with experience in Property Investment, are available to act on the Council's behalf.
Residential Properties – generally all of the above plus greater landlord input, more management intensive	Residential Properties generally require a more active landlord involvement, maintaining the structure and services of a property – maintenance costs and management costs are therefore higher.	4	3	12	Ensure that increased holding costs are factored into purchase valuations. Appoint external professionals to manage landlord and tenant processes. Ensure that tenant deposits are taken.

Assessing risks

Identified risks need to be assessed so that they may be evaluated to determine their severity and to present an overall picture of the extent of the combined risks on the achievement of the objectives. The Council recognises 3 levels of risk:

LOW	MEDIUM	HIGH
1 – 4	5 – 12	15 – 24

The scoring of risks will be carried out using a Likelihood & Impact matrix, see table below with accompanying definitions.

Likelihood	Almost inevitable	**6**	6 Medium	12 Medium	18 High	24 High
	Very likely	**5**	5 Medium	10 medium	15 High	20 High
	Likely	**4**	4 Low	8 Medium	12 Medium	16 High
	Unlikely	**3**	3 Low	6 Medium	9 Medium	12 Medium
	Very Unlikely	**2**	2 Low	4 Low	6 Medium	8 Medium
	Almost impossible	**1**	1 Low	2 Low	3 Low	4 Low
			1	2	3	4
Impact □			Negligible	Marginal	Significant	Critical

ANNUAL AUDIT REPORT 2023/24

Item AU 25/6 referred from Audit Committee of 13 January 2025

The report of the Management Team introduced the Auditor's Annual Report for 2023/24, prepared by Grant Thornton UK LLP in respect of the Borough Council's overall arrangements for securing economy, efficiency and effectiveness in the use of resources.

Members recalled that the Auditor's Annual Report for 2022/23, presented to the Committee in September 2023, highlighted two significant weaknesses found in the Council relating to performance management and procurement. During the latest audit, it was acknowledged and reported that the significant weakness in respect of performance management had been addressed. With regard to procurement, given good progress being made and recognised during 2024/25, it was anticipated that this other significant weakness would also be 'signed off' fully during the year.

Particular reference was made to one of the improvement recommendations identified in the Auditor's Annual Report for 2023/24 (attached at Annex 1) as well as in the Audit Findings Report (attached at Annex 2 under Item 9 on the agenda) in relation to the non-return of Related party transaction forms by Members and its associated risk for the Borough Council. Members were keen for this recommendation to be addressed in a timely and effective manner and noted that an update would be provided to the Committee in April for any remaining concern and mitigation measure to be identified.

RECOMMENDED*: That

(1) the Auditor's Annual Report for 2023/24 (attached at Annex 1), be approved;

(2) the comments made in respect of the key recommendations from the Annual Audit Report for 2022/23, be noted; and

(3) the management comments raised to the 2023/24 Value for Money recommendations, be noted and endorsed.

***Recommended to Cabinet**

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Audit Committee

13 January 2025

Part 1 - Public

Recommendation to Cabinet – Council Decision

Cabinet Members	Matt Boughton, Leader of the Council Kim Tanner, Cabinet Member for Finance and Housing
Responsible Officers	Management Team
Report Author	Sharon Shelton, Director of Finance and Transformation

Annual Audit Report 2023/24

1 Summary and Purpose of Report

1.1 Our external auditors (Grant Thornton UK LLP) are required to satisfy themselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report on the same to those charged with governance – which for this purpose is the Audit Committee – followed by Cabinet and Full Council.

2 Corporate Strategy Priority Area

2.1 Efficient services for all our residents, maintaining an effective council.

2.2 An assessment by the Council's external auditors on the arrangements for securing economy, efficiency and effectiveness in its use of resources along with recommendations for improvement.

3 Recommendations

3.1 Members are **RECOMMENDED** to:

1) Consider and approve the Auditor's Annual Report [Annex 1] for 2023/24;

2) Note the comments made in respect of the key recommendations from 2022/23;

3) Note and endorse the management comments to the 2023/24 value for money recommendations raised; and

4) Make any specific recommendations to Cabinet and/or Full Council as the Committee feels appropriate in light of the Annual Report.

4 Introduction and Background

4.1 Our external auditors (Grant Thornton UK LLP) are required to satisfy themselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report on the same to those charged with governance - which for this purpose is the Audit Committee - followed by Cabinet and Full Council.

4.2 The last Annual Audit Report relating to the financial year 2022/23 was presented to this Committee in September 2023. Members might recall that two significant weaknesses in the Council's arrangements to improve economy, efficiency and effectiveness were highlighted relating to procurement and performance management. The Committee has been tracking progress against the action plan to remedy these over the past 12 months.

4.3 Due to the national audit backlog, different arrangements have applied to our audit for 2023/24, and this annual audit report is therefore a little later in being reported to Members.

5 2023/24 Annual Audit Report

5.1 Grant Thornton's report is attached at **[Annex 1]**.

5.2 The auditors report on three distinct areas, namely:

1) Financial sustainability;

2) Governance; and

3) Improving economy, efficiency and effectiveness.

5.3 In terms of financial sustainability and governance it is pleasing to note that no significance weaknesses were found, albeit some improvement recommendations have been made.

5.4 In 2022/23, two significant weaknesses were identified in relation to improving economy, efficiency and effectiveness relating to **performance management** and **procurement**. Members of this Committee will know that both these items have featured on our strategic risk register for some time and have been monitored very carefully.

5.5 In relation to performance management the risk rating assessed by Management Team has been reducing steadily over the months and is now an amber risk. Pleasingly, the annual audit report recognises the good progress that has been achieved and the report concludes that the significant weakness highlighted has now been addressed.

5.6 In relation to procurement, good progress has also been made in addressing this weakness, with the commencement of the procurement partnership in May 2024 and the recent approval by Cabinet of the Procurement Strategy at its December 2024 meeting. Members will note from the Strategic Risk Register elsewhere on this agenda that the risk has been downgraded from red to amber.

5.7 That said, much of the good progress has occurred during the 2024/25 financial year and therefore it is not a surprise that, as this audit relates to 2023/24, Grant Thornton have found it necessary to indicate that the weakness still existed in 2023/24. They do however recognise the positive progress that has been achieved and will review the arrangements again in the 2024/25 audit.

5.8 There are, unsurprisingly, a number of improvement recommendations set out within the report. Management Team has considered each of these and provided a note of actions that will be taken.

6 Financial and Value for Money Considerations

6.1 As set out in the Auditor's Annual Report.

6.2 The Auditor should not need to carry out any additional work as a result of this report and therefore no additional fees should accrue.

7 Risk Assessment

7.1 Last year Grant Thornton identified two significant weaknesses leading to key recommendations. During the latest audit, it was acknowledged and reported that the weakness relating to performance management has been addressed.

7.2 In relation to procurement, during 2023/24 Grant Thornton felt that the weakness remaining: although recognised positive progress primarily in 2024/25. It will be important to ensure this weakness is "signed off" fully during 2024/25.

7.3 Other recommendations made also need to be addressed in order to protect the Council and its services to residents.

8 Legal Implications

8.1 The Council's external auditor is required under s20(1)c) of the Local Audit and Accountability Act 2014 to satisfy themselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

8.2 The Code of Audit Practice issued by the National Audit Office in 2020 requires us (Grant Thornton UK LLP) to report to you our commentary relating to proper arrangements.

9 Consultation and Communications

9.1 The Auditor's report will be available to the public through this agenda.

10 Implementation

10.1 To address the recommendations made, Management Team have agreed actions with anticipated timescales as set out in the report.

11 Cross Cutting Issues

11.1 Climate Change and Biodiversity

11.1.1 Climate change advice has not been sought in the preparation of the options and recommendations in this report.

11.2 Equalities and Diversity

11.2.1 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.

Background Papers	None
Annexes	Annual Report from Grant Thornton

Grant Thornton

Tonbridge and Malling Borough Council

Auditor's Annual Report for the year ended 31 March 2024

November 2024



Contents

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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Appendices

Appendix A – Responsibilities of the Audited Body

Appendix B – Value for Money Auditor responsibilities

Appendix C – Follow-up of previous recommendations

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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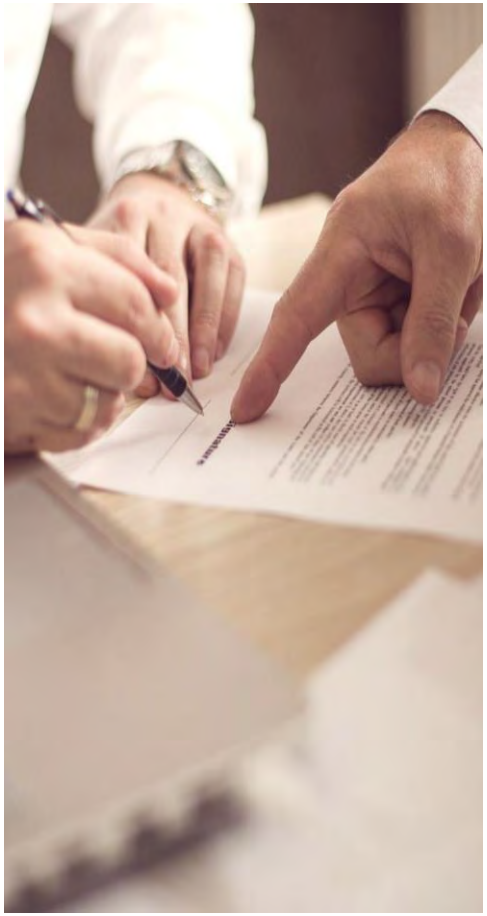
Introduction

Purpose of the Auditor's Annual Report

This report brings together a summary of all the work we have undertaken for Tonbridge and Malling Borough Council (the Council) during 2023-24 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements.

All councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Council's responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.



Responsibilities of the appointed auditor

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Council as at 31 March 2024 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Value for Money

We report our judgements on whether the Council has proper arrangements in place regarding arrangements under the three specified criteria:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness

The Value for Money auditor responsibilities are set out in Appendix B.

Auditor powers

Auditors of a local authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

These powers are set out on page 11 with a commentary on whether any of these powers have been used during this audit period.

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Executive summary

Executive summary

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The NAO has consulted and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditors Annual Report ("the Report") with those charged with governance by a nationally set deadline each year (30 November) and for the audited body to publish the Report thereafter. These new requirements will be introduced from November 2025. As a firm, we are committed to reporting the results of our local audit work on as timely a basis as possible and are bringing forward our 2024 reporting in advance of the Code change. Our summary findings are set out below.

Financial sustainability

The Council continues to demonstrate a strong track record of financial performance, having outperformed the estimated budgets in 2022-23 and in 2023-24, contributing £0.95m and £1.3m to the General Fund Reserve in the respective financial years. The Council set a balanced annual budget for 2024-25 which fully identified all savings required to achieve this position. The Council is currently on track to deliver the 2024-25 position based on quarter 1 budget monitoring information.

The Council has built up reserves over the period 2019-20 to 2023-24, as such, at the end of 2023-24 the Council held earmarked and General Fund reserves of £33.4m. Reserves are expected to decrease in the medium-term as the Council uses them to fund specific projects that they are set aside to fund, therefore use of reserves is not indicative of a lack of financial control but demonstrates robust financial management.

Across the Council Medium-Term Financial Plan (MTFP) savings beyond 2025-26 are yet to be identified, which creates a budget gap until the savings can be fully identified and attributed to specific plans. This has the potential to reduce reserves beyond current anticipated levels. If in a worst-case scenario the savings were not identified or delivered, the potential reserves balance would represent 52% of net revenue expenditure and remains a strong position.

The Council has a well-established Savings and Transformation Strategy, which is a multi-year savings programme. Currently the scope of this programme is focussed on a few key areas, but there is potential for the Council to explore transformative savings schemes to meet the medium-term gaps identified from the yet to be developed savings plans in later years.

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Executive summary

Financial sustainability (continued)

Despite an overall underspent position for 2023-24, the Council has experienced overspends in certain services, which have been offset by underspends elsewhere. The most significant of the overspends relate to the cost of Temporary Accommodation and Homelessness where expenditure was £0.248m above the revised estimate and was met from the Homelessness Reserve which was set aside in prior years in anticipation of rising demand. The Council has reduced demand in this area in prior years, with support from external consultants, and re-engaged those consultants in 2023-24 to provide additional support and address the increasing demand. The results of this work are expected to be implemented in 2024-25. The Council sought additional advice from consultants with regards to its capital response to the temporary accommodation pressures observed. This works has explored sustainable temporary accommodation delivery options, which are expected to be considered in the future capital programme.

The Council's Capital Programme outturn was £1.07m against a revised estimate of £2.306m, an underspend of £1.246m. £0.947m of this underspend was against capital renewals as a result of the delay in purchasing equipment for the Council's Leisure facilities.. The Council worked with the Leisure Trust to develop an appropriate replacement programme and replacement equipment is expected to be delivered in quarter 3 of 2024-25.

Overall, arrangements to secure financial sustainability are deemed to be appropriate. No significant weaknesses in arrangements identified, but improvement recommendations have been made.

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Executive summary

Governance

In response to recommendations from both External and Internal Audit reviews the Council engaged external consultants, Zurich Risk Management, to carry out a review of the Risk Management Strategy and Strategic Risk Register to suggest updates to existing processes ensuring they remain robust, fit for purpose and reflect best practice. Recommendations from this work have been formulated into an Action Plan which is being monitored by the Audit Committee. Progress has been made on all actions to date and the Plan is on track to deliver to agreed timescales by the end of January 2025.

The Council continues to be well-supported by its Internal Audit function, which received positive assurances from the Audit Committee's review of Internal Audit effectiveness and a service client satisfaction score of 100%. For 2023-24 Internal Audit completed 93% of their audit plan against a target of 90%. In addition, Internal Audit's self-assessment of its compliance with Public Sector Internal Audit Standards received the highest available rating of 'generally conforms'. The overall 2023-24 Internal Audit opinion for the Council was positive, receiving an overall rating of 'substantial assurance', reflecting robust processes and controls in place across a range of operations. The Council responds effectively to recommendations, with 88% of Internal Audit recommendations implemented, nearing completion or in progress at the end of 2023-24.

The budget setting process has remained consistent with the prior year and remains robust. It is a well-understood and collaborative process. Members monitor the financial performance of the Council via Financial Planning and Control Reports. These reports focus on the in-year position across key areas of the budget, and we have identified scope to review the format to ensure that Members are sighted on the year-end impact of in-year performance.

Member decisions are clearly and transparently presented at each Committee, including Cabinet. Reporting of decisions is both retrospective and forward-looking. This contributes to a robust and transparent decision-making culture. The Audit Committee received the Council's annual review of its arrangements against the Local Code of Corporate Governance in July 2024, a detailed response was provided to each requirement and no gaps in assurances were noted. This is a positive reflection of the Council's governance arrangements.

The Council established a Joint Standards Committee, which also includes all Parish Councils within the Borough. The Standards Committee deals with Councillors' standards and behaviour, receiving reporting on complaints annually and investigating individual cases as required. The number of issues raised in-year is low in comparison to the number of Councillors covered by this Committee, indicative of high standards of Member behaviour.

Overall, governance arrangements are deemed to be appropriate. No significant weaknesses in arrangements identified, but improvement recommendations have been made.

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Executive summary

Improving economy, efficiency and effectiveness

We identified two weaknesses in arrangements in 2022-23 in this area and raised two key recommendations. The weaknesses were observed in procurement and performance management arrangements. The Council has responded effectively to concerns raised in relation to performance management in a timely manner by developing and implementing a performance management framework, alongside an updated Corporate Strategy for 2023-27. The Strategy, supporting delivery plan and key performance indicators (KPIs) were implemented and monitored from July 2023. As a result of the actions taken we believe this weakness to now be addressed.

For the weakness highlighted in procurement arrangements, the Council has made progress in responding to concerns in this area. The Council engaged Mid-Kent Procurement Partnership to deliver procurement services, with effect from 1 May 2024. The Partnership is working with the Council to deliver relevant training, provide a team to work on key procurements and draft an updated Procurement Strategy. As these actions remain in progress and are yet to complete, and the Partnership did not come into effect until 2024-25, the weakness continued to exist in 2023-24. However, we acknowledge the positive progress made and will review arrangements in 2024-25, once fully embedded.

The Council received a Local Government Association Peer Review, and initial follow up, in 2022. The Council's Action Plan, put in place to respond to the findings, has continued to be monitored internally. The Council has progressed the actions to completion in 2023-24, and so has responded effectively to this external review of its processes.

The Council sought to improve its service delivery, and generate efficiencies, through the procurement of a new software operating system for a wide range of Council services including Planning, Building Control, Housing Improvement, Environmental Health, Licensing, Community Safety, and Land Charges. The original target completion date for implementation of the Agile system was March 2023. The Council experienced delays in the implementation of the system and has revised the target date at several stages. In 2023-24 the Council responded by recruiting a dedicated Business Change Programme Manager to progress the project to completion and requested the Overview and Scrutiny Committee to undertake a Deep Dive on some specific areas of concern within the project. These actions have progressed the project and the system has been implemented for some departments, with expected final completion now set for March 2025. However, the Council would benefit from a retrospective lessons learned review to ensure similar issues are not repeated for future projects.

We have not identified any further weaknesses in arrangements for 2023-24, we acknowledge the positive response to our key recommendations raised in 2022-23. This has resulted in one recommendation being fully addressed and the other in progress, with expected completion in 2024-25. We have identified some improvement recommendations in the newly developed arrangements to support the Council in achieving best practice.

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Executive summary

Overall summary of our Value for Money assessment of the Council's arrangements

Auditors are required to report their commentary on the Council's arrangements under specified criteria and 2023-24 is the fourth year that these arrangement have been in place. The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. A summary of our judgements are set out in the table below.

Criteria	2022-23 Auditor judgement on arrangements		2023-24 Risk assessment	2023-24 Auditor judgement on arrangements		Direction of travel
Financial sustainability	A	No significant weaknesses in arrangements identified but improvement recommendations made.	No significant weaknesses in arrangements identified.	A	No significant weaknesses in arrangements identified but improvement recommendations made.	⟷
Governance	A	No significant weaknesses in arrangements identified but improvement recommendations made.	No significant weaknesses in arrangements identified.	A	No significant weaknesses in arrangements identified but improvement recommendations made.	⟷
Improving economy, efficiency and effectiveness	R	Two significant weaknesses in arrangements identified and two key recommendations made.	Prior year weaknesses identified for follow up in 2023-24.	R	Of the two weaknesses identified in the prior year, one has been addressed and the other remains in progress following actions initiated in the 2024-25 financial year, which are expected to complete by the end of 2024-25. We identified some improvement recommendations also.	↑

G	No significant weaknesses in arrangements identified or improvement recommendation made.
A	No significant weaknesses in arrangements identified, but improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendations made.

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Opinion on the financial statements and use of auditor's powers

Opinion on the financial statements

Audit opinion on the financial statements

We intend to issue an unqualified opinion on the Council's financial statements following the Audit Committee on 13 January 2025.

The full opinion will be included in the Council's Annual Report for 2023-24, which can be obtained from the Council's website.

Grant Thornton provides an independent opinion on whether the Council's financial statements:

- give a true and fair view of the financial position of the Council as at 31 March 2024 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with:

- International Standards on Auditing (UK);
- the Code of Audit Practice (2020) published by the National Audit Office; and
- applicable law.

We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

The Council provided draft accounts in line with the national deadline.

Draft financial statements were of a reasonable standard and supported by detailed working papers.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report will be presented to the Council's Audit Committee on 13 January 2025. Requests for this Audit Findings Report should be directed to the Council.

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Use of auditor's powers

We bring the following matters to your attention:

	2023-24
Statutory recommendations Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly.	We did not make any written recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.
Public Interest Report Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.	We did not issue a public interest report.
Application to the Court Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.	We did not make an application to the Court.
Advisory notice Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority: • is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure, • is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or • is about to enter an item of account, the entry of which is unlawful.	We did not issue any advisory notices.
Judicial review Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.	We did not make an application for judicial review.

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Value for Money
Commentary on arrangements

The current local government landscape

It is within this context that we set out our commentary on the Council's value for money arrangements in 2023-24 and make recommendations where any significant weaknesses or improvement opportunities in arrangements have been identified.

National context

Local government in England remains a challenged sector. In recent years, generationally significant levels of inflation put pressure on councils' general fund revenue and capital expenditure. The associated cost of living crisis drove an increase in demand for council services such as social care and homelessness. At the same time, the crisis impacted adversely on key areas of council income that were needed to service the increase in demand, for example fees and charges and the collection rates for council tax, business rates and rents.

In January 2024, the UK government announced an additional £600 million for local government, but the Spring Budget for 2024 brought little in the way of any further support. Rising costs of delivering services, coupled with workforce shortages in key areas, supply chain fragility, and rising interest rates for servicing debt, brought a level of crisis to the local government sector perhaps never experienced before. Current warning signs of difficulty include:

- Seven councils issuing eleven section 114 notices between 2019 and 2023, compared with two councils issuing notices between 2001 and 2018, with an increasing number of other councils publicly warning of a section 114 risk;
- Twenty councils being with government approval for exceptional financial support during 2024-25, totalling approximately £1.5 billion. Only six of these councils had previously issued a section 114 notice; and
- The Local Government Association warning that councils in England face a funding gap of £4 billion over 2023-24 and 2024-25.

Local government is coming under an increased spotlight in terms of how the sector responds to the financial challenge it faces. Since the start of 2024, the UK government has emphasised the need for increased productivity rather than increased funding. New plans were announced by the Chancellor in March 2024 for public sector productivity to deliver up to £1.8 billion worth of benefits by 2029. Councils were subsequently asked to submit productivity plans, showing how they will improve service performance and reduce wasteful spend.

The general election on 4 July 2024 led to a change in government, and changes to government policy and legislation relating to the sector are emerging at the time of producing this report.

Local context

The Borough of Tonbridge and Malling is one of 12 districts in the County of Kent. Located in West Kent, it covers an area of 92.7 sq miles and serves a population of 132,600 people. The majority of the Borough is rural in nature but is also home to several villages and small towns. The Council's vision and objectives are set out in its Corporate Strategy 2023-2027, these are supported by a series of actions to achieve those objectives as the Council seeks to be an innovative and forward-thinking Council, that leads the people and businesses of the Borough towards a vibrant, prosperous and sustainable future.

The Council has 44 Councillors, representing 19 wards, following the local elections in May 2023. The majority of seats (20) were secured by the Conservative Party at this most recent election.

The Council operates on a system of Cabinet decision-making whereby the Leader and six Cabinet Members are responsible for most day-to-day decisions. The Leader and each Member of the Cabinet have responsibility for particular service areas. Full Council and Cabinet are supported by a number of Committees, with delegated responsibility for specific functions, three Scrutiny Select Committees and the Overview and Scrutiny Committee. These Scrutiny functions provide a forum which gives all Councillors the chance to discuss matters and assist the Cabinet in its decision-making.

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Financial sustainability

We considered how the audited body:	Commentary on arrangements	Assessment
Ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	The Council's revenue position for 2023-24 is a contribution to the Council's General Revenue Reserve of £1.3m which is £0.063m more than anticipated within the revised estimate made prior to the year-end. £1.4m was also contributed to earmarked reserves. The Council continues to demonstrate a strong track record of financial performance, having also outperformed the estimated budget in 2022-23. Members are fully informed of the underlying causes of the position, and the anticipated temporary nature of the predominant causes being increased investment income from high prevailing interest rates and underspent or excess income on salaries and major income streams. The annual budget for 2024-25 is balanced and was approved by Members on 20 February 2024. All savings required to achieve this position are fully identified. As such, the Council continues to demonstrate arrangements are in place to achieve financial sustainability in 2024-25. The 2024-25 quarter 1 financial position is demonstrating a £3,000 reduction to the revenue budget position set at the start of the year, a very minor change equivalent to 0.002% of the budget, suggesting that the estimates made in developing the budget are robust at this stage. The Council has built up reserves over the past five years and at the end of 2023-24 holds earmarked and General Fund reserves of £33.4m. Although the level of reserves required to support future projects, or unforeseen financial challenges, is a matter of judgement for each authority, it is clear that the Council currently maintains a good position with the 2023-24 balances representing 156% of the net revenue expenditure budget. The Medium-Term Financial Plan (MTFP) currently estimates this falling to 90% over the 10-year period. The reduction is due to reserves being used for the specific porpoises they have been set aside, and not a reactive approach to financial risk management, and so the Council is expected to maintain good budgetary control. The overall reserves balance remains substantial. Across the MTFP tranche 2 and 3 savings are yet to be identified, this would total £10m and at this stage should be acknowledged as a budget gap until identified via individual specific plans. This would reduce reserves to £12.8m if in a worst-case scenario they were not identified or delivered, this is still 52% of net revenue expenditure and remains a strong position. We have identified potential over-optimism in the estimated usage of some earmarked reserves and have raised an improvement recommendation on page 18. The Council reduced its cash and cash equivalents holdings from £23m in 2022-23 to £14.2m in 2023-24. Despite the decrease the Council holds 3.2 times more current assets than current liabilities, and therefore is sufficiently liquid. The cash and cash equivalents alone could support 86% of current liabilities. The Treasury Management Strategy, which determines the Council's approach to investments, confirms that investments are derived from cash flow surpluses, core cash balances and other long term cash balances. Thus far in 2024-25 cash flow surpluses have averaged £18m per day. Therefore, suggesting a positive cash inflow position from which the Council has been able to benefit from investing.	**Amber** No significant weaknesses in arrangements identified, but improvement recommendations made

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Financial sustainability

We considered how the audited body:	Commentary on arrangements	Assessment
Plans to bridge its funding gaps and identifies achievable savings	The Council has a well-established Savings and Transformation Strategy, which is multi-year savings programme. The Strategy is updated annually to reflect challenges set out in the MTFP, and ensure it remains relevant to the Council's operating environment. The Strategy identifies savings needed over the long-term and divides these into 'tranches' to enable the Council to exercise budgetary control over several years. When setting the 2023-24 to 2032-33 Strategy in February 2023 the Council had a £1.7m budget gap in the medium-term and aimed to respond via savings as follows: Tranche 1 – £0.5m by April 2025; Tranche 2 – £0.6m by April 2026; and Tranche 3 – £0.6m by April 2028. During 2023-24 £0.195m of the Tranche 1 target was achieved, leaving £0.305m to be achieved by April 2025. As the tranches are in two year 'blocks' there is flexibility to defer savings into the following year, which has been observed for 2024-25. The reason for the deferral is well-understood and due to the need for consultation required for specific income increases. Internal Audit identified the timeliness of referrals to Members of these types of decisions for approval as an area of improvement, the Council is in the process of responding to this recommendation. The Council identified savings schemes for 2024-25 in excess of the £0.305m target. These savings, and those achieved to date, are recurring in nature and have a multi-year benefit, contributing to future financial sustainability. The Council has a pipeline of savings to call upon over and above the target, to maximise delivery or reduce financial pressures in future financial years. Savings are planned over the length of the MTFP, although savings included for 2026-27 and beyond are unidentified and remain a priority for the Council to develop fully drawn up plans. The Council continues to include achievement of its savings target within the Savings and Transformation Strategy as a red-risk on the Strategic Risk Register until such time as options for full delivery of the 'gap' have been identified. The Council's Strategy seeks to achieve savings from a range of opportunities, however we note that in 2023-24 the savings achieved were limited to those in income generation and cost recovery, in-service efficiencies and service changes/reductions. A similar scope is planned for in the medium-term, and therefore there may be opportunity to broaden the scope of future plans, which would be well-supported by learning lessons from savings schemes already delivered. See pages 18-19 for improvement recommendation. Review of the Savings and Transformation Strategy was included in the 2023-24 Internal Audit Plan. The review was completed and received Adequate Assurance with Good Prospects for Improvement, an overall positive rating. The work acknowledges that Management has robust processes in place for identifying and reporting savings to Members and that the Council was successful in achieving a proportion of the Tranche 1 savings. It also acknowledges that £0.305m savings from Tranche 1 have been rolled into 2024-25 suggests that this a medium-risk recommendation, since plans have already been drawn up to achieve this target.	**Amber** No significant weaknesses in arrangements identified, but improvement recommendations made

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Financial sustainability

We considered how the audited body:	Commentary on arrangements	Assessment
Plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The Council has a newly developed and approved Corporate Strategy covering 2023 to 2027. It has four key objectives supported by a series of actions to achieve each, as well as complementary supporting strategies. There is clear focus on savings and transformation, environment and climate, housing and homelessness, digital innovation and partnership working. There is a 5% decrease overall in the net expenditure budget between 2024-25 and 2023-24, resulting in reductions across most Directorates to achieve this. However, the Council continues to prioritise its key objectives by setting aside funds in earmarked reserves, directly aligned to its Corporate Strategy and supporting strategies. The largest contributions in 2024-25 are in relation to reserves for the regeneration of Tonbridge Town Centre (£1.85m) and homelessness reduction (£1.45m). Despite an overall underspent position for 2023-24, the Council experienced overspends in certain services, which have been offset by underspends elsewhere. The most significant of the overspends related to the cost of Temporary Accommodation and Homelessness where expenditure was £0.248m above the revised estimate and was met from the Homelessness Reserve, which was set aside in prior years in anticipation of rising demand. National data and work with external consultants identified that pressures in temporary accommodation relate to supply, unit cost and demand side factors. The Council initially engaged external consultants in October 2021 to undertake a review of temporary accommodation processes at the Council and make recommendations that would reduce the use of this type of accommodation. The recommendations were formulated into an action plan an this resulted in decline in temporary accommodation numbers between March 2021 and March 2023. However, demand rose again in 2023-24 and the Council re-engaged the same consultants to identify further recommendations to improve performance. The results of this work were presented to Members in April 2024 and are expected to be implemented in 2024-25. The 2023-24 and 2024-25 Capital Programme includes limited investment in temporary accommodation. The Council also commissioned Altair Consultants to research and report on sustainable temporary accommodation delivery options, as part of the Local Government Association Housing Advisers Programme, to deliver 40 sustainable temporary accommodation units. This produced several options which were presented to Members in January 2024 and resulted in a Temporary Accommodation Portfolio Action Plan. This seeks to provide accommodation via the modular construction of new homes, private sector leasing, partnership working with registered providers, social lettings agency and re-purposing existing stock. Progress of the action plan is in the early stages with consideration of suitable sites, understanding legal position and due diligence work completed by the end of 2023-24 for the modular build and other options being in the research phase. As this action plan progresses, this is expected to expand the scope of the capital response.	**Green** No significant weaknesses in arrangements identified or improvement recommendation made

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Financial sustainability

We considered how the audited body:	Commentary on arrangements	Assessment
Ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	The Council's Capital Programme outturn was £1.07m against a revised estimate of £2.306m, an underspend of £1.246m. The majority of this slippage was a result of capital renewals (£0.947m) where vehicles, plant and machinery are not replaced until necessary, The slippage is specifically attributed to the delayed replacement of gym equipment at the Council's leisure centre facilities, golf course and swimming pool. The Council worked with Tonbridge Leisure Trust to undertake a review of the equipment required based on post-Covid trends, to avoid a like-for-like replacement programme, instead favouring replacement equipment based on updated requirements. The Council has now placed an order for the required equipment and delivery is expected over the 2024-25 Christmas period, as such, response to the challenges observed has already been actioned. The 2024-25 quarter 1 capital position is yet to show significant improvement, however this is due to the timing of the equipment replacement being planned for quarter 3 of 2024-25, a conscious decision to avoid the busy summer period for these facilities. The Council expects an improved position at the end of 2024-25 and we will review outcomes in 2024-25 to determine of the Council's actions were successful in reducing capital slippage.	**Green** No significant weaknesses in arrangements identified or improvement recommendation made
Identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans	The Council identified the risk of not being able to balance the budget, a legal requirement, as a red-rated risk on the Strategic Risk Register until January 2024. Following a review of the risk register, with support from external consultants in analysing risk management arrangements, the risk was downgraded to an amber rating. This appropriately reflects the financial environment at the Council, having achieved an underspend in 2023-24 and setting a balanced MTFP. The delivery of the Savings and Transformation Strategy remains categorised as red-rated on the Strategic Risk Register, emphasising the importance of developing plans for unidentified savings balancing the MTFP from 2026-27 onwards. These risks are supported by a comprehensive list of mitigating actions and allocated to a responsible officer to ensure progress can be effectively monitored. Within the budget setting information, the Council identifies an extensive list of operational and financial risks, covering a wide range of supply, demand, income, and expenditure risks. We have identified the opportunity to review the risks for completeness and to ensure that Members are provided with sufficient detail to support their decision making, in light of these potential risks and have raised an improvement recommendation on page 19. Detailed estimates developed to inform the budget setting process are formulated by Finance in conjunction with individual services, taking into account past outturn, current spending plans, and future demand levels/pressures. This extensive analysis is not directly presented to Members so as not to overwhelm them with information, instead presenting the most likely scenario. There is potential to explore providing more analysis to Members and this is explored further as part of our improvement recommendation.	**Amber** No significant weaknesses in arrangements identified, but improvement recommendations made

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Financial sustainability

Areas for improvement

Review of Reserves Assumptions

The Council prepares a Reserves Analysis as part of the budget setting process, this presents Members with details of actual and forecast reserves from 2019-20 to 2033-34. It draws particular attention to specific earmarked reserves for future expenditure on Tonbridge Town Centre, Climate Change, Homelessness Accommodation and Transformation. The forecast demonstrates that these reserves will be held at a constant value for the length of the MTFP, suggesting they will remain unused. Our work has identified several plans, strategies and financial pressures in these areas and therefore would suggests future expenditure may be required o support them. As such, it would be reasonable to expect these reserves to be required and there appears to be potential over-optimism in the reserves forecast. The Reserves Analysis would benefit from review to ensure Members have reliable information with which to base their decisions. The reserves position is strong and therefore does provide some headroom, should revised estimates require use of reserves in the future for these specific purposes.

Improvement recommendation 1: The Council should review and update their reserves forecast in the MTFP to address any potential over-optimism in its assumptions.

Review of Savings Strategy – diversification and post implementation reviews

Savings identified and delivered in 2023-24 were limited to schemes focused on income generation and cost recovery, in-service efficiencies and service changes/reductions. The scope of savings in the MTFP continues to be more heavily weighted towards these areas, with £1m of the £1.7m target. The Council's Strategy also allows for savings to be delivered from other sources such as contracts, organisation structure changes, partnership funding and asset management. There is opportunity to diversify the savings portfolio in the medium-term, towards these more transformational sources.

The Council developed, and built up, a Transformation Reserve which is earmarked for investment in these types of savings schemes. The 2024-25 budget includes a net contribution of £0.468m to this reserve to provides resources for the Council to invest in transformation schemes in future years and broaden the scope of the Savings Programme.

Discussions with Officers confirm that, following a change of Chief Executive in July 2024, it is expected that the Savings and Transformation Strategy will be reviewed and refocussed as part of the budget preparations for 2025-26.

Transformational projects are different in nature from the current savings schemes in place, they tend to be multi-year schemes requiring close management and monitoring due to their larger scale and relative complexity. It is commonplace for such schemes to be managed by a central or departmental Programme Management Office (PMO), although it is acknowledged that employing a specific and permanent officer to deliver this role can be costly and cost should be balanced with benefit. The aim of the PMO is to ensure there are strong governance foundations for managing, monitoring and reporting on key aspects of such projects is vital in ensuring successful delivery. The Council confirmed that, following the outcome of the anticipated review of the Strategy, adopting a PMO methodology may be considered, as opposed to employing a permanent PMO, which is not considered realistic by officers in terms of cost vs benefit.

We raised an improvement recommendation in relation to savings in our 2022-23 work, for which a detailed response is provided on page 45. We acknowledge the progress that has been made in 2023-24 and consider it to be superseded by this recommendation focussing on diversification.

Post implementation reviews of savings schemes that have, both delivered as expected and under delivered, are useful tools in identifying success factors to maximise delivery in future projects, or for learning lessons and identifying improvement points, ensuring any issues are not replicated across the programme. We enquired as to whether such reviews take place.

Financial sustainability

Whilst no formal reviews of the savings achieved have taken place, there was an informal overview by Finance which highlighted key trends. This identified that the largest savings were in relation to special expenses and transfer of services to the Leisure Trust. As the Strategy develops it may be beneficial to formalise such reviews to expand knowledge and apply lesson learned to future schemes.

Improvement recommendation 2: The Council should review and broaden the scope of its Savings and Transformation Strategy to take advantage of transformation opportunities, with the aim of maximising future savings potential. To ensure that underlying governance arrangements are robust in supporting these types of projects the Council would benefit from formalising post-implementation reviews of savings schemes already delivered and considering using a Programme Management Office methodology to delivering schemes.

Budget Risks and Analysis

Within budget setting information, the Council identifies an extensive list of operational and financial risks, covering a wide range of supply, demand, income, and expenditure risks. The majority of risks considered are within expectation, appropriately reflecting sector-wide issues and issues specific to the nature of the Council's services. One exception noted was lack of consideration of the risk associated with the uncertainties around the General Election. This had not taken place at the time the budget was set, but was expected, and the uncertainty around a change of leadership and government policy has the potential to directly impact Council finances. In addition, the risks identified are provided to Members as a list, but Members received limited additional information on the likelihood, potential financial impact and mitigating actions within the budget itself. This would be of benefit to Members when making financial decisions.

Discussion with officers confirms that, in formulating the budget estimates and risks, Finance works closely with services to undertake detailed analysis considering sensitivities, trends and different scenarios that could occur depending on changes to key assumptions in the budget and MTFP. The most likely scenario is presented to Members but the detailed narrative in the budget setting information makes it clear that this supporting analysis has taken place to arrive at the budget. In later years of the MTFP there are savings included that are not yet identified, and reserves use may be required in 2027-28 and 2028-29 to balance the budget. This demonstrates that pressure is inherent in medium-term plans and therefore the plan is sensitive to changes in income and expenditure assumptions. Members may benefit from further information, at a high-level, of the potential optimistic and pessimistic scenarios they may be faced with. Our understanding is that this data is already collated and analysed, as such the recommendation is increasing awareness of Members to this information, in a summarised format within the existing MTFP, so as not to require further appendices or data within reports to Members.

Improvement recommendation 3: The Council should review and update their budget setting process to ensure that a complete set of risks is identified, and that information to provide context to those risks is provided and Members are made aware of possible medium-term scenarios the Council may face.

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We considered how the Audited Body:	Commentary on arrangements	Assessment
Monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	In response to recommendations from both External and Internal Audit reviews the Council engaged external consultants, Zurich Risk Management, to carry out a review of the Risk Management Strategy and Strategic Risk Register and suggest updates to existing processes to ensure they remain robust, fit for purpose and reflect best practice. The results of the review were presented to Audit Committee Members in January 2024. Improvement identified from this work included defining risk appetite levels, clarifying roles and responsibilities and exploring the possibility of including risk management as an integrated part of other strategies. The findings were formulated into an action plan, with most actions due for completion by January 2025. The Director of Finance and Transformation is designated as the Officer Risk Champion, supported by the Chair of the Audit Committee as the Member Risk Champion. They have assumed responsibility for holding officers to account for completion of the recommendations. The Audit Committee received an update on progress against the action plan in September 2024, progress was noted against each point. Two recommendations were due for completion in November 2024, the training required to respond to these recommendations was delivered in October 2024. As such, we have observed transparency, accountability and responsiveness being evidenced in the process. As part of the Zurich work officers undertook a wholesale review of the risks, and scoring of risks, within their Strategic Risk Register, to ensure they remain appropriate. This resulted in several changes including downward movement in a number of risk scores and a reduction in the number of red-rated risks. The number and type of risks remains within our expectation for a Council of this size, the nature of operations and to ensure effective discussion of risks. It is clear that the Council has not treated this review as a one-off exercise and iterative changes have been made since, to ensure the register can continue to reliably inform decisions. The Council continues to be effectively supported by its Internal Audit service, which provides sufficiently regular updates to the Audit Committee. The Audit Committee's review of Internal Audit for 2023-24 was positive in its findings, this is supported by a client satisfaction score of the service of 100% against a target set by the service of 90%. Internal Audit completed 93% of the audit plan against a target of 90%. In addition, Internal Audit's self-assessment of its compliance with Public Sector Internal Audit Standards received the highest available rating of 'generally conforms'. The overall Internal Audit opinion for the Council for 2023-24 was positive, receiving an overall rating of 'substantial assurance'. Recommendations were raised in-year, at year end 88% were implemented, nearing completion or in progress, with the Council responding at an adequate pace, and continues to take these forward in 2024-25. There was a focus on prioritising high priority recommendations, and all but one of these was addressed by year-end.	**Green** No significant weaknesses in arrangements identified or improvement recommendation made

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Governance

We considered how the Audited Body:	Commentary on arrangements	Assessment
Approaches and carries out its annual budget setting process	The budget setting process remained consistent with the prior year, where no issues were identified, remaining robust. It is a well-understood and collaborative process, which includes effective input and scrutiny from Heads of Service, Service Managers, Finance, Overview and Scrutiny Committee and Cabinet Members at several stages throughout the year. The estimates are based in data analysis and a full suite of information is provided to Members to aid their decision-making, via a series of appendices to the budget. The Council is proactive in seeking iterative improvements to the budget setting process, to ensure that it is adaptable and continues to be effective in achieving financial sustainability. Finance and Members are in regular communication, this has led to considerations of involving Scrutiny Select Committees in evaluating savings proposals and implementing a 'Star Chambers' process to support the 2025-26 budget and beyond. The budget and Medium-Term Financial Plan (MTFP) inform each other and are updated simultaneously each year. The MTFP is planned for over a long-term planning horizon of 10 years, as opposed to a more traditional 3-5 year timeframe. By the nature of this timeframe more uncertainty is present in later years of the MTFP, which Members should be mindful of in their decision-making. The Council updates estimates annually to ensure new information is taken into account and uncertainties mitigated as far as is possible. The Council also has a policy, and track record since 2019-20, of building reserves to respond to future uncertainties. The Council has not undertaken a dedicated budget consultation with the public for some time, this is a conscious decision, as the Council is confident in the robustness of its budget process. There is a significant level of internal stakeholder engagement on the budget and there has been public consultation on the Corporate Strategy 2023-27, which determines the Council objectives that ultimately underpin the budget. There is no legal requirement to consult widely on the budget, and so, although there is a benefit to gaining resident's views, current arrangements are appropriate.	**Green** No significant weaknesses in arrangements identified or improvement recommendation made

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We considered how the Audited Body:	Commentary on arrangements	Assessment
Ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	Members monitor the Council's financial performance via Financial Planning and Control Reports. In 2023-24 they received these reports in early July 2023 and October 2023 for the position at the end of May 2023 and August 2023, respectively. The year end-outturn position was then presented in July 2024. To ensure that Members are receiving sufficiently regular and relevant information with which to reliably base their financial decision we would expect at least quarterly monitoring of the financial position, and information to be presented within 1-2 months of the period under review. Although the time-lag in information is acceptable the Cabinet did not received information for every quarter in 2023-24, with no financial reporting received for the period between August 2023 and March 2024. Therefore, should actions need to be taken to respond to emerging financial risks, Members are not provided with the opportunity to do so in a timely manner. An improvement recommendation has not been made as the year end outturn position was positive, and so limited evidence of emerging risks requiring a response. In addition, officers acknowledged the need for quarterly monitoring and have begun to action this for 2024-25, reporting quarterly to Cabinet and the Finance and Regeneration Scrutiny Select Committee. The format of the Financial Planning and Control reports remains consistent with prior years, it focusses on presenting performance across key revenue budget areas (salaries, key income streams, investment income, Member decisions, services with overspends over £5,000 and investment income). However, it does not analyse the budget on a line-by-line basis, instead focussing Member attention and discussion in these areas and balancing the capacity of the finance team with the need to provide information in a timely manner. The overall financial position of the Council is well-managed, as such the reporting reflects the level of financial risk. Should the financial risk profile of the Council increase, officers should be adaptable in their reporting. We have identified an area for improvement in the current reporting format, that we feel would be beneficial to Members' understanding of Council-wide performance, we provided details on page 24.	**Amber** No significant weaknesses in arrangements identified, but improvement recommendations made
Ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	Member decisions are clearly and transparently presented at each Committee, including Cabinet. Reporting of decisions is both retrospective and forward-looking. Cabinet receives a Notice of Forthcoming Key Decisions. This informs Members of key decisions ahead of time and provides the opportunity to research, gather information, ask questions of officers or request additional information ahead of the decision to ensure they are fully informed when the decision is required. Links to relevant reports are also included to aid this process. This contributes to a robust and transparent decision-making culture. Members are supported in their decision-making by three Scrutiny Select Committees which were established in May 2022 and introduced to scrutinise decisions made by the Cabinet and Cabinet Members, and to hold the executive to account. These committees were consulted in-year on several policies and key decisions such as procurements,	**Amber** No significant weaknesses in arrangements identified, but improvement recommendations made

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We considered how the Audited Body:	Commentary on arrangements	Assessment
Ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee (continued)	budget and financial monitoring, non-financial performance and key policies such as the Corporate Strategy. Cabinet observes and discusses the Scrutiny Select Committee, and Overview and Scrutiny Committee recommendations within their decision-making, to assist in effectively fulfilling their purpose. The Council has a readily accessible, easy to understand and up to date Code of Conduct for Members and Officers. This includes clear policies for gifts and hospitality and declarations of interest, with the aim of avoiding conflicts of interest in decision-making. Declarations of interest are requested and made at the start of each Committee and Cabinet meeting as required, a public register of interests is also maintained for each Member. In reviewing these publicly available declarations and liaising with the Director of Central Services we have identified an opportunity to increase transparency in this area. We raise a minor improvement recommendation and further details are provided on page 24. The Audit Committee received the Council's annual review of its arrangements against the Local Code of Corporate Governance in July 2024, a detailed response was provided to each requirement and no gaps in assurances were noted. This is a positive reflection of the Council's governance arrangements.	
Monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour and where it procures and commissions services	The Council established a Joint Standards Committee, which also includes all Parish Councils within the Borough. The Standards Committee deals with Councillors' standards and behaviour. It advises on a Local Code of Conduct, hears cases on potential breaches, grants dispensations in certain circumstances and hears complaints that have been referred by the Monitoring Officer. The latest reporting on complaints shows that between August 2023 and July 2024 there were six complaints raised related to the Council and various parishes. This is not deemed to be excessive in context of the size of the Council (44 individual Members) and the number of bodies being monitored (the Council plus 27 Parishes). Four of the six complaints did not pass the legal tests, were rejected or no breach found when investigated. A further two complaints resulted in actions, which were minor in nature such as issuing an apology. Members are kept well informed of issues as they arise as detailed investigations are presented to the Committee for consideration as required, following input from the Independent Person and Standards Panel. The Committee also receives an annual summary of complaints performance.	**Green** No significant weaknesses in arrangements identified or improvement recommendation made

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Governance

Areas for improvement

Budget monitoring forecasting

Within Financial Planning and Control reporting Members are provided with information confirming the full year Council-wide budget, including any revisions. However, more detailed information of profiled budget, actual performance and service level breakdowns focus on specific key areas of the budget. This focusses on the performance against budget for the year-to-date and does not seek to forecast the impact of the in-year position on the year-end outturn position. There is also limited narrative explaining the reasons for any areas of overspend. Overall, the Council's financial performance, overall and by focus area, is positive, however there are areas of overspend at service level which are not explained. Members would benefit from this information to allow them to understand the impact of in-year pressures, if unmitigated, on the year-end financial position and allow them to take appropriate mitigating actions as required. The outturn report, from July 2024, does provide a whole Council view, a detailed appendix at whole Council level and detailed narrative on causes of variances. As such, this provides a useful template for any adaptations to the in-year reporting.

Improvement recommendation 4: The Council should include a year-end forecast and explanations of service level overspends within the Financial Planning and Control budget monitoring reports.

Declarations of interest reporting

We identified examples of Member declarations of interest published online that were several years old, in some cases by 10-12 years. Further investigation highlighted that the information was not in fact outdated, and the underlying process to obtain declarations was robust, however the process was unclear, leading to potential misinterpretation of the reliability of the data. Councillors are required to provide the Director of Central Services with a completed Notification of Disclosable Pecuniary Interests within 28 days of their election, for all newly elected Councillors in May 2023 this has taken place. However, Councillors who are re-elected are not required to do so unless they have new interests not already declared on existing declarations. To ensure that all re-elected Borough Councillors check the accuracy of their previous declarations they are provided with a copy of the most recently submitted declaration, required to review for accuracy and inform Central services of any updates, which are made available online as required. Central Services has confirmed that for 2023-24 all declarations are up to date, following this process. However, the public would be more reliably informed of the integrity of the information if this process was outlined alongside the declarations, if currently dated declarations are published or if a statement confirming no changes to declarations are made for past-dated information.

Improvement recommendation 5: The Council should ensure that past-date declarations of interest are updated for the current year or by way of a statement of confirmation no change, to ensure the public is assured of their reliability.

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We considered how the audited body:	Commentary on arrangements	Assessment
Uses financial and performance information to assess performance to identify areas for improvement	The Corporate Strategy 2023-2027 was adopted in July 2023. It sets out the Council's vision, priorities and the outcomes to be achieved by 2027. It is supported by an Action Plan, updated annually, which provides detail on the key projects that the Council aims to implement to achieve its priorities. Success of these projects is measured by a newly developed set of 55 key performance indicators (KPIs), each linked to an action within the Plan, and so directly linked to the Strategy objectives via this mechanism, and assigned to a Scrutiny Select Committee for Member oversight of performance. Cabinet is updated on the progress of the action plan annually and performance against the KPIs quarterly. This is sufficiently regular for Members and officers to take actions in a timely manner. Members have demonstrated a good level of engagement with the new performance monitoring process, evidenced by discussion of individual KPIs and trends observed. Of the 30 projects in the 2023-24 Action Plan - two are green-rated and therefore complete. 27 amber-rated projects are in progress, and one has a status to be determined. As such there is clear momentum in delivering objectives. The 2024-25 Action Plan is developed and incorporates a number of the ongoing actions from 2023-24 to ensure these are monitored until delivered in full, alongside 2024-25 priorities. The quarter 4 KPI Report shows that only one metric was red-rated across the entire year, this is the '% Handled Rate (Customer Services)', the target is 93% and the Council had an average of 85.25% over the year, performance declined from 88% at the start of year to 82% at the end of the year. The causal factors, and specific actions to respond to these, are clearly set out in the reporting. We identified the need for significant improvements within the Performance Management Framework as part of our 2022-23 work, leading to the raising of a Key Recommendation, reflecting the weakness observed. The improvements made, specifically the development and regular monitoring of KPIs have effectively responded to the weakness identified and we believe the Key Recommendation to have been responded to in full. Full details of the prior year recommendation and response to each element of our findings can be found on pages 41- 42. The KPI reporting, although established, is an evolving process and the Council seeks to make iterative improvements as the framework embeds. We have identified an improvement recommendation on page 30, to aid with this process. Whilst management acknowledges the current framework will need to be continually refined over the coming months, an Internal Audit review of the new framework was carried out in February 2024 to provide initial assurances on effectiveness, allowing the Council to be proactive in making changes that may be required. The work concluded that the framework offered 'substantial' assurance with very good prospects for improvement, a positive result reflecting positive arrangements and strong foundations in place to support further improvement opportunities.	**Amber** No significant weaknesses in arrangements identified, but improvement recommendations made

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We considered how the audited body:	Commentary on arrangements	Assessment
evaluates the services it provides to assess performance and identify areas for improvement	The Council received a Local Government Association Peer Review, and initial follow up, in 2022. Six months after the review the Peer Review Team was pleased to see evidence of progress against their recommendations, of the 10 recommendations 3 were green-rated and complete, and the remainder were amber-rated as in progress. The Council's Action Plan, put in place to respond to the findings, has continued to be monitored internally. The latest formal review of the Plan was January 2023, by which point six recommendations were rated green and the rest in progress. The Council has progressed these to completion in 2023-24, and so has responded effectively to this external review of its processes. The Council also demonstrated an appropriate pace of response to improvements identified by Internal and External Audit work. Our follow up of prior year recommendations notes progress across each recommendation, many having been fully addressed. 42 Internal Audit recommendations were due during 2023-24, of which 43% have been fully implemented and further 45% in progress or simply awaiting evidence to be provided to Internal Audit to close them. The Council sought to improve its service delivery, and generate efficiencies, through the procurement of a new software operating system for a wide range of Council services including Planning, Building Control, Housing Improvement, Environmental Health, Licensing, Community Safety, and Land Charges. The initial procurement of the Agile system was approved by Members in March 2022, and the contract signed in May 2022, with an original target completion date of March 2023. This target date was not achieved, and the Council amended the target date on multiple occasions and has progressed some elements of the project more than others. The project is now expected to be delivered in full in 2024-25, following actions taken by the Council to respond to the slippage observed. We believe that the Council would benefit from undertaking a detailed retrospective review of the project, reporting lessons learned to officers and Members, and applying these to future significant projects to avoid similar issues. Further context and our improvement recommendation can be found on page 31. The Agile project is appropriately identified as a red-risk on the Council's Strategic Risk Register. This level of risk has been identified based on the challenges with service delivery in departments where implementation has recently taken place, the fact that some modules are yet to be implemented, and that there are still a number of project milestones to meet. We would expect the project to remain a risk until completed to ensure it is monitored sufficiently closely.	**Amber** No significant weaknesses in arrangements identified, but improvement recommendations made

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We considered how the audited body:	Commentary on arrangements	Assessment
Ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives	The November 2022 follow up of the LGA Peer Review recommendations noted that engagement and co-development of the Corporate Strategy was limited, particularly at the outset and stakeholder engagement could be improved. The updated Corporate Strategy 2023-27 did undergo community consultation prior to its approval in July 2023 and responds directly to the requirements of the LGA Review. The supporting KPIs and monitoring have gone through extensive internal scrutiny, prior to their approval. As such, we feel stakeholder engagement concerns in respect of objectives and performance have been effectively addressed. The Council continues to have a dedicated Consultations area of the public website. This shows that there were 10 consultation exercises in 2022, increasing to 12 in 2023, and is at 8 to date for 2024. The Council averages around a one per month rate of consultation, which is deemed appropriate for a small district council, where there is a need to balance the benefit of the insight gained with the cost of the consultation process. The consultations undertaken cover a range of services, whilst also linking to key elements of the budget, policies or objectives in the Corporate Plan. Significant internal engagement takes place on key decisions and policy development, involving the Senior Management Team, Management Team, Overview and Scrutiny Committee, Scrutiny Select Committees and Cabinet. Their involvement has been observed in relation to the Corporate Plan, KPIs and budget information where each of these groups has received information, informally and formally, before a decision is reached. internal stakeholders are brought together on specific topics or areas of interest as required and one example is a held a Management Team/Cabinet Development Day which took place in November 2023. A number of actions were agreed under the theme of transformation, which are now being incorporated into the 2025-26 budget setting process.	**Green** No significant weaknesses in arrangements identified or improvement recommendation made
Commissions or procures services, assessing whether it is realising the expected benefits	**Procurement:** We raised a multi-part Key Recommendation in relation to procurement arrangements in 2022-23. The Council has an existing internal Officer Study Group which brings together services, legal and finance. Previously the group focussed on discussing specific procurements but the Council had no central team or officer, leading on Council-wide procurement. Following our recommendations, the Director of Street Scene, Leisure and Technical of as member of Management Team, now chairs this Group and is leading on progress the recommendations. The Group meets every 6-8 weeks, discussion ensures that specific actions are assigned to individuals and followed up as the first agenda item at each meeting to achieve accountability. A vital action to the recommendation response was the decision to join the Mid-Kent Procurement Partnership on a two-year basis. This route was selected as the preferred option, following detailed appraisal, over in-house provision	**Red** Significant weaknesses in arrangements identified in the prior year not yet fully addressed, and improvement recommendations made.

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We considered how the audited body:	Commentary on arrangements	Assessment
Commissions or procures services, assessing whether it is realising the expected benefits (continued)	due to advantage of gaining an already established, knowledgeable and expert team with readily available training, templates, strategies and policies who already support similar councils. The Partnership began to provide services to the Council from 1 May 2024, and work has included drafting a new Procurement Strategy. The outdated Procurement Strategy in place at the Council, from 2017, formed part of our 2022-23 Key Recommendation. The draft Strategy has been provided to the Council and is currently being reviewed through the internal governance structures, it is expected to be finalised in 2024-25. At present the Council has not formally updated its internal governance arrangements in relation to Procurement. The Council intends to develop these arrangements following finalisation of the Procurement Strategy. Assurances on the effectiveness of the arrangements, as they evolve, would be beneficial for the Council to obtain to inform any further improvements that may be required. We have identified this as an area of priority and raised an improvement recommendation for 2023-24 to be addressed alongside completion of the prior year Key Recommendation, further details are on page 31. The Partnership has begun to deliver a first round of training, which has been well-attended and well-received by Council staff. Further training is expected to be rolled out to remaining relevant staff and on other topics, including bribery and fraud. Our full response the prior year recommendation is on page 43-44. We acknowledge the positive progress that the Council has made in responding to the recommendation during 2023-24, however given the timing of the response, and the need for some of the actions to fully complete, the weakness remains applicable to the 2023-24 year and will be reviewed again in 2024-25. When procuring services the Council is able to use tender waivers, where contracts are awarded outside of the Council's existing processes or thresholds as set out in the Procurement Rules. We expect there to be a robust and transparent scrutiny, approval and reporting process in place to reduce the risks associated with this process, ensuring Members have oversight of the use of waivers. Discussions with officers has identified that the Council's processes in this area are more informal in nature than we might expect and we have identified an improvement recommendation on page 31.	

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We considered how the audited body:	Commentary on arrangements	Assessment
Commissions or procures services, assessing whether it is realising the expected benefits (continued)	**Contract management:** The Council manages several contracts entered into to deliver its services. Three are considered significant in terms of their value, level of services delivered and length of the contract. These are the contracts for management of the Council's leisure facilities, grounds maintenance and waste services. Responsibility for each of these contracts sits with the Director of Street Scene, Leisure and Technical, and the day-to-day management of these contracts is the responsibility of this department Each contract includes a series of specific KPIs which are expected to be reported on to the relevant Scrutiny Committee and Management Team, but we have observed this to be inconsistent and could be improved, further details on page 32. In addition, the newly developed Council-wide framework and KPI reporting includes metrics relevant to these services, ensuring significant contracts are effectively captured and monitored via this route. No significant performance issues were highlighted at the latest report to the Communities and Environment Scrutiny Select Committee in September 2024 for the waste contract. Likewise, the latest KPI reporting in relation to the leisure contract for quarter 4 of 2023-24 was also largely positive. A target of 75% score on the associated Balanced Scorecard is set for this contract as, when reached, this suggests that the overall health of the business is strong. The Leisure Trust delivering the contract achieved an overall score for 2023-24 of 74.5%, just 0.5% below target however we note that the Trust took actions within the year to improve with quarter 4 alone being 81.1%. It was the strongest quarter of the year being a 15.1% higher score than quarters 1 and 2 and demonstrating improving performance across all perspectives within the scorecard. It is clear that the Trust identified and successfully addressed declining performance earlier in the year and that the performance management mechanisms in place were effective in their aims to monitor, hold the Trust to account and effect improvement. In 2023-24 and 2024-25 to date, all three of these contracts were reviewed by Internal Audit for the effectiveness of the Council's contract management arrangements. Each review was positive in its assurances (ratings of Substantial Assurance for the Leisure Trust Contract and Adequate for Waste and Grounds Maintenance). Improvements were noted however where this was the case strong foundations were observed by Internal Audit that provide good prospects for making the improvements. Management accepted all recommendations and developed an action plan to respond with short timescales, demonstrating a desire to make the improvements identified, in some cases the actions were completed by the time the report was finalised.	

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Areas for improvement

Completeness of benchmarking information

The newly established KPI report to Members includes all the elements we would expect such a report to include to achieve transparency, accountability and provide Members with a full suite of information to inform their decision-making. Notably, this includes assignment of each metric to a responsible officer, RAG rating, trend/direction of travel, a target, benchmarking, link to objectives and comments on the reasons for underperformance against target. In reports during 2023-24 the majority of benchmarking data is yet to be included, instead stated to be 'TBC'. The Council could improve completeness of the benchmarking data. In addition, there are several KPIs where either the data has not been made available or the data has been made available but is currently not meaningful. Officers maintain a spreadsheet which collates the performance information, and drives the KPI reporting, and the expectation is that this will form part of the reporting going forwards.

Improvement recommendation 6: The Council should prioritise the continued development of its KPI reporting to ensure that data is complete.

Agile Project – lessons learned

The Agile system, following approval in March 2022, was due to commence in July 2022 and implemented in full by March 2023. Delivering an annual saving of circa £50,000, compared to the current software platform, from 2023-24. The project would support several Council services including Planning, Building Control, Housing Improvement, Environmental Health, Licensing, Community Safety, and Land Charges. The project experienced delays and this resulted in the target implementation date being revised to January 2023 and the project split into two distinct programmes of work, APAS and PLACIS, prioritising APAS initially. Further delays have occurred, resulting in several revisions to the delivery date.

As a result of the continued slippage the Council requested that their Overview and Scrutiny Committee review the project and report its findings to Members in April 2024, while the project was still in progress. The review focussed on specific lines of enquiry such as communications with Members on the implementation, budget, timescales and learning from other authority users of the system.

Ongoing review of the project, prior to the Overview and Scrutiny Committee Deep Dive, led the Council to take corrective action with the aim of getting the project back on track. Since May 2023, the Council has employed a contract Business Change Project Manager to provide internal project management for the implementation, which was not part of the original project scope. The Manager implemented a range of governance arrangements including communications with relevant internal stakeholders, regular project updates, project risk registers, delivery plans utilising project management software and manages a workstream focused on embedding Agile into the various teams to ensure it can be successfully managed in 'business as usual'. The Manager's contract has recently been extended to ensure they can support the project to completion, now planned for March 2025.

The Project Management support is considered a reactive response, not included in the original project scope. This suggests that processes to develop the initial project scope may not have been robust enough to identify the need for this support from the outset. The Council may wish to undertake a lessons learned exercise from this project and apply to other significant projects, specifically to ensure that the need for a specific project manager or central PMO is considered at the scoping stage.

Improvement recommendation 7: The Council should undertake a retrospective, post-implementation review of the Agile Project to learn lessons for application to future projects to maximise success, minimise delays and ensure consideration of a PMO/project management support is undertaken in the initial stages of project scoping.

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Procurement partnership governance arrangements

At present the Council has not updated its internal governance arrangements in relation to Procurement, however there is an informal mechanism by which the Council communicates with the Partnership in place. The Partnership Manager at Mid-Kent Partnership reports to the Director of Street Scene, Leisure and Technical as Chair of the internal Officer Study Group with internal procurement oversight. Once the Procurement Strategy is finalised the Council intends to determine where in its internal structure responsibility for the Procurement Contract will sit and this will determine reporting lines for the Partnership, including the relevant Director and Scrutiny Select Committee.

Performance monitoring of the contract with the Partnership is intended to be undertaken via Officer Study Group. However, this is subject to change depending on the reporting lines agreed following completion of the Strategy. It is clear that arrangements are evolving and the situation is dynamic. We expect arrangements to be formalised and permanent when we review arrangements in 2024-25 and we suggest that the Council prioritises this to ensure a more formal process of performance review and KPI monitoring of the partnership for transparency and accountability.

As the Partnership arrangement is newly-established, it is related to an area of risk highlighted in our prior year work, and internal governance arrangements to monitor performance of the Partnership are developing, the Council would benefit from an Internal Audit review of these arrangements. The review would provide officers and Members with assurances on the effectiveness of arrangements. This will also allow the Council to act promptly should improvements be identified, while arrangements are embedding to ensure they develop effectively.

Improvement recommendation 8: The Council should prioritise the formalisation of the governance arrangements to monitor the effectiveness of the Procurement Partnership, supported by an Internal Audit review of arrangements.

Tender waiver process

The Council has a process in place for the approval of tender waivers, however this is more informal in nature, and lacks the transparency we would deem appropriate based on the risks associated with awarding contracts outside of due process. Requests for waivers are sent to the relevant Head of Paid Service, Chief Executive, Monitoring Officer and the Section 151 Officer via email, seeking approval for the waiver to be used. Details of the reason for the waiver, nature of the contract, costs and other relevant information is reviewed and approval granted as appropriate by three statutory officers as a minimum. The entire process is undertaken, and evidenced, via an email trail with no formal reporting or oversight by Members.

Formalising and strengthening these arrangements should be a priority to achieve transparency and effective oversight. It is our understanding that the Council plans to work with its Procurement Partnership to review and update arrangements and has initiated these discussions. Updated arrangements are expected to include the use of standardised waiver request templates, central management of the information for all Council waivers, and regular reporting to the Audit Committee.

Improvement recommendation 9: The Council should establish formal processes for the requesting, approving, reporting and oversight of tender waivers.

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Improving economy, efficiency and effectiveness

Consistency of KPI reporting to Members

It is expected that the Communities and Environment Scrutiny Select Committee receives performance reporting against agreed KPIs, sufficiently regularly for the Council's key contracts, to be able to monitor performance and hold officers and contractors to account as required. During 2023-24 Members received performance reporting for the waste contract at the June and September 2023 Committee meetings, as such there is a programme of 6-monthly review, with a 2-3 month lag in the information being presented. The September 2024 meeting was cancelled and so Members have not had sight of performance beyond July 2024. No significant concerns were raised in the previous reporting, and metrics related to the waste contract are included in the regular Council-wide KPI reporting which does provide some assurances in lieu of this information.

Regular communication takes place between the Council and the Leisure Trust, these are informal in nature and are expected to be supported by formal quarterly reporting to the Scrutiny Select Committee. The latest performance report taken to the Committee was July 2023 for performance during the period January to March 2023. However, we were able to obtain the January to March 2024 report directly from officers. As such the in formation has been provided and reviewed, but not formally by Members.

There is no KPI reporting on the grounds maintenance contract observed at the Committee or obtained from officers. However, the Council has considered performance as part of the Grounds Maintenance Contract Procurement, which included the incumbent provider, who were ultimately reappointed. Given a new contract is in place from January 2025 this provides opportunity for the Council to establish performance monitoring and reporting arrangements for this contract.

It is clear that the Council could make improvements to ensure that it upholds and consistent and regular schedule of performance monitoring of its key contracts by Members.

Improvement recommendation 10: The Council should ensure it establishes, or maintains, a consistent and regular schedule of performance monitoring of its key contracts for leisure, waste and grounds maintenance by Members, via its Scrutiny Select Committee structure.

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Value for Money Recommendations raised in 2023-24

Recommendations raised in 2023-24

	Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR1	The Council should review and update their reserves forecast in the MTFP to address any potential over-optimism in its assumptions.	Improvement	Financial sustainability	2024-25 Budget and MTFP	Reserves are a key mechanism by which the Council responds to future financial risk, and so their accuracy is important in achieving future financial sustainability.	Action: A full review of earmarked reserves and a forecast of spend will be undertaken following the setting of the 2025/26 budget in February 2025, and presented to Cabinet by November 2025. For future forecasts of MTFS, profile of spend within reserves will be included. Responsible Officer: Sharon Shelton, Director of Finance & Transformation Executive Lead: Kim Tanner, Cabinet Member for Finance and Housing Due date November 2025

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

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Recommendations raised in 2023-24

	Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
R2	The Council should review and broaden the scope of its Savings and Transformation Strategy to take advantage of transformation opportunities, with the aim of maximising future savings potential. To ensure that underlying governance arrangements are robust in supporting these types of projects the Council would benefit from formalising post-implementation reviews of savings schemes already delivered and considering using a Programme Management Office methodology to delivering schemes.	Improvement	Financial sustainability	2024-25 Budget MTFP – Savings Plans 2023-24 Outturn 2024-25 Budget Monitoring to date Discussions with Director of Central Services and Finance	Savings are vital in protecting reserves, closing budget gaps and ultimately achieving financial sustainability in the medium-term. Strong governance is key to maximising savings identification and delivery.	Action: A full review of the scope of the Savings and Transformation Strategy will be undertaken following the setting of the Budget in February 2025. Consideration will be given to implementing a template for Services to review and regularly report back to Members on the savings they deliver. It is not felt that the establishment of a Programme Management Office is feasible given the size and scale of the organisation, however the methodology is worthy and consideration will be given to how this can be adopted. Responsible Officer: Damian Roberts Chief Executive and Sharon Shelton, Director of Finance & Transformation Executive Lead: Matt Boughton Leader and Kim Tanner Cabinet Member for Finance and Housing Due date: Initial report to Cabinet July 2025

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Recommendations raised in 2023-24

	Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR3	The Council should review and update their budget setting process to ensure that a complete set of risks is identified, and that information to provide context to those risks is provided and Members are made aware of possible medium-term scenarios the Council may face.	Improvement	Financial sustainability	2024-25 Budget and MTFP	Having a full suite of information in relation to potential risks in the budget allows Members to prioritise actions to mitigate risks accordingly.	Action: Sensitivity analysis for the MTFS will be presented to Members with effect from November 2024. The s25 statement will also include reference to the sensitivity analysis in terms of the MTFS from the next statement in February 2025 Responsible Officer: Sharon Shelton, Director of Finance & Transformation Executive Lead: Kim Tanner Cabinet Member for Finance and Housing Due date February 2025
IR4	The Council should include a year-end forecast and explanations of service level overspends within the Financial Planning and Control budget monitoring reports.	Improvement	Governance	Budget Monitoring and Outturn Reports	It is important that Members and officers understand the year-end impact of in year pressures so they can take action in a timely manner.	Action: A forecast of year end position will be given based on the "to date" information. Responsible Officer: Sharon Shelton, Director of Finance & Transformation Executive Lead: Kim Tanner Cabinet Member for Finance and Housing Due date: Immediate

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Recommendations raised in 2023-24

	Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
R5	The Council should ensure that past-date declarations of interest are updated for the current year or by way of a statement of confirmation no change, to ensure the public is assured of their reliability.	Improvement	Governance	Register of Interests Discussion with Director of Central Services	It is important that interests are transparent to allow for appropriate scrutiny and to avoid potential conflicts of interest.	Action: Write to all Borough Councillors to request that they check their Disclosure of Pecuniary Interests declaration to ensure it is up to date. All Members to either confirm that the declaration remains up to date or submit an updated declaration Responsible Officer: Adrian Stanfield, Director of Central Services and Deputy Chief Executive Executive Lead: Dave Davis, Chair of Joint Standards Committee Due date: March 2025
IR6	The Council should prioritise the continued development of its KPI reporting to ensure that data is complete.	Improvement	3Es	Quarterly Performance Monitoring Reports	Having a full suite of information in relation to performance allows Members to prioritise actions to respond to underperformance in an effective manner.	Action: Quarterly reporting of new Annual Service Delivery Plan 25/26 (comprising priority actions and KPIs) at O&S and Cabinet Responsible Officer: Damian Roberts, Chief Executive Executive Lead: Matt Boughton, Leader Due Date: September 2025

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Recommendations raised in 2023-24

	Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
R7	The Council should undertake a retrospective, post-implementation review of the Agile Project to learn lessons for application to future projects to maximise success, minimise delays and ensure consideration of a PMO/project management support is undertaken in the initial stages of project scoping.	Improvement	3Es	Agile Implementation Review	A lesson learned review seeks to ensure that issues causing delays are not repeated on future projects, which ultimately has a cost impact to the Council.	Action: Implementation Review for Built Environment (APAS) modules underway, review for Public Protection (PLACIS) modules to be scheduled in 25/26 audit plan when implementation date is confirmed. Strategic review of Agile project including procurement, change management, Member engagement and risk management to be delivered in Jan-March 2025. Responsible Officer: Damian Roberts, Chief Executive and Eleanor Hoyle, Director of Planning, Housing and Environmental Health Executive Lead: Matt Boughton, Leader and Kim Tanner, Cabinet Member for Finance and Housing Due Date: July 2025

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Recommendations raised in 2023-24

	Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR8	The Council should prioritise the formalisation of the governance arrangements to monitor the effectiveness of the Procurement Partnership, supported by an Internal Audit review of arrangements.	Improvement	3Es	Procurement Partnership Contract Discussion with Director of Street Scene, Leisure and Technical	To ensure a key partnership, such as this, is effective in its purpose, a robust performance management framework is required to provide assurances.	Action: Director of Street Scene, Leisure & Technical Services as taken responsibility for procurement within the organisation and chairs a bi-monthly delivery group meeting involving officers from across the organisation and the manager of the Procurement Partnership to ensure progress is being made. This meeting is minuted and reported to Management Team for corporate awareness. A formal annual review meeting of the partnership is programmed to take place as part of the contracted arrangements between the Council and the Partnership. An annual review report will be developed and reported to the Council's Audit Committee for Member consideration. The annual programme of work is determined by the new Procurement Strategy. Responsible Officer: Robert Styles, Director of Street Scene, Leisure and Technical Services Executive Lead: Martin Coffin, Cabinet Member for Transformation and Infrastructure Due date: May 2025

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Recommendations raised in 2023-24

	Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR9	The Council should establish formal processes for the requesting, approving, reporting and oversight of tender waivers.	Improvement	3Es	Discussions with Director of Street Scene, Leisure and Technical and Finance	Tender waivers represent a departure from due process, and so carry a higher risk than regular procurements, as such they require closer attention to ensure they are appropriate.	Action: A formal process involving a new template will be established for the approval and oversight of tender waivers. Responsible Officer: Robert Styles, Director of Street Scene, Leisure and Technical Services Executive Lead: Martin Coffin, Cabinet Member for Transformation and Infrastructure Due Date: April 2025
IR10	The Council should ensure it establishes, or maintains, a consistent and regular schedule of performance monitoring of its key contracts for leisure, waste and grounds maintenance by Members, via its Scrutiny Select Committee structure.	Improvement	3Es	Scrutiny Select Committee Contract KPI Reporting Quarterly Performance Monitoring Reports (Council-wide)	Having a full suite of information in relation to performance allows Members to prioritise actions to respond to underperformance in an effective manner.	Action: Inclusion of Key Contract KPIs in the new Annual Service Delivery 2025/26 for scrutiny by Members on a quarterly basis. The performance of the leisure, waste and ground maintenance contracts will be reported to the Communities & Environment Scrutiny Select Committee including key performance indicators approved by Members Responsible Officer: Damian Roberts, Chief Executive and Robert Styles, Director of Street Scene Leisure and Technical Services Executive Lead: Matt Boughton, Leader and Martin Coffin Cabinet Member for Transformation and Infrastructure Due Date Annual Service Delivery Plan 25/26, including Key Contract KPIs agreed by Cabinet February 2025. Community and Environment Scrutiny Select Committee April 2025.

Appendices

Appendix A:
Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

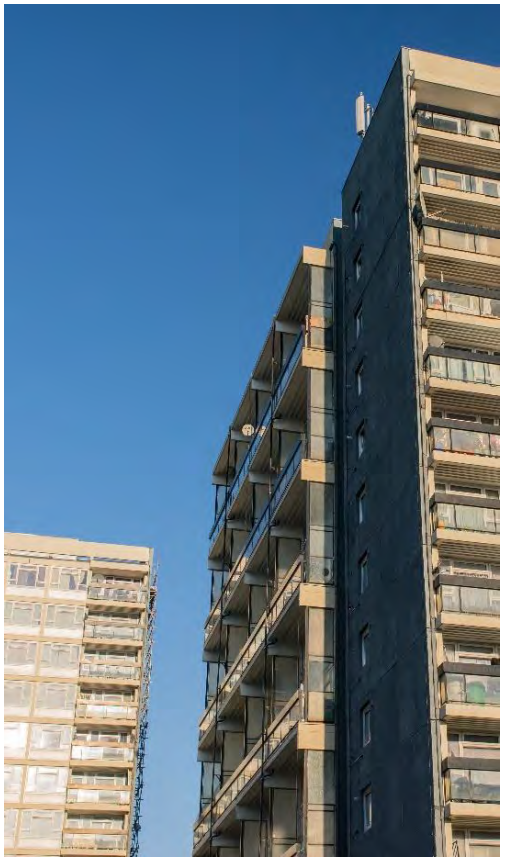
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



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Appendix B:
Value for Money auditor responsibilities

Value for Money arrangements work

All councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The audited body's responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

Financial Sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).

Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Council makes decisions based on appropriate information.

Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

2023-24 is the fourth year of the Code, and we undertake and report the work in three phases as set out in the Code.

Phase 1 – Planning and initial risk assessment

As part of planning we assess our knowledge of the Council's arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Information which informs our risk assessment	
Cumulative knowledge and experience of the audited body	Annual Governance Statement and the Head of Internal Audit annual opinion
Interviews and discussions with key stakeholders	The work of inspectorates and other regulatory bodies
Progress with implementing recommendations	Key documents provided by the audited body
Findings from our opinion audit	Our knowledge of the sector as a whole

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements we will undertake further work to understand whether there are significant weaknesses. We use auditor's professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations. A range of different recommendations can be raised by the Council's auditors as follows:

- **Statutory recommendations** – actions which should be taken where significant weaknesses are identified with arrangements. These are made under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014 and require discussion at full Council and a public response.
- **Key recommendations** – actions which should be taken by the Council where significant weaknesses are identified within arrangements.
- **Improvement recommendations** – actions which should improve arrangements in place but are not a result of identifying significant weaknesses in the Council's arrangements.

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Appendix C: Follow-up of previous recommendations

	Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
KR1	3Es - The Council needs to improve its performance management arrangements by: 1. Using the reset Corporate Plan to establish a golden thread for the Council, by creating a performance management framework at corporate and service levels linking outcomes to expected annual measures to track success and report these to the public; 2. Developing annual delivery plans aligned with the Corporate Plan and reduce the number of service specific strategies to ensure the golden thread is in place; 3. Agreeing performance outcomes, that can be measured, at least annually as part of the new performance management framework; 4. Ensuring performance reporting include targets, RAG rating, and actual measures and benchmarking. Reports should use previous year and 'nearest neighbours' data where possible; integrating performance, risk and finance reporting to drive improvement; 5. Ensuring the Cabinet receives quarterly performance reports to enable it to hold officers to account; 6. Using performance and financial data and benchmarking to look at delivery levels of statutory services to ensure the Council is achieving value for money;	Key	September 2023	1-3. The Corporate Strategy 2023-2027 was adopted in July 2023. It is supported by an Action Plan which provides detail on the key projects that the Council aims to implement to achieve their priorities within the Strategy. It is also supported by a set of KPIs, representing the mechanism for performance monitoring under the newly developed Performance Management Framework. For 2023-24 55 indicators were agreed, each linked to an action within the Action Plan and assigned to a Scrutiny Select Committee. Therefore, clearly linking performance monitoring to the objectives in the Strategy and achieving a 'golden thread'. 4-6. KPIs are initially discussed by Senior Management Team, before being presented to Management Team and Informal Cabinet before being shared with the Scrutiny Select Committees, Overview & Scrutiny and Cabinet on a quarterly basis. For 2023-24 this commenced in July 2023 following the adoption of the Corporate Strategy, and therefore covers quarters 2-4. It is best practice, in KPI monitoring, to include a responsible officer, RAG rating, trend/direction of travel, target, benchmarking, link to objectives and comments on the reasons for underperformance against target within the reporting. The KPI reports for all 3 quarters include this information. There are gaps in the benchmarking information as this is in development, we have raised an improvement recommendation in this regard for 2023-24.	Yes	The weakness has been addressed in 2023-24, as a result of the newly developed arrangements we have identified some areas for improvement in these arrangements and have raised improvement recommendations IR6 and IR8 in 2023-24.

*Explanations of the different types of recommendations which can be made are summarised in Appendix B.

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Appendix C:
Follow-up of previous recommendations

	Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
KR1	3Es - The Council needs to improve its performance management arrangements by: 7. Ensuring that the new performance management framework and reporting extends to key contracts such as waste and leisure; 8. Developing a strategic approach to assessing the levels of statutory services needed to save money; 9. Engaging with hard-to-reach customers to ensure they can still access services given the Council's digital by default approach; 10. Ensuring partnership performance management, including outcomes, is reported regularly to Cabinet; 11. Engaging key stakeholders, where appropriate, to determine local priorities for resources or opportunities for savings.	Key	September 2023	7. Waste and Leisure services KPIs are included within the KPI reporting. 8. Both statutory and discretionary services are included within the KPI reporting 9. The Council is currently working with Digital Kent to deliver an initiative that provides hardware and digital training to the most digitally excluded residents, offering support to up to 225 residents in the borough. 10 The Council has joined the Mid-Kent Procurement Partnership from April 2024 to provide their Procurement Service. Performance Monitoring of the contract with the Partnership is intended to be undertaken via the existing Officer Study Group. However, there will need to be a more formal process of review and KPIs and we have raised an improvement recommendation in this regard. 11. The Council continues to not to consult residents on its budget preparation for 2024/25 and 2025/26. This is an active choice as they feel their processes are robust. However a consultation was undertaken to inform the development of the new Corporate Strategy and assess local priorities. Further individual consultations have been undertaken with residents and local businesses more recently on specific matters that are intrinsic to the Corporate Strategy action plan and that impact on resources and options for savings. A further consultation on the Corporate Strategy will take place in 2025 (which represents the mid-point for the strategy).	Yes	The weakness has been addressed in 2023-24, as a result of the newly developed arrangements we have identified some areas for improvement in these arrangements and have raised improvement recommendations IR6 and IR8 in 2023-24.

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Appendix C:
Follow-up of previous recommendations

	Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
KR2	3E's - The Council needs to improve its procurement and contract management arrangement by: 1. Updating its procurement strategy; 2. Ensuring the contracts register is monitored, kept up to date and used by all services; 3. Ensuring it fully meets the Local Government (Transparency Requirements) (England) Regulations 2015 legislation;	Key	September 2023	The Council joined the Mid-Kent Procurement Partnership to provide Procurement Services to the Council, via an external 5-person team, under a two-year contract from 1 May 2024. Internally the Council retained its Officer Study Group, which is now chaired by the Director of Street Scene, Leisure and Technical, who are focussed on responding to the recommendations to completeness, supported by the Partnership. 1. The Partnership developed a draft Procurement Strategy which at October 2024 was provided to the Director of Street Scene, Leisure and Technical for initial review, with support from the Officer Study Group. Current discussions do suggest that this element will be addressed by the end of Q3 2024-25. 2 and 3. Responsibility for the Register has been assumed by Finance for 2023-24. The Council publishes its contracts register on its website, at mid-October 2024 the register was updated multiple times in the year and included contracts to the end of August 2024. This time-lag is acceptable and we will keep a watching brief in 2024-25 to ensure the lag does not increase, ensuring that information is relevant and can be relied upon for decision-making.	In progress	The weakness in arrangements cannot be fully closed and so we continue to recognise the weakness, although acknowledging the progress to date. No new key recommendation has been made. We have identified some additional areas for improvement under the newly established arrangements, see IR8 2023-24.

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Appendix C:
Follow-up of previous recommendations

	Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
KR2	3E's - The Council needs to improve its procurement and contract management arrangement by: 4. Having a suitably trained client lead for procurement and contract management; 5. Provide training for officers and Members on procurement and contract management to enable them to fully understand their responsibilities for social value and value for money; 6. Ensuring the Council's shared arrangements for fraud also include procurement and contract management.	Key	September 2023	4. The Council joined Mid-Kent Procurement Partnership to deliver Procurement Services, who are experts in their field, and support other district councils in the area. They are currently supported internally by the Director of Street Scene, Leisure and Technical as a central point of communication, who liaises with services, finance and legal via an Officer Study Group. Internal governance arrangements are yet to be updated to further support the Partnership and provide permanent reporting lines. Day-to-day management of contracts is the responsibility of individual départements. We have identified some improvement recommendations having reviewed the largest contracts at the Council. But, overall, arrangements are appropriate and Internal Audit work in 2023-24 and 2024-25 to date has provided positive assurances in contract management arrangements. 5. As part of their role the Mid-Kent Partnership delivered a first round of training focussed on new approach to procurement with the Mid-Kent Team and requirements of Procurement Act 2023, including the documentation requirements. 50 TMBC staff attended. This will be followed up with further training and specific training planned on bribery and fraud. This recommendations is being progressed, it will be complete when fully rolled out. 6. The training above will be followed up with further training, and specific training planned on bribery and fraud. In addition, the Council's SLA with Kent County Council's Internal Audit and Fraud team does already cover this activity.	In progress	The weakness in arrangements cannot be fully closed and so we continue to recognise the weakness, although acknowledging the progress to date. No new key recommendation has been made. We have identified some additional areas for improvement under the newly established arrangements, see IR8 2023-24.

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Appendix C:
Follow-up of previous recommendations

	Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
3	Financial Sustainability - The Council should develop a transformation programme to enable it to reduce spend by looking at different ways of delivering services or by enabling others in its systems leadership role. It needs to: 1. Use the Corporate Plan reset to identify its budget priorities and reset the budget; 2. Develop an understanding of the cost of delivering its core statutory services and discretionary spend where it meets clear political priorities; 3. Identify ways to deliver for less and identify activity that can stop where it does not contribute to statutory services or to Corporate Plan priorities; 4. Consult on changes to services and future spending plans with the public and include public engagement annually as part of business planning; 5. Ensure it has transformation and programme management skills in place to manage the programme, lead change and explore new ways of working; 6. Introduce service user testing, when making service changes as part of prototyping, to ensure groups are not adversely impacted by changes to delivery for example digital by default; and 7. Develop early ideas for savings with budget holders and present these to a Members' challenge board to enable early engagement with key stakeholders and to allow Members to see options and the impact of savings on residents.	Improvement	September 2023	The Council held a Management Team/Cabinet Development Day which took place in November 2023. A number of actions were agreed under the theme of transformation. This resulted in a Tonbridge Town Centre Programme Manager being appointed and started with the Council in September 2024. Joint Briefings commenced in early 2024 and a revised committee report template has been developed and is due to go live in October 2024.	Yes	We acknowledge this progress and from our 2023-24 work have developed a new improvement recommendation to supersede the prior year recommendation, focussed on diversification of the savings programme, see IR2 2023-24.

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Appendix C:
Follow-up of previous recommendations

	Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
4	Financial Sustainability - Improve the Workforce Strategy to include fully costed strategy over the medium- to long-term.	Improvement	September 2023	A review of the establishment took place via the General Purposes Committee in January 2024 and this is incorporated into the budget and MTFP with a 2024-25 additional cost of £97,500, funded within the balanced budget. Assumptions on pay inflation and pay awards are appropriately reflected in the budget and MTFP. Therefore, a review has taken place but we are yet to observe an updated Workforce Strategy since the 2022 document, discussions with officers confirm that the target date for completion of an updated Strategy is January 2025. Key strategies such as this are expected to be reviewed every 3-5 years and so the Council is on track to achieve this. Key changes expected in the updated strategy include: • A planned future management development programme. • Address issues identified in the all-staff survey planned for September 2024 • Ensure that the Workforce Strategy develops closer links to the Council's Vision and Values by updating the Council's employee appraisal scheme which will strengthen areas around staff development and succession planning. • Identify behaviour competencies with close links to the Council's vision and values.	In progress	Recommendation remains open until the Strategy update is complete in January 2025, but we acknowledge the positive progress to date.

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Appendix C:
Follow-up of previous recommendations

	Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
5	Governance - The Council needs to improve risk management by: 1. Improving the format of the Strategic Risk Register (SRR) to add for each risk: key controls and assurances; direction of travel; a single named owner; the original risk score and likelihood scores after initial mitigation; current risk scores and target risk scores; and provide updated mitigation quarterly. It would be useful to identify issues, risk and impact separately; 2. Updating the SRR format to align with our proposed SRR changes; 3. Reviewing the SRR risks to ensure they have the right actions and are unique risks; 4. Reporting the SRR quarterly to Cabinet alongside performance and finance; 5. Improving committee reports to facilitate good risk management, referencing strategic risks and their scores and impact in all Council reports; and 6. Developing training for Members and staff to raise awareness of risk and responsibilities.	Improvement	September 2023	See our work on page 20 where we have confirmed that the Council has engaged external consultants, Zurich Risk Management, to carry out a review of the Risk Management Strategy and Strategic Risk Register. All actions to respond to recommendations have been progressed and are on track to be completed within their target dates, and in full by January 2025. This work included a review of all risks, and their associated scores. Th number, type and presentation of risks within the SRR provides appropriate information to Members.	Yes	No
6	Governance - The Council needs to fully integrate performance and financial reporting for revenue and capital to improve financial reporting.	Improvement	September 2023	As part of the budget build process for 2025-26 services are requested to provide details of the costs drivers where volumes can affect the levels of spend and income. This will be incorporated into the reports to Members to in January 2025.	In progress	Recommendation remains open until this can be evidenced in the 2025-26 budget. We acknowledge the Council's intention to respond and accept this is a timing issue, due to the scheduling of the budget process.

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Cabinet

11 February 2025

Part 1 - Public

Executive Non-key Decision

Cabinet Member	Cllr Boughton, Leader of the Council
Responsible Officer	Damian Roberts, Chief Executive
Report Author	Jeremy Whittaker, Strategic Economic Regeneration Manager.

Annual Service Delivery Plan 2025/26

1 Summary and Purpose of Report

1.1 In recent months, cross-departmental work has been undertaken to strengthen the links between the Corporate Strategy 2023-2027 and the activities of the Council. One key aspect of this work is the production of an Annual Service Delivery Plan.

1.2 An Annual Service Delivery Plan is a performance management tool that sets out our priority actions for the year, along with key milestones and targets that can be used to monitor whether the council is on track with delivery.

1.3 Overview and Scrutiny Committee considered the Annual Service Delivery Plan on 23 January 2025, providing a number of comments which are set out in this report.

1.4 A draft Annual Service Delivery Plan for 2025/26, setting out the wide range of activities, milestones and targets is provided in Annex 1.

2 Corporate Strategy Priority Area

2.1 As the Annual Service Delivery Plan is the key action plan for the Corporate Strategy 2023/2027, it has direct relevance to each of the 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 to help support residents and businesses and foster sustainable growth.

2.2 As shown in Annex 1, each of the priority areas has its own actions and performance targets in the Plan.

3 Recommendations

3.1 That the report **BE NOTED**.

3.2 That the draft Annual Service Delivery Plan, as set out in Annex 1 **BE APPROVED**.

3.3 That any remaining drafting changes **BE DELEGATED** to the Chief Executive in discussion with the Leader of the Council.

3.4 That the proposed process for reporting updates on the Annual Service Delivery Plan, as set out in 5.6 to 5.8 **BE APPROVED**.

4 Introduction and Background

4.1 The Annual Service Delivery Plan 2025/26 sets out 68 actions that are key to addressing the 4 priority areas set out in the Corporate Strategy 2023-2027. Each of these actions has milestones that can be monitored in order to demonstrate progress. In addition, for each priority area, there are a suite of performance targets that will be provide a clear indication as to whether the Council is achieving in delivering the Plan. There are 62 performance targets in total.

4.2 This Plan will replace the current suite of Key Performance Indicators (KPIs), and provide a more robust approach to monitoring the performance of the Council. The Plan will be reported to Overview and Scrutiny Committee, and then Cabinet, on a quarterly basis, starting from Q1 of 2025/26.

5 Proposal

5.1 Following the Corporate Peer Challenge Review in 2022, the Council adopted a new Corporate Strategy 2023-2027 along with a suite of 72 KPIs that have been used to monitor progress towards meeting the 4 priority areas as listed under paragraph 2.1.

5.2 Having operated this process for 18 months, an internal review of our current performance management processes was undertaken in 2024. This review concluded that whilst it was clearly a solid starting point in the Council's efforts to improve and monitor delivery, there were areas for improvement:

- The reporting of KPIs was long-winded and (in parts) piecemeal
- There were too many KPIs, with a number of them not being sufficiently meaningful or influenced by the Council.
- There was a need to embed performance management and strengthen the use of KPIs as a tool for decision-making.

5.3 These findings, and the associated recommendations, were approved by Cabinet on 12 November 2024.

5.3 The introduction of an Annual Service Delivery Plan for 2025/26 is the perfect opportunity to reset our approach to KPIs and performance management more broadly, as is a key part of the 'golden thread' that strengthens the link between strategy and delivery. The Plan is structured using the Corporate Strategy 2023-2027 priority areas, and links actions with both milestones and KPIs that are SMART (Specific, Measurable, Achievable, Relevant and Time-Bound). As such, Members will be able to use this one document to ascertain whether the Council is meeting its key delivery targets.

5.4 It should be noted that not everything the Council will do in 2025/26 is contained within the Plan. Indeed, there will be plenty of essential 'business as usual' work undertaken (that provides the bedrock for delivering services to our residents) that is not included. This is not because greater importance is given to actions in the Plan, but solely because it is focussed specifically on new strategic actions that will reach specific milestones during 2025/26.

6 Overview and Scrutiny Committee

6.1 On 23 January 2025, Overview and Scrutiny Committee discussed the draft Annual Service Delivery Plan. The Plan was welcomed by Members of the Committee, who recognised the usefulness of a tool that monitors performance and tracks progress in line with the Corporate Strategy 2023-2027.

6.2 There were a number of suggested amendments put forward by the Committee, including:

- That under 13.1, the second milestone is expanded to state: "Establish formal programme management arrangements to ensure the Council is fully engaged in managing the preparation and transition process by Winter 2025, *including a report on progress of any governance review relating to the unparished part of the Borough and any other boundary review of parished areas".*

- That Key Performance Indictors relating to the Housing Register and Empty Properties are added to the "Improving Housing and Protecting Areas – Performance Targets" section.

- Amendments to KPIs:

  a) Planning Enforcement – the target has been amended to 68% to reflect an improvement in service.

  b) The 2024/25 performance on the 5-year housing land supply has been updated to 2.89 years

c) The number of residents registering for a MyAccount showed a predicted drop in numbers from 2024/25 (6,000) to 2025/26 (5,000). This was picked up by Members as demonstrating a worsening rate. The reason for this is because the MyAccount has been very successful and with around 42,000 accounts registered by residents in the Borough, there is now going to be a slowing down in registrations. In order to avoid confusion, it is proposed that a total figure for registrations is used instead, with an estimated performance for 2024/25 at 42,500 and a target for 2025/26 of 47,000 (a net growth of 4,500 to account for de-registrations)

6.3 The draft Annual Service Delivery Plan, as provided in Annex 1 does therefore include a number of amendments to reflect the discussion at Overview and Scrutiny Committee.

6.4 Despite these changes, there are still a few gaps in information (highlighted in red on the document). These are predominantly caused by external factors, such as awaiting legislation or funding from Central Government. As all of these gaps should be addressed ahead of 2025/26, it is proposed that these remaining drafting changes be delegated to the Chief Executive in discussion with the Leader of the Council.

7 Ongoing Monitoring

7.1 It is vital that Members have regular oversight of the Annual Service Delivery Plan, so as stated in paragraph 4.2, progress on the Plan will be reported to Overview and Scrutiny Committee and Cabinet on a quarterly basis. Each activity set out in the Plan will include a description of progress during that quarter and be given a RAG (Red, Amber, Green) rating whereby the following definitions will be accorded to each colour:

- Red – serious issues with dates being missed.
- Amber – some issues that are being managed with a need for close monitoring.
- Green – project is on track.

This rating will enable Members to identify, at a glance, where the Council is on track and where additional focus is required.

7.2 In order to ensure accessibility, the letters R, A and G will also be used to denote status.

7.3 As per the existing reporting of Key Performance Indicators (KPIs), the performance targets set out in the Plan will also be assessed and presented in terms of trend (better or worse) and overall status (if on track to meet the target or not). Given that the existing presentation of KPIs has been shaped with the

support of Members over the course of a number of months, it is proposed that these performance targets are presented in the same way.

8 Financial and Value for Money Considerations

8.1 None arising directly from this report. The production and monitoring of the Annual Service Delivery Plan are undertaken internally using existing staff resources.

9 Risk Assessment

9.1 Performance Management is identified in the Strategic Risk Register. The register highlights that without an effective performance management framework in place, the authority will not be able to understand any required improvements or achieve value for money.

10 Legal Implications

10.1 The matters raised in this report are considered to be routine, uncontroversial or not legally complex and a legal opinion has not been sought on these proposals.

11 Consultation and Communications

11.1 The Annual Service Delivery Plan will be used by the Council to communicate, both internally and to our communities, about our achievements as well as any areas of focus that the Council is working to improve.

12 Implementation

12.1 Progress on the Plan will then be reported to Overview and Scrutiny Committee and Cabinet on a quarterly basis during 2025/26.

13 Cross Cutting Issues

13.1 Climate Change and Biodiversity

13.1.1 Some impact on reducing emissions in support of carbon neutral by 2030 or enhancing the natural environment.

13.1.2 Climate change advice has not been sought in the preparation of the options and recommendations in this report.

13.1.3 The reporting on KPIs has some positive impact on climate change and biodiversity in the sense that a few of the KPIs specifically relate to emissions and air quality, and as such contribute towards highlighting the Council's performance in this area.

13.2 Equalities and Diversity

13.2.1 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.

Background Papers	None
Annexes	Annex 1 – Draft Annual Service Delivery Plan 2025/26

Annex 1

Draft Annual Service Delivery Plan 2025/26

TONBRIDGE & MALLING BOROUGH COUNCIL

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Delivering and Embedding the Corporate Strategy:

Priority	Priority Actions
Caring for the Environment	Delivering Climate Change Plans focusing on cutting emissions and increasing biodiversity. Recycling more than anywhere else in Kent. Tackling sources of pollution. Successful management of parks, open spaces and Leisure Centres.
Improving Housing and Protecting Areas	Developing a Local Plan and delivering a range of housing for the whole community. Ensuring a supply of Affordable Housing. Supporting those most in need of housing support. Improving standards in rented accommodation.
Investing in the borough and the Local Economy	Using our land and assets better, especially in Tonbridge Town Centre. Helping our local economy bounce back. Raising the profile of Council assets, including Tonbridge Castle. Strengthen our links with strategic partners and funding bodies.
Efficient & Effective Council	Delivering services innovatively and in the most cost-effective and efficient way. Making our Services and Advice available 24 hours a day. Promoting Well-Being & Helping People live Healthy Lives. Supporting Residents and ensure Safeguarding is an integral part of Council Activity.

CARING FOR THE ENVIRONMENT – ACTIVITY

Ref	Description of activity	Priority Action(s)	Milestones	Lead Officer	Cabinet Member
1.1	Install electric vehicle rapid charging points in the borough to support the reduction in carbon emissions from private transport.	Climate Change	Deliver 40 more electric vehicle rapid charging points in our car parks by March 2026.	Engineering Manager	Transformation and Infrastructure
1.2	Install air source heat pumps to serve the fitness pool at Larkfield Leisure Centre to help meet our 2030 Climate Change goal.	Climate Change	Planning Application approved by Full Council by summer 2025 (if required). Works completed (including the removal of gas boilers) by March 2026.	Head of Administration and Property Services	Climate Change, Regeneration and Property
1.3	Progress plans to decarbonise Tonbridge Pool heating system.	Climate Change	Preferred option agreed by Cabinet by November 2025.	Head of Administration and Property Services	Climate Change, Regeneration and Property
1.4	Decarbonise Gibson offices and install renewable technology.	Climate Change	Report tender outcome to Members and award contract in April 2025. Removal of gas boilers and installation of solar PV completed by January 2026.	Head of Administration and Property Services	Climate Change, Regeneration and Property
1.5	Assess relevant Council owned land as Biodiversity Net Gain sites for the borough.	Climate Change	Baselines established for Council owned land during summer 2025. Report outcome to Members by autumn 2025.	Head of Administration and Property Services / Climate Change Officer	Climate Change, Regeneration and Property

Ref	Description of activity	Priority Action(s)	Milestones	Lead Officer	Cabinet Member
1.6	Evaluate use of Hydro-treated Vegetable Oil (HVO) for the waste contract vehicles.	Climate Change	Report setting out consideration of HVO proposals within the recommissioning of waste and recycling services to Members by December 2025.	Head of Street Scene and Leisure	Transformation and Infrastructure / Climate Change, Regeneration and Property
2.1	Undertake the full procurement of all contracted waste and recycling services.	Recycling	Issuing of tender documentation in XXXXX Tender evaluation undertaken in XXXXX Report to Cabinet to approve preferred contractor in XXXX Appointment of successful contractor in XXXXX	Head of Street Scene and Leisure	Transformation and Infrastructure
2.2	Drive up greater recycling rates within our communities.	Recycling	2 council-run events that encourage recycling by March 2026. 2 'behaviour-change' campaigns (including fly-tipping) delivered by end of March 2026.	Head of Communication	Transformation and Infrastructure
2.3	Work with our contractors to minimise waste and remove single use plastics from their operations.	Recycling	Introduce greater use of refills and reduced waste from Council-owned sites by July 2025.	Street Scene Manager / Climate Change Officer	Climate Change, Regeneration and Property
3.1	Improve our designated Air Quality Management Areas (AQMAs) to help support a better environment for our residents.	Tackling Pollution	Revocation of 4 Air Quality Management Areas following improvements by March 2026	Environmental Protection Manager	Climate Change, Regeneration and Property
4.1	Invest in Tonbridge Racecourse Sportsground for our residents and visitors.	Parks and Leisure	Refurbish tennis courts by August 2025. Identify new options for the future use of the vacated bowls green by November 2025.	Leisure Services Manager (Outdoors)	Community Services

Ref	Description of activity	Priority Action(s)	Milestones	Lead Officer	Cabinet Member
4.2	**Upgrade paths at our Country Parks to improve accessibility for residents and visitors.**	**Parks and Leisure**	**Improve paths at Haysden Country Park by September 2025.**	**Leisure Services Manager (Outdoors)**	**Community Services**
4.3	**Implement lighting improvements between Town Lock and Vale Road to provide safer access for the public.**	**Parks and Leisure/Promoting Well-Being**	**Engage with the different landowners on this complex site by April 2025** **Feasibility report to Finance, Regeneration and Property Scrutiny Select Committee in May 2025.** **Report to Cabinet to agree the scheme design by September 2025.**	**Director of Street Scene, Leisure and Technical Services**	**Climate Change, Regeneration and Property**
4.4	**Improve the condition of playing pitches for our sports clubs at Swanmead sportsground.**	**Parks and Leisure**	**Improvements to the drainage undertaken by March 2026.**	**Leisure Services Manager (Outdoors)**	**Community Services**
4.5	**Increase the number of vaults at Tonbridge Cemetery.**	**Parks and Leisure**	**64 new vaults installed by December 2025.**	**Parks Officer**	**Community Services**

CARING FOR THE ENVIRONMENT – PERFORMANCE TARGETS

Indicator	Description	Est Performance 2024/25	Target 2025/26	Lead Officer	Cabinet Member
TMBC Annual Carbon Audit Emissions Data (tCO2e)	Amount of CO2e emitted through council assets and activities.	3100 (Lower is better)	**2900**	Climate Change Officer	Climate Change, Regeneration and Property
Total Attendance at TMLT Leisure Facilities	Total number of visitors to Larkfield Leisure Centre, Angel Centre, Tonbridge Swimming Pool, and Poult Wood Golf Course.	1.4 m (Higher is better)	**1.5 m**	Leisure Services Manager	Community Services
Leisure Centre Income	Overall income generated by our Leisure Facilities as a % to profile.	102% (Above profile is better)	**Over 100%**	Leisure Services Manager	Community Services
Leisure Centre Expenditure	Overall expenditure incurred by our Leisure Facilities as a % to profile.	95% (Under profile is better)	**Under 100%**	Leisure Services Manager	Community Services
Improved recycling pages on TMBC website	Number of clicks via social media and other channels during 2025/26.	N/A (Higher is better)	**2,000**	Head of Communication	Transformation and Infrastructure
% household waste recycled and composted	Calculated comparing the amount of waste sent for recycling, reuse and composting against total waste collected.	52% (Higher is better)	**54%**	Street Scene Manager	Transformation and Infrastructure
% of individual collections missed (waste)	Percentage of 'missed' residential kerbside collections.	0.11% (Lower is better)	**0.10%**	Street Scene Manager	Transformation and Infrastructure
Waste Collection Completions	% completion of scheduled collections.	99.5% (Higher is better)	**100%**	Street Scene Manager	Transformation and Infrastructure

Indicator	Description	Est Performance 2024/25	Target 2025/26	Lead Officer	Cabinet Member
Waste Collection Complaints	Number of formal complaints received about the waste collection service.	200 (Lower is better)	**160**	Street Scene Manager	Transformation and Infrastructure
Street Cleansing Complaints	Number of formal complaints received about street cleansing.	25 (Lower is better)	**20**	Street Scene Manager	Transformation and Infrastructure
Air Quality Management Areas (AQMAs)	Number of AQMAs where NO2 results exceed the National Air Quality objective for which they are declared.	1 (Lower is better)	**0**	Environmental Protection Manager	Climate Change, Regeneration and Property
Fly Tipping	Number of reported incidents of fly tipping in the borough	1,100 (Lower is better)	**975**	Street Scene Manager	Transformation and Infrastructure
Green Flag Status	Number of our parks with a Green Flag Status.	3 (Higher is better)	**3**	Leisure Services Manager (Outdoors)	Community Services
Environmental Fixed Penalty Notices (FPNs)	% of environmental FPNs served that are paid.	N/A (Higher is better)	**65+%**	Street Scene Manager	Climate Change, Regeneration and Property

IMPROVING HOUSING & PROTECTING AREAS – ACTIVITY

Ref	Description of activity	Priority Action(s)	Milestones	Lead Officer	Cabinet Member
5.1	Implement the 25/26 milestones in the Local Development Scheme to work towards producing a Local Plan that accommodates sustainable growth and protects our important green spaces.	Local Plan and Housing	Local Development Scheme agreed by Cabinet in XXXX Community (Reg 18) Consultation materials (including approach to Member Engagement) considered by Housing and Planning Scrutiny Select Committee in XXXX and approved by Cabinet in XXXX Successfully undertake community consultation in Winter 2025.	Planning Policy Manager	Planning
5.2	Implement the Building Safety Levy as a key Government action arising out of the Grenfell Inquiry.	Local Plan and Housing	All new or amended requirements successfully implemented and managed by February 2026. Secondary legislation due to be published in March 2025 (until it is published, uncertainty remains).	Head of Planning	Transformation and Infrastructure
6.1	Deliver a refreshed approach to Local Lettings Plans for new homes.	Affordable Housing	Local Lettings Plan policy agreed by Cabinet in May 2025. Implementation report to Housing and Planning Scrutiny Select Committee in December 2025.	Head of Housing and Health	Finance and Housing

Ref	Description of activity	Priority Action(s)	Milestones	Lead Officer	Cabinet Member
6.2	**Work with the private sector housing market to increase housing solution opportunities for our residents.**	**Affordable Housing**	**Report detailing work to date with the Private Sector (including revised Landlord Incentive Scheme) presented to Housing and Planning Scrutiny Select Committee in Autumn 2025.** **Delivery of a Landlord event in Autumn 2025.**	**Head of Housing and Health**	**Finance and Housing**
7.1	**Increase the supply of Temporary Accommodation aligned to significant growth in housing demand.**	**Housing Support**	**20 additional units of Temporary Accommodation owned or managed by the Council by March 2026.**	**Head of Housing and Health**	**Finance and Housing**
7.2	**Adopt and implement a Homelessness Strategy to support our most vulnerable residents.**	**Housing Support**	**Homelessness Strategy considered by Scrutiny Select Committee by December 2025.** **Homelessness Strategy adopted by Cabinet by March 2026.**	**Housing Strategy and Enabling Manager**	**Finance and Housing**
8.1	**Give greater protection to people living in rented accommodation.**	**Rented Accommodation**	**Report on the Renters (Reform) Act agreed by Cabinet in Summer 2025.** **Requirements of the Renters (Reform) Act successfully implemented and managed by March 2026. (not likely to have clarity until secondary legislation/guidance has been provided)**	**Housing Improvement Manager**	**Finance and Housing**

IMPROVING HOUSING & PROTECTING AREAS – PERFORMANCE TARGETS

Indicator	Description	Est Performance 2024/25	Target 2025/26	Lead Officer	Cabinet Member
5-year Housing Land Supply (years)	A calculation of whether there is a deliverable supply of homes to meet the planned housing requirement.	2.89 years (Closer to 5 years is better)	**5 years**	Head of Planning	Planning
Processing of 'Major' Planning Applications (% rate)	Percentage calculated as the number of major applications processed within the 13-week timescale. Government target is 60%.	90% (Higher is better)	**91%**	Head of Planning	Planning
Processing of 'Minor' Planning Applications (% rate)	Percentage calculated as the number of minor applications processed within the 8-week timescale. Government target is 65%.	75% (Higher is better)	**76%**	Head of Planning	Planning
Processing of 'Other' Planning Applications (% rate)	Percentage calculated as the number of 'other' applications processed within the 8-week timescale. Government Target is 80%.	83% (Higher is better)	**90%**	Head of Planning	Planning
Planning Appeals - dismissed	Percentage of appeals dismissed against the Council's refusal of planning permission.	65% (Higher is better)	**70%**	Development Manager	Planning
Planning Enforcement	Number of Planning Enforcement Cases left open more than 4 months.	70% (Lower is better)	**68%**	Head of Planning	Planning
Tree Preservation Orders	Number of TPO applications in the historic backlog reported to Members in December 2024.	60 (Lower is better)	**0**	Head of Planning	Planning
Housing Register	Total number of people on the housing register	1000 (Lower is better)	**800**	Head of Housing and Health	Finance and Housing
Affordable Housing	Number of Affordable Homes built out per annum.	150 (Higher is better)	**170**	Head of Housing and Health	Finance and Housing

Indicator	Description	Est Performance 2024/25	Target 2025/26	Lead Officer	Cabinet Member
Private Rented Sector	Number of households made a successful Private Rented Sector Offer.	2 (Higher is better)	**24**	Head of Housing and Health	Finance and Housing
Temporary Accommodation	Average number of all households in temporary accommodation as at end of the quarter.	135 (Lower is better)	**120**	Head of Housing and Health	Finance and Housing
Empty Properties	Number of properties in the borough that have been unfurnished and unlived in for longer than 6 months.	420 (Lower is better)	**375**	Head of Housing and Health	Finance and Housing
Improving Housing Conditions	Number of properties where conditions have improved.	80 (Higher is better)	**80**	Head of Housing and Health	Finance and Housing
Housing Enforcement Notices	Number of Housing Enforcement Notices Served.	2	**3**	Head of Housing and Health	Finance and Housing
Disabled Facilities Grants	Number of homes adapted or improved for older and vulnerable residents to promote their independence and keep them safe in the community.	80	**80**	Head of Housing and Health	Finance and Housing

INVESTING IN OUR BOROUGH & LOCAL ECONOMY – ACTIVITY

Ref	Description of activity	Priority Action(s)	Milestones	Lead Officer	Cabinet Member
9.1	Drive forward Tonbridge Town Centre Regeneration Plans.	Using Land and Assets Better	Following the completion of the community engagement phase in Spring 2025, Masterplan for the Town Centre adopted by Cabinet by September 2025.	Head of Administration and Property Services	Climate Change, Regeneration and Property
9.2	Make solid progress on our plans to improve leisure provision in Tonbridge.	Using Land and Assets Better	Progress plans for replacement Angel Leisure Centre to RIBA Stage 2 (initial concept design) by autumn 2025.	Head of Street Scene and Leisure	Community Services
9.3	Implement early phases of Tonbridge Farm Sportsground masterplan to provide improved, accessible leisure facilities for the whole community	Using Land and Assets Better	Approval of Tonbridge Farm business plan by Cabinet in Spring 2025. Improve or replace existing facilities (including new pavilion roof and all-weather pitches) in accordance with the masterplan for the site by March 2026.	Head of Street Scene and Leisure	Community Services
9.4	Improve Bailey Bridge East car park in Aylesford.	Using Land and Assets Better	Improve car park to provide additional spaces, CCTV and new surface by Spring 2025.	Engineering Manager	Transformation and Infrastructure
9.5	Stabilise flood mitigation protection at Wouldham River Wall.	Using Land and Assets Better	Complete RIBA Stage 1 (Preparation and Briefing) by Summer 2025 Design and Procurement for the mitigation protection works in Spring 2026.	Head of Technical Services	Community Services

Ref	Description of activity	Priority Action(s)	Milestones	Lead Officer	Cabinet Member
10.1	**Ensure investment in infrastructure is aligned to population and housing growth.**	**Economy Bouncing Back**	**Produce fully costed and dated Infrastructure Delivery Plan and Funding Statement to inform the Local Plan by Summer 2025.**	**Planning Policy Manager**	**Planning**
10.2	**Delivery of the Tonbridge and Malling UK Shared Prosperity Fund to support our businesses and residents.**	**Economy Bouncing Back**	**£327,000 of funding spent on projects by March 2026**	**Strategic Economic Regeneration Manager**	**Climate Change, Regeneration and Property**
10.3	**Establish and implement a new programme to support the local economy using Business Rates Pool funding.**	**Economy Bouncing Back**	**Business Rates Pool Programme agreed by Cabinet in September 2025, with implementation from October 2025 onwards.**	**Strategic Economic Regeneration Manager**	**Climate Change, Regeneration and Property**
10.4	**Delivery of People and Skills Grant Scheme that creates training and employment opportunities for our residents.**	**Economy Bouncing Back**	**Round 1 Funded projects completed by December 2025, supporting 100 residents.** **Cabinet Member approval to launch a Round 2 in June 2025.**	**Strategic Economic Regeneration Manager**	**Climate Change, Regeneration and Property**
10.5	**Implement a new Street Trading policy that supports our businesses, enhances our towns and generates maximum community benefit.**	**Economy Bouncing Back**	**Implementation of new policy by September 2025.**	**Head of Licensing, Community Safety and Customer Services**	**Climate Change, Regeneration and Property / Community Services**
11.1	**Help drive visitor numbers to Tonbridge Castle through events and activities.**	**Profile of Assets**	**Deliver a Summer marketing campaign during June to September 2025.** **Implement new activities following loss of the Gateway Service by March 2026.**	**Head of Communication / Head of Licensing, Community Safety and Customer Services**	**Community Services**

Ref	Description of activity	Priority Action(s)	Milestones	Lead Officer	Cabinet Member
11.2	**Install new Digital Information Boards to help improve real-time communication with our residents**	**Profile of Assets**	**Project approved by Cabinet by Summer 2025.** **New Digital Information Boards installed at locations across the borough by March 2026.**	**Head of Communication / Head of Licensing, Community Safety and Customer Services**	**Community Services**
12.1	**Work with strategic partners to bring forward/complete key employment sites.**	**Strategic Partners**	**Panattoni Park Aylesford (one of the largest logistics developments in the South east) fully built out and occupied by October 2025.** **Planning application approved for new Science and Innovation Building at East Malling Research (NIAB EMR) by December 2025.** **RBLI Centenary Village completed and occupied by Summer 2025.** **Application for RBLI Factory Development to be determined by summer 2025 (subject to submission in February 2025).** **London Golf Club planning application determined by spring 2025.** **Buckmore Park planning application determined by summer 2025 (subject to submission in early 2025).**	**Head of Planning / Strategic Economic Regeneration Manager**	**Planning / Climate Change, Regeneration and Property**

Ref	Description of activity	Priority Action(s)	Milestones	Lead Officer	Cabinet Member
12.2	**Support the Environment Agency with the completion of Leigh Expansion and Hildenborough Embankment Scheme.**	**Strategic Partners**	**Completion of scheme and full payment of Council contribution by November 2025.**	**Strategic Economic Regeneration Manager**	**Climate Change, Regeneration and Property**

INVESTING IN OUR LOCAL ECONOMY – PERFORMANCE TARGETS

Indicator	Description	Est Performance 2024/25	Target 2025/26	Lead Officer	Cabinet Member
Town Centre Vacancy Levels (%)	The number of commercial retail units in our town and village centres that are vacant as a % of the total number.	5.81% (Lower is better)	**5.7%**	Strategic Economic Regeneration Manager	Climate Change, Regeneration and Property
Business Births and Deaths	The ratio of business births to business deaths	0.95 (Higher is better)	**1.00**	Strategic Economic Regeneration Manager	Climate Change, Regeneration and Property
Unemployment Rate (%)	The % of the workforce that are claiming unemployment benefits.	2.3% (Lower is better)	**2.1%**	Strategic Economic Regeneration Manager	Climate Change, Regeneration and Property
Occupation of Rental Properties	The % of council-owned commercial properties that are in occupation	100% (Higher is better)	**100%**	Head of Administration and Property Services	Climate Change, Regeneration and Property
Council Events – Income	Total income generated from council run/supported events.	£55,000 (Higher is better)	**£58,000**	Head of Licensing, Community Safety and Customer Services	Community Services
Property Rentals – Income	Total Income generated from commercial property rentals.	£400,000 (Higher is better)	**£420,000**	Head of Administration and Property Services	Climate Change, Regeneration and Property
Tonbridge Castle - Income	Total income generated by activities at Tonbridge Castle (Figure includes: Chamber Hire; Tea/coffee sales; Weddings; Castle Attraction and Artisan Market)	£90,000 (Higher is better)	**£95,000**	Head of Licensing, Community Safety and Customer Services	Customer Services
Tonbridge Castle – Tour Visitor Numbers	Total number of visitors to Tonbridge Castle that take the tour (NB first few months of 25/26 the castle will be closed)	3,400 (Higher is better)	**3,000**	Head of Licensing, Community Safety and Customer Services	Community Services

Indicator	Description	Est Performance 2024/25	Target 2025/26	Lead Officer	Cabinet Member
Employment Land	% net change (gain/loss) in employment land	N/A	**0%**	Planning Policy Manager	Planning
People and Skills Fund	Number of local residents benefitting from projects completed through the People and Skills Fund	N/A (Higher is better)	**100**	Strategic Economic Regeneration Manager	Climate Change, Regeneration and Property

EFFICIENT & EFFECTIVE COUNCIL – ACTIVITY

Ref	Description of activity	Priority Action(s)	Milestones	Lead Officer	Cabinet Member
13.1	**Ensure that the Council maximises the opportunities to influence the implementation of the Government's Devolution agenda within Tonbridge and Malling in the interests of local residents and takes action to navigate a path that minimises the inherent risks and uncertainty associated with this type of process.**	**Innovative and Cost-Effective Services**	**Actively contribute to the Government's process for determining the devolution geography across Kent and Medway by Autumn 2025.** **Establish formal programme management arrangements to ensure the Council is fully engaged in managing the preparation and transition process by Winter 2025, including a report on progress of any governance review relating to the unparished part of the Borough and any other boundary review of parished areas.**	**Chief Executive**	**Executive Leader**
13.2	**Bring forward a comprehensive approach to transformation in the Council.**	**Innovative and Cost-Effective Services**	**5 Wider Management Team meetings during 2025/26** **Reporting to Overview and Scrutiny Committee and Cabinet on Annual Service Delivery Plan 2025/26 (including performance targets) starting in Summer 2025 (Q1)** **5 awards applications submitted by March 2026 to recognise Council successes.**	**Chief Executive**	**Executive Leader**
13.3	**Develop a robust Council-wide Project Management approach that drives forward successful delivery.**	**Innovative and Cost-Effective Services**	**New project templates reviewed by Overview and Scrutiny Committee in spring 2025.** **Ensure all projects have a manager and sponsor by summer 2025.** **Project Management training takes place in summer 2025.**	**Strategic Economic Regeneration Manager / Tonbridge Town Centre Programme Manager**	**Executive Leader**

Ref	Description of activity	Priority Action(s)	Milestones	Lead Officer	Cabinet Member
13.4	Refresh and update Medium Term Financial Strategy (MTFS) in light of new Government priorities and the direction for local government funding to be set out in the Spring (2025) Fair Funding Review.	Innovative and Cost-Effective Services	Refresh MTFS in November 2025 with update for Budget Setting in February 2026.	Director of Finance and Transformation / Chief Financial Services Officer	Finance and Housing
13.5	Undertake a base budget review across all services to identify contributions towards in-year saving and the Medium-Term Financial Strategy 2026/27.	Innovative and Cost-Effective Services	Initial report on options to save a minimum of £XXX,000 to Cabinet in summer 2025.	Director of Finance and Transformation	Finance and Housing
13.6	Update the Treasury Management and Investment Strategy, aligning it to the Council's ambitions for property and regeneration investment.	Innovative and Cost-Effective Services	Updated Strategy for recommendation by Audit Committee in January 2026 and adoption by Council in February 2026.	Chief Financial Services Officer / Principal Accountant	Finance and Housing
13.7	Implement Second Homes Premium.	Innovative and Cost-Effective Services	Premium to be included in annual Council Tax bills (as appropriate) from 1 April 2025.	Revenues Manager	Finance and Housing
13.8	Review earmarked reserves with a view to free up funding to assist with delivery of priority capital projects. (subject to formal approval)	Innovative and Cost-Effective Services	Officer review to be undertaken by October 2025 with report to Cabinet by November 2025.	Chief Financial Services Officer / Principal Accountant	Finance and Housing

Ref	Description of activity	Priority Action(s)	Milestones	Lead Officer	Cabinet Member
13.9	**Implement Integra Centros Financial ledger system in order to improve efficiency and effectiveness of transactions and reporting.**	**Innovative and Cost-Effective Services**	**Implementation of full digital signatures and improved budgetary control reporting by March 2026.**	**Chief Financial Services Officer / Principal Accountant**	**Finance and Housing**
13.10	**Strengthen Annual Governance Statement (AGS).**	**Innovative and Cost-Effective Services**	**Review Service Assurance Statements which are completed by Statutory Officers and Directors to support the 2024/25 financial statements and the Annual Governance Statement.** **Annual Governance Statement signed off by Chief Executive and Leader of the Council by May 2025.** **Annual Governance Statement agreed by Audit Committee by July 2025.**	**Chief Financial Services Officer / Principal Accountant**	**Finance and Housing**
13.11	**Undertake an independent Planning Advisory Service Review and agree Action Plan for improvement.**	**Innovative and Cost-Effective Services**	**Complete independent review by September 2025.** **Action Plan considered by Planning and Housing Scrutiny Select Committee by October 2025.** **Action Plan agreed by Cabinet by December 2025.** **Agreed action plan fully delivered by March 2026.**	**Head of Planning**	**Planning**
13.12	**Implement a new planning fee structure aligned to expected secondary legislation.**	**Innovative and Cost-Effective Services**	**New fee structure considered by Planning & Housing Scrutiny Select Committee by May 2025.** **New fee structure agreed by Cabinet by Winter 2025.** **(timescale dependent on the publication of secondary legislation and any consultation periods required)**	**Head of Planning**	**Planning / Finance and Housing**

Ref	Description of activity	Priority Action(s)	Milestones	Lead Officer	Cabinet Member
13.13	**Consolidate Council's accommodation at Kings Hill.**	**Innovative and Cost-Effective Services**	**Report tender outcome to Members and award contract for work to Gibson Building East in April 2025.** **Relocate staff from Gibson Building East to Gibson Building West in April 2025.** **Members to determine Gibson West future by June 2025.** **Reduction of at least £200,000 in annual operating costs by end of March 2026.**	**Head of Administration and Property Services**	**Climate Change, Regeneration and Property**
13.14	**Review of Executive Scrutiny Protocol and Associated Governance Arrangements.**	**Innovative and Cost-Effective Services**	**Review presented to Cabinet by September 2025.**	**Director of Central Services**	**Executive Leader**
13.15	**Review of Workforce Strategy to ensure the organisation continues to evolve to deliver high quality services.**	**Innovative and Cost-Effective Services**	**Revised strategy, including a new Workforce Monitoring Statement, to be approved by General Purposes Committee by September 2025.**	**Head of Human Resources and Development**	**Transformation and Infrastructure**
13.16	**Implementation of Member Development Strategy to promote a positive and inclusive culture of learning, development and continual improvement.**	**Innovative and Cost-Effective Services**	**Undertake Member Survey to identify development needs by end of June 2025.** **Strategy to be approved by General Purposes Committee in October 2025.**	**Head of Human Resources and Development**	**Executive Leader**
13.17	**Deliver new external litter enforcement contract that helps to reduce Anti-Social Behaviour and protect our environment.**	**Innovative and Cost-Effective Services**	**New contract to commence in April 2025.**	**Street Scene Manager**	**Transformation and Infrastructure**

Ref	Description of activity	Priority Action(s)	Milestones	Lead Officer	Cabinet Member
13.18	**Investigate and trial new technologies to improve our car parks and improve the experience of our customers.**	**Innovative and Cost-Effective Services**	**Report on the potential of parking machines accepting contactless payments considered by Communities and Environment Scrutiny Select Committee in May 2025 and by Cabinet in July 2025.** **Automatic Number Plate Recognition introduced and operational at 2 car parks by March 2026.**	**Engineering Manager / Parking Manager**	**Transformation and Infrastructure**
13.19	**Implement the requirements of the new Procurement Act, and subsequently review the Council's financial procedure rules and contract procedure rules contained within the constitution.**	**Innovative and Cost-Effective Services**	**Contracts tendered in accordance with new Procurement Act by April 2025.** **Updated financial rules and contract procedure rules approved by Council by March 2026.**	**Director of Street Scene, Leisure and Technical Services / Director of Finance and Transformation**	**Transformation and Infrastructure / Finance and Housing**
13.20	**Make it easier for customers to renew their garden waste subscription.**	**Innovative and Cost-Effective Services**	**Repeat payment option introduced for subscribers by March 2026.**	**Chief Financial Services Officer**	**Transformation and Infrastructure**
13.21	**Identify and implement clear plan to resolve outstanding matters associated with the current Agile Programme**	**Innovative and Cost-Effective Services**	**The following teams upgraded to the new system by:** **Environmental Health by Summer 2025** **Housing Services by Summer 2025** **Licensing by Summer 2025**	**Director of Planning, Housing and Environmental Health**	**Finance and Housing**

Ref	Description of activity	Priority Action(s)	Milestones	Lead Officer	Cabinet Member
14.1	Launch an enhanced Community Enforcement Team. (subject to formal approval)	Available Services and Advice	Funding contributions agreed with partner organisations and external funders by April 2025. New team up and running, with Communications Plan in place to raise awareness amongst our communities in April 2025.	Head of Licensing, Community Safety and Customer Services	Community Services
14.2	Campaign to increase uptake of E-billing and promote the Citizen Access service for Council Tax.	Available Services and Advice	Complete delivery of the campaign by December 2025 in order to impact on the 2026/27 billing programme.	Revenues Manager	Finance and Housing
14.3	Implement key projects as set out in the IT & Digital Strategy 2023-27 roadmap.	Available Services and Advice	Migration of all internal and external eForms from an EBASE to JADU platform and decommission all relevant systems infrastructure by Spring 2025. Adoption of corporate enterprise document management solution including digitization of all paper records across all services within the council by March 2026. Migration of all shared drives across the authority to SharePoint, including training for all staff by March 2026.	Head of IT	Finance and Housing
14.4	Review National Cyber Security Centre's Cyber Assessment Framework (CAF) with a view to working towards compliance.	Available Services and Advice	Implement recommendations made through the CAF and complete the assessment to ensure compliance by December 2025.	Head of IT	Finance and Housing

Ref	Description of activity	Priority Action(s)	Milestones	Lead Officer	Cabinet Member
14.5	Complete the Integration of Services into the Contact Centre to improve customer experience.	Available Services and Advice	Transfer of Waste Services in Spring 2025. Transfer of Planning by Autumn 2025.	Head of Licensing, Community Safety and Customer Services	Community Services
14.6	Deliver effective and efficient County Council Elections for our residents (subject to the Devolution timetable for Kent and Medway)	Available Services and Advice	County Council elections delivered successfully in May 2025.	Head of Electoral Services	Executive Leader
15.1	Distribute 2025/26 Household Support Fund support to our most vulnerable residents.	Promoting Well-Being	£XXXXX of funding support provided in accordance with the funding criteria by XXXX (to be updated once the allocation from Government and KCC is known)	Benefits and Welfare Manager	Finance and Housing
15.2	Produce new Health Action Team (HAT) Action Plan for the One You Service to deliver health & wellbeing impact across the borough.	Promoting Well-Being	Health Action Team Action Plan approved by Cabinet by June 2025. Implementation of Action Plan from June 2025 onwards, including completion of two key actions from each of the three priorities by March 2026.	One You Team Leader	Finance and Housing
16.1	Work towards securing a Silver Award in the Armed Forces Employer Recognition Scheme to raise awareness of the needs of the Armed Forces Community.	Supporting Residents	Application approved by Cabinet and submitted to Government in March 2026.	Policy, Scrutiny and Communities Manager	Community Services

Ref	Description of activity	Priority Action(s)	Milestones	Lead Officer	Cabinet Member
16.2	**In recognition of changing demographics in the borough and to respond effectively to local need, develop and deliver equalities and diversity training for all staff, identifying those posts that require enhanced training.**	**Supporting Residents**	**Training plan reported to Cabinet by October 2025.** **Training delivered to all staff by March 2026.**	**Policy, Scrutiny and Communities Manager**	**Community Services**
16.3	**Improve Council's Safeguarding arrangements and performance.**	**Supporting Residents**	**New training plan approved by Cabinet in October 2025, with training delivered to all staff and Members by March 2026.** **New enhanced safeguarding webpage with links to support agencies and safeguarding advice by March 2026.**	**Policy, Scrutiny and Communities Manager**	**Community Services**

EFFICIENT & EFFECTIVE COUNCIL – PERFORMANCE TARGETS

Indicator	Description	Est Performance 2024/25	Target 2025/26	Lead Officer	Cabinet Member
Food Safety Inspections	% of due food safety inspections undertaken (Risk Category A-E).	98% (Higher is better)	**99%**	Food and Safety Manager	Climate Change, Regeneration and Property
One You Service	The number of residents benefiting from support of the One You Service.	730 (Higher is better)	**750**	One You Team Leader	Community Services
Safeguarding	The number of priority actions arising from the independent safeguarding audit remaining unresolved for more than 6 months.	0 (Lower is better)	**0**	Policy, Scrutiny and Communities Manager	Community Services
Anti-Social Behaviour (ASB)	Total number of ASB cases in the borough that are reported to the Council.	520 (Lower is better)	**510**	Safer and Stronger Communities Manager	Community Services
Victim-Based Crime	Total number of reported Victim-based crimes in the borough.	7,500 (Lower is better)	**7,200**	Safer and Stronger Communities Manager	Community Services
My Account registrations	The total number of residents with a My Account.	42,500 (Higher is better)	**47,000**	Head of Communication	Community Services
My TMBC app downloads	The number of app downloads over the course of a year.	1,200 (Higher is better)	**1,500**	Head of Communication	Community Services
Public engagement with news from TMBC	The number of clicks on social media content over the course of a year.	20,000 (Higher is better)	**22,000**	Head of Communication	Community Services

Indicator	Description	Est Performance 2024/25	Target 2025/26	Lead Officer	Cabinet Member
Staff engagement	The proportion of staff who feel positively about working at the Council.	82% (Higher is better)	**85%**	Head of Communication	-
Vacant Posts (FTE)	Number of positions within the council that are currently vacant.	9 (Q1 24/25) (Lower is better)	**7**	Head of Human Resources and Development	-
Sickness Absence – short term	Average number of working days per employee across the organisation lost to short term sickness absence.	2.91 (Lower is better)	**2.7**	Head of Human Resources and Development	-
Gender Pay Gap - Median	The difference between the median pay of men and women within the council.	22.24% (Closer to 0% is better)	**18%**	Head of Human Resources and Development	-
Contact Centre – Handled Rate	% of calls answered in the Contact Centre against those presented.	92% (Higher is better)	**94%**	Head of Licensing, Community Safety and Customer Services	Community Services
Contact Centre - Emails	% of emails responded to within 24 hours.	100% (Higher is better)	**100%**	Head of Licensing, Community Safety and Customer Services	Community Services
Contact Centre - Webchat	% of webchats answered by the Contact Centre.	99% (Higher is better)	**99%**	Head of Licensing, Community Safety and Customer Services	Community Services
Licensing	Fees generated from the processing of premises licenses under the Licensing Act 2003.	£80,000 (Higher is better)	**£85,000**	Head of Licensing, Community Safety and Customer Services	Community Services

Indicator	Description	Est Performance 2024/25	Target 2025/26	Lead Officer	Cabinet Member
Council Tax	Percentage calculated as a cumulative year-to-date figure, from the total council tax payments received compared to the total amounts payable in that year.	98% (Higher is better)	**98.1%**	Revenues Manager	Finance and Housing
Non-Domestic (Business) Rates	Percentage calculated as a cumulative year-to-date figure, from the total business rates payments received compared to the total amounts payable in that year.	99.4% (Higher is better)	**99.4%**	Revenues Manager	Finance and Housing
Salary Monitoring Data	Variation to budget approved by Council in February 2025 and 2026 including the agreed management savings targets.	£0 above/below profile (Closer to profile is better)	**£0**	Chief Financial Services Officer	Finance and Housing
Income Monitoring Data	Variation to budget approved by Council in February 2025 and 2026.	£0 above/below profile (Above profile is better)	**£0**	Chief Financial Services Officer	Finance and Housing
Determination of Housing Benefit claims	Number of days to accurately determine new Housing Benefit claims and changes to existing claims.	28 (new claims) and 6 (changes) (Lower is better)	**26 and 5**	Benefits and Welfare Manager	Finance and Housing
Determination of Council Tax Reduction Scheme claims	Number of days to accurately determine new Council Tax Reduction Scheme claims (median) and changes to existing claims.	33 (new claims) and 3 (changes) (Lower is better)	**30 and 2**	Benefits and Welfare Manager	Finance and Housing
Prompt payment of invoices	The percentage of invoices paid with the **30**-day deadline.	**99%** (Higher is better)	**99%**	Exchequer Services and Systems Manager	Finance and Housing

Timescales

Action	Date	Notes
Identify long list of priorities for the year ahead (2025/6)	Early September 2024	Where available use 2024/25 service plans as starting point
First Drafts of Plan Produced	September/October 2024	
Work towards a Final Draft	November/December 2024	
Report to Overview and Scrutiny Committee	13 January 2025	
Overview and Scrutiny Committee	23 January 2025	NB To go at the same time as the budget
Report to Cabinet Deadline	30 January 2025	
Cabinet	11 February 2025	
Staffnet Article	February/March 2025	
Annual Service Delivery Plan on tmbc.gov.uk	Mid-March 2025	
Quarter 1 Reporting		
Collation of updates for Q1 2025/26	June-July 2025	
Report to Overview and Scrutiny Committee	30 August 2025	
Overview and Scrutiny Committee	11 September 2025	
Report to Cabinet	25 September 2025	
Cabinet	07 October 2025	

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ANNUAL SERVICE DELIVERY PLAN 2025/26

Item OS 25/7 referred from Overview and Scrutiny Committee of 23 January 2025

The report of the Chief Executive and the Leader introduced an Annual Service Delivery Plan to strengthen links between the Corporate Strategy 2023-27 and the activities of the Borough Council and which set out priority actions for the year. The Plan also provided the opportunity to realign the Key Performance Indicators, strengthened accountability and aligned priorities with budget setting.

A draft Annual Service Delivery Plan for 2025/26 setting out a wide range of activities, milestones and targets was provided at Annex 1.

Members welcomed the introduction of a Service Delivery Plan as a valuable tool in monitoring performance and tracking progress and suggested a number of amendments and corrections which were noted by the Strategic Economic Regeneration Manager including a request for data related to the housing register and empty properties.

With regard to the Borough Council maximising opportunities to influence the implement of the Government's 'devolution' agenda within Tonbridge and Malling (detailed in 13.1 – Efficient and Effective Council – Active) Members discussed options related to areas that did not have parish/town council representation. It was proposed by Cllr Hood, seconded by Cllr Hoskins and supported by the Committee, that the milestone for 13.1 be amended to include:

(i) Report on progress of any governance review relating to the unparished part of the Borough and any other boundary review of parished areas.

***Recommended:** That

(1) the report be noted;

(2) the draft Annual Service Delivery Plan (attached at Annex 1) be commended to Cabinet for approval, subject to the proposed amendment set out in (i) above;

(3) any updated information addressing current gaps in information be considered during Quarter 1 reporting of the Annual Service Delivery Plan; and

(4) the process for reporting updates on the Annual Service Delivery Plan, set out in 5.6 to 5.8 be commended to Cabinet for approval.

***Recommended to Cabinet**

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Cabinet

11 February 2025

Part 1 - Public

Executive Non-key Decision

Cabinet Member	Cllr Kim Tanner
Responsible Officer	Sharon Shelton, Director of Finance and Transformation
Report Author	Sharon Shelton Paul Worden

MHCLG Consultation "Local Authority Funding Reform: Objectives and Principles"

1 Summary and Purpose of Report

1.1 Alongside the provisional local government finance settlement, the Ministry for Housing, Communities and Local Government published the consultation paper ''Local Authority Funding Reform: Objectives and Principles".

1.2 The consultation seeks views on the approach to local authority funding reform through the local government finance settlement from 2026/27. The deadline for responses is 12 February 2025.

1.3 At the time of writing, it has not been possible to get the draft response ready for publication. ***However, this will be published as a supplement prior to the meeting taking place.***

2 Corporate Strategy Priority Area

2.1 Efficient services for all our residents, maintaining an effective council.

2.2 Government funding is an important element of the overall finance package for the delivery of local services. It is therefore important that the Council comments on the proposals of Government to protect the services it delivers.

3 Recommendations

3.1 Cabinet is **RECOMMENDED** to reply to the consultation with the draft response which is due to be published as a supplement prior to the meeting.

4 Introduction and Background

4.1 The incoming government has committed to a fundamental review of local government funding which was commenced under the previous government in 2018 but was not completed.

4.2 Some Members will recall the consultation in 2018 which was known as the 'Fair Funding Review'. The stated intention of that consultation was to "*develop a more robust and up-to-date approach to distributing funding across all councils*" considering the drivers of local authorities' costs and the resources available to them. This Council responded to the consultation through a report to Cabinet on 20 March 2018.

4.3 As we know the previous government did not implement the proposals consulted on, predominantly due to the onset of the global pandemic and thereafter an economic crisis. However, in our Medium Term Financial Strategy we have been anticipating the implementation of the review, albeit that we have regularly been "pushing back" the effective date.

4.4 This new consultation continues the process already started with the paper stating:

" This government agrees with the previous government that we should use the best available evidence to assess differences in the need for local government services – including deprivation – and resources available to local authorities. Whilst our proposed objective is in line with the 2018 Consultation, we are seeking to re-test it given this was six years ago and there have been significant changes since then, including the COVID-19 pandemic"

5 Consultation

5.1 The consultation can be found at: Local authority funding reform: objectives and principles - GOV.UK

5.2 The principles to guide the review, as informed by the 2018 paper, are:

- Simplicity – be based on the most important factors that drive the need to spend.
- Transparency – should be understood by those affected.
- Dynamism – based on the most up to date data that is available and data, as far as practicable, that can be regularly updated.
- Sustainability – to be based on current and future cost drivers.
- Robustness – the formula should use the best possible objective analysis.

- Stability – should be predictable, in order to support longer term planning
- Accountability - approach should enable citizens to understand how local authorities are funded and more effectively hold their local authorities to account for the quality and cost effectiveness of services they provide, as well as for local decisions on how and to what extent to raise resources locally.

5.3 As well as looking at the drivers and measures for formula grant, the consultation also covers both Business Rate Retention, the cessation of New Homes Bonus and Sales, Fees and Charges reform.

5.4 Business Rates Retention

5.4.1 Under the Business Rates Retention System, the distribution of business rates income is determined by the relationship between Baseline Funding Level and the Business Rates Baseline. The Baseline Funding Level is the level of business rates income allocated to meet an authority's need, as determined by the Settlement. The Business Rates Retention System was designed to be periodically reset but has not happened yet.

5.4.2 The consultation states that the government intends to carry out **a full Reset in 2026-27**. However it acknowledges concerns around potential 'cliff edges' at the end of a Reset period. To minimise the risk of these cliff edges, the government intends to consider the impact of reforms to the Settlement as a whole in the design of Transitional Arrangements.

5.5 New Homes Bonus

5.5.1 New Homes Bonus is paid to authorities in recognition of net additions to effective housing stock in their area. At one time, significant sums were payable to local authorities in respect of New Homes Bonus but over the years this has been diluted.

5.5.2 The government proposes that 2025/26 will be **the final year** the New Homes Bonus is paid in its current format. The consultation states that the government will consult on detailed proposals for arrangements beyond 2025/26 in the first half of 2025.

5.6 Sales, Fees and Charges reform

5.6.1 As part of this consultation the government is exploring proposals on whether **responsibility for setting levels for some statutory fees and charges** should be devolved to local government in the longer-term**.**

6 Commentary

6.1 It is no surprise that this consultation is coming forward. Following the consultation in 2018, the Council has been factoring into its MTFS the likely impact of the implementation of a 'fair funding' review. Philosophically it is hard to argue against the principles that both this and the former government have promoted.

6.1.1 The Business Rates Retention Scheme came into being in 2013 and it was always intended that it be periodically reset. Therefore, it is no surprise that this will happen in the short term. Perhaps unfortunately for TMBC, we have only very recently started to benefit from the scheme after the initial fallow years and a reset will eliminate (in part) this benefit. However, ironically an earlier implementation might be more beneficial to TMBC given that the data on which a reset would need to be based will be at least a year or two out of date.

6.2 In terms of New Homes Bonus as mentioned, the financial impact of this had been dampened over the years and we have been anticipating its demise. That said, our MTFS does assume that some other scheme would replace it and TMBC would receive some reward through the scheme. At this stage that is an unknown.

6.3 There is an opportunity to seek government's agreement to devolving responsibility for setting levels for some statutory fees and charges to local government**.**

6.4 Naturally, the issue of devolution/reorganisation hangs over this. Whatever happens in the future the government will wish to ensure that funding is being directed according to the principles identified and will be carried forward into any new structure of local government.

7 Proposal – Response to Consultation

7.1 Attached at **[Annex 1]** is a list of the questions posed within the consultation.

7.2 Due to the timescales involved in getting this report (and more importantly the Budget report) ready for the print deadline, a suggested response to the consultation will be uploaded as a supplementary once discussion has taken place with the Cabinet Member for Finance and Housing. Cabinet will be asked to endorse this response once drafted and allow it to be submitted by the deadline of 12 February 2025.

8 Other Options

8.1 Members can make changes to the response as they see fit.

8.2 There is no obligation to submit a response at all, but it is important that the government receives the views of local government in respect of its future funding arrangements.

9 Financial and Value for Money Considerations

9.1 This Council has not faired favourably on previous assessments of need and following the consultation in 2018, we have anticipated a reduction in government funding within our MTFS.

9.2 With particular reference to Business Rates Reset, the level of funding any one authority receives in future could decrease markedly and place financial sustainability at risk – so transitional arrangements in the form of damping will undoubtedly be a prerequisite.

10 Risk Assessment

10.1 There has been so much uncertainty and volatility that financial planning has become increasingly difficult with the increased risk of significant variances compared to projection. This had had consequential implications on the level of reserves held to deal with potentially greater income volatility.

11 Legal Implications

11.1 The legislative framework for the billing, collection, recovery and administration of national non-domestic rates (business rates) is set out in the Local Government and Finance Act 1988. The Local Government Finance Act 2012 and regulations that followed introduced the current Business Rates Retention scheme.

11.2 December 2024 saw the publication of an English Devolution White Paper which has set out the Government's clear intent to drive devolution through the establishment of Mayoral Strategic Authorities and an associated programme of local government reorganisation in two-tier areas. Whilst no councils can foresee the effect that devolution may bring, the Council must proceed on its current course at the moment to ensure that there is no interruption to services.

12 Consultation and Communications

12.1 This is the first of, probably, a series of consultation by government on the future of local government financing.

13 Implementation

13.1 Members are requested to give authority or the response to be submitted by 12 February 2025.

14 Cross Cutting Issues

14.1 Equalities and Diversity

14.1.1 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.

Background Papers	None
Annex 1	Questions posed

ANNEX 1

MHCLG Consultation "Local Authority Funding Reform: Objectives and Principles"

Question 1: Do you agree with the government's objective to allocate grant and retained business rates income in a way which accounts for differences between local authorities in demand for services, the cost of delivering them and ability to raise Council Tax locally?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

Question 2: In addition to the areas included in this consultation, are there elements of the local government finance system that are not fit for purpose and require improvement and reform? If so, please provide information on what reforms are required and why.

If you have views, please share these and any supporting explanation or evidence. (Free text)

Question 3: Do you agree that the suggested principles should inform our approach to updating local authority funding allocations?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

Question 4: Do you agree with our proposal to use the best available evidence and most up-to-date data in the assessment of need, including using the most recent census data?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

Question 5: Do you agree with our proposal to simplify the assessment by reducing the number of Relative Needs Formulae? If you disagree, please explain why and which service areas you are concerned about.

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

Question 6: For the children, young people and family services formula, do you agree that the variables set out are the right ones to consider in an assessment of relative need? If you recommend the addition or removal of variables, please provide supporting evidence and recommend a suitable dataset.

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

Question 7: Do you agree that the government should consider updating the data in the fire and rescue services Relative Needs Formula?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

Question 8: Do you agree we should assess differences in cost using an Area Cost Adjustment based on the structure of 2024 ACA? If not, please provide evidence for alternative approaches.

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

Question 9: Do you agree that (other than locally retained business rates) we should only adjust for Council Tax when assessing local resources? If you do not agree, please include details of what other sources of income you think should be included (if any), and how the government should adjust for them.

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

Question 10: Do you agree that we should measure Council Tax income by making uniform assumptions on the Level of Council Tax charged by local authorities and factors which determine their ability to raise Council Tax?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

Question 11: To what extent should we adjust for Council Tax when determining local authority allocations (i.e. what assumption should we make on Council Tax Level)?

Fully – Partially – Not at all – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

Question 12: Do you agree Transitional Arrangements should account for a Business Rates Reset? If not, please explain why.

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

Question 13: Do you agree or disagree we should enable and encourage local authorities to support housebuilding in their areas through the Local Government Finance Settlement? Please provide any explanation or supporting evidence for your view.

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

Question 14: What measures should we use to support local authorities to move to their updated funding allocations?

Blend in updated allocations over several years – Other transitional arrangements (Check options that apply)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

Question 15: Do you agree we should keep funding allocations up-to-date dynamically by using the most up-to-date data possible? If so, how?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

Question 16: What are the most excessively burdensome activities or requirements for councils, which if changed, could significantly free up local government capacity?

If you have views, please share these and any supporting explanation or evidence. (Free text)

Question 17: Do you agree with our proposals to reduce the number of grants and New Burdens payments issued to local government?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation and evidence. (Free text)

Question 18: Do you agree or disagree that the government should provide local authorities with greater control over Sales, Fees and Charges? Please provide supporting evidence, considering specific fees where greater control would be of most benefit, and expected impacts on charge-payers.

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation and evidence. (Free text)

Question 19: Do you have any views on the potential impacts of the proposals in this consultation on persons who share a protected characteristic?

If you have views, please share these and any supporting explanation or evidence. (Free text)

Recommendations of Communities and Environment SSC of 5 February 2025 - To Follow

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Communities and Environment Scrutiny Select Committee

05 February 2025

Part 1 - Public

Matters for Cabinet - Non-key Decision

Cabinet Member	Martin Coffin Cabinet Member for Transformation and Infrastructure
Responsible Officer	Robert Styles, Director of Street Scene Leisure and Technical Services
Report Author	Darren Lanes, Head of Street Scene and Leisure

Waste Services - Strategic Approach to Service Provision

1 Summary and Purpose of Report

1.1 This report considers a number of commissioning options for the future delivery of the Councils Waste Services Contract. Information relating to the financial or business affairs of any particular person (including the authority holding that information) is included separately in the Annexes attached in private elsewhere on the agenda. The report recommends to Cabinet the contract be retendered, and subject to Cabinet's decision a further report be considered at the next meeting of this Board on the contract specification, preferred procurement route, length of contract, timescale and the evaluation criteria for the contract award.

2 Corporate Strategy Priority Area

2.1 Efficient services for all our residents, maintaining an effective council.

2.2 The waste services contract is the largest contract commissioned by this authority providing a household waste and recycling collection service to approximately 57,000 homes in the borough. The contract also includes street cleansing services. The service is high profile, serving all our residents and is currently delivered in partnership with Tunbridge Wells Borough Council.

3 Recommendations

3.1 Subject to consideration of the commissioning options evaluated in this report and taking into consideration the exempt information in the Part 2 Annexes, Members are requested to make the following recommendations to Cabinet:

- That the Council remains in partnership with Tonbridge Wells Borough Council for the delivery of the provision of the household waste and recycling collection and street cleansing service.

- That contracting out remains the Council's preferred commissioning model for the delivery of the provision of the household waste and recycling collection and street cleansing services.

- That a further report is presented to this Committee to allow for the consideration of key service specification issues and the proposed procurement process for the delivery of the provision of the household waste and recycling collection and street cleansing services.

4 Introduction and Background

4.1 In partnership with Tunbridge Wells Borough Council (TWBC) - together the Partnership Authorities - the Council's current Waste, Recycling and Street Cleaning Contract was entered into with Urbaser Ltd, with a commencement date of 1 March 2019, for an initial contract period of eight years - Members will be aware that Urbaser Ltd was brought out by FCC Environmental (Uk) Limited in 2024 with FCC now holding our current contract. The current contract terms do allow for a contract extension up to a period of a further 10 years subject to agreement by both Partnership Authorities and FCC as the incumbent Contractor. Such an extension can be requested at any time during the sixth year of the current contract – from 1 June 2025. With the current agreed contract term of eight years due to expire on 31 March 2027, consideration is now being given to the commissioning options beyond this date. This report sets out these options and seeks Members' consideration to the strategic approach to the future commissioning of waste services. The current annual contract cost across the Partnership is £8.8 million with this Council liable for a proportion of this, relative to respective property numbers, street lengths and other services, of £4.9 million per annum (2024/25 budget).

4.2 The Partnership Authorities have established a joint Waste Contract Officer Steering Group (Steering Group) to consider and guide the recommissioning process with representatives across both Partnership Authorities up to Director level. The Steering Group is attended by legal, financial and procurement representatives from both authorities alongside operational staff. This report is being brought forward with the support and endorsement of the Steering Group with a similar report being presented to Members at TWBC (Advisory Board on the 21 January and Cabinet on 6 February). The two reports have been tailored for each Authority though the principles, factual detail and proposals remain the same.

5 Proposal

5.1 A consensus between the Partnership Authorities will need to be achieved if it is considered to be desirable to continue to work together on the delivery of waste, recycling and street cleaning services. There will be a significant amount of work involved in adopting any of the commissioning options and it is therefore critical that a strategic direction is approved at the next meeting of Cabinet in order for Officers to successfully deliver an appropriate solution within the timeframe given and within resources available. Initially 4 commissioning options were identified including a negotiated extension with FCC, in house provision, establishing a Local Authority Trading Company and appointing an external contractor. At section 8 of this report, it can be noted that the option to negotiate an extension with FCC on revised terms from the existing contract has been determined by both in house and external legal advisors to not be legally permissible, leaving 3 options available.

5.2 With regard to the strategic approach consideration is sought on the following

- Should this Council continue to work in partnership with TWBC in the delivery of waste, recycling & street cleaning services from April 2027?

- What will be the commissioning model for services beyond March 2027 which could include in-house provision, establishment of a Local Authority Trading Company or procuring an external contractor?

5.3 The Steering Group has progressed three critical pieces of work in order to place Officers and Members in a more informed position when considering the strategic questions highlighted above. They are summarised below and outlined in further detail within the report:

- engaging in early discussions with FCC and legal advisors to assess the viability and potential for a compliant negotiated contract extension;

- updating of the previously commissioned Options Report. This was developed in 2021/22, by Waste Consulting LLP (WCL) to assess the potential benefits and costs of various service delivery models. The market, associated risks and benefits have moved on since then and WCL has updated the report, last updated in February 2023. This advises on potential retender costs, risks and benefits of the alternative options;

- carrying out Supplier Market Engagement. This process was recommended by the Partnership Authorities' procurement support team (Mid Kent Procurement Partnership) and looked to gain essential feedback from external contractors to assist and support the Councils' decision on future service provision.

5.4 The key outcomes of the work above are detailed further below.

6 Service Provision

6.1 It is recognised that the general levels of the waste, recycling and street cleaning services will need to be reviewed and agreed by Members at the next meeting of this Board. This review is required to highlight any potential savings to help mitigate against the predicted significant increase in costs of providing the service. The review will also take into account impending changes to government legislation. The current service provision is highlighted below, to give context to the services being considered within this report.

6.2 The current services generally consist of household waste and recycling collections, including from communal properties, and the provision of street cleansing services. With regard to the former the current methodology includes:

- Weekly collection of food waste – separate vehicles;
- Fortnightly collection of residual waste;
- Fortnightly collection of comingled dry recyclables in two separate streams/containers:
    - Stream/Container 1: paper & card; and
    - Stream/Container 2: plastics, metals & glass
- Fortnightly collection of garden waste (subscription based);
- Ancillary collection services on request including clinical and sharps box collections and bulky item collections.

6.3 Collection services are provided to approximately 107,000 domestic properties across the Partnership Authorities (57,000 in TMBC and 50,000 in TWBC).

6.4 Street cleansing services broadly consist of a schedule of litter picking, manual sweeping and mechanical sweeping at agreed frequencies of adopted highways, pavements, footpaths, grass verges and car parks. This includes appropriate traffic management of high-speed roads during cleansing operations, including some sections of dual carriageways and slip roads.

6.5 Cleansing services are provided on a range of highways across both Partnership Authorities' areas, including high speed roads, town centres, residential areas, rural roads and sections of the A21 and A20 trunk roads.

6.6 In terms of domestic waste the contract only relates to waste collection and reflects the Partnership Authorities' duties as Waste Collection Authorities with Waste Disposal being the responsibility of Kent County Council (KCC). The Partnership Authorities work closely with KCC with regular liaison meetings. A contractual agreement (Inter Authority Agreement) is also currently in place between the Partnership Authorities and KCC setting out payment terms

related to waste disposal. The current agreement is due for review following the current agreed contractual term with FCC.

7 Current Vehicle Provision/Lease Arrangements

7.1 A summary of the current daily fleet provision is provided below (not including spares) to give Members context to the scale and level of service provision and in particular the current vehicle lease arrangements that are in place.

- Refuse 11*
- Recycling 11*
- Food Waste 8*
- Garden Waste 8*
- Street Cleansing 27**

* includes narrow access, communal & small van collections

** includes ancillary services such as bulky collections, container deliveries, responsive 'hit squads', etc.

7.2 In specific regard to the vehicle fleet, the frontline collection vehicles (with the exception of the eight garden waste collection vehicles) were renewed within the last 6 to 12 months. These vehicles are leased by FCC until March 2031 and, the lease will transfer to the party that will deliver the services post-March 2027. These vehicles will, therefore, be available under lease for the first 4 years of any new contract agreement. To ensure quality of vehicle provision, FCC is bound by the lease to appropriately maintain the vehicles, being subject to inspections and sign off annually and at the end of the current contract period prior to any transfer.

8 Potential Contract Extension

8.1 As highlighted above, an option exists within the contract to extend it beyond the current agreed term of eight years, subject to agreement between the Partnership Authorities and FCC, for a period of up to 10 years. This option in the existing contract is based on any extension being subject to the existing terms and conditions, including the current contract price, uplifted by indexation only, which FCC do not consider to be viable. FCC has confirmed "it is unwilling to extend based on the current contract price''. Legal and procurement advice was subsequently sought on the potential of a negotiated extension on the existing contract enabling FCC to bring forward a revised contract sum. Based on the information and advice currently available, the increase requested by FCC cannot be justified contractually, pursuant to the

Public Contracts Regulation 2015, or either Partnership Authority's contract procedure rules.

8.2 Based on the position currently taken by FCC and the above advice both partner authorities agreed that this option should not be pursued any further.

9 Remaining in Partnership with Tunbridge Wells Borough Council

9.1 Consideration needs to be given as to whether the Council remains in partnership with TWBC to deliver the services from April 2027. To remain in partnership, the two Partnership Authorities would clearly need to agree to one single strategic approach to recommissioning.

9.2 Consideration has been given at an Officer level to maintaining the provision of services through the current partnership with the following benefits being identified.

- Shared knowledge and experience, including in the areas of Finance, Procurement and Legal Services as well as Operational.
- Greater resilience due to expanded pool of experts.
- Critical friend to discuss and challenge decisions.
- Greater influence and a stronger voice in meetings with any contractor due to scale of contract and number of partners.
- Continuation of the existing lease arrangements.
- Option and ability to work cross boundary on aspects of contract delivery.
- Option to share partnership resources such as depots.
- Savings through economies of scale including any contractor's shared back-office systems and high-level support services.
- Ability to achieve the savings related to a larger amalgamated contract whilst retaining a level of identity of each individual Council in aspects of service delivery.
- Partnership working supports the Government's aims on consistency of collections.
- Provision of greater strength in discussions with third parties regarding performance payments and external income.
- Provision of greater resilience in contract resources.
- Offers a more attractive contract to the market, particularly related to scale and potential value.

9.3 A question regarding partnership working was also posed through the Supplier Engagement process outlined in Section 11 below. The Market feedback also supported partnership working highlighting benefits, both through any procurement process and the management of the contract.

9.4 Working in a partnership does, however, add an additional layer of administration and management with any significant contract amendments and decisions needing to be debated and agreed by both Partnership Authorities. Given experience to date, this has not proved to be a stumbling block nor hampered this Council or the provision of services. The Partnership has worked extremely well and together has successfully navigated some exceptionally difficult periods in service delivery including the challenges provided by Covid and the national HGV drivers shortage.

9.5 The management and administration of the Partnership also requires additional time, although is currently undertaken within existing Council resources. The only additional direct cost to this Council is the cost to us of hosting the Partnership Manager role at an annual additional cost of approximately £4K. In response, however, TWBC host and cover any additional costs in providing an operational Steering Group Chair and administrative support for Steering Group meetings.

10 Commissioning Options Report

10.1 It is essential to agree the strategic route for recommissioning of the waste, recycling and street cleaning services post-March 2027 in order to maintain the service. This could include bringing services in-house, the establishment of a Local Authority Trading Company, or continuing with the external contracting of services.

10.2 In order to assist the Partnership Authorities in assessing these options, an external expert industry consultant was engaged to provide a detailed costed options report. The report has been produced by Waste Consulting LLP (WCL), a consultant very familiar with the current contract, through both supporting the development of the original contract specification and assisting the Partnership Authorities to successfully navigate the previous contractual issues with Urbaser/FCC. WCL also recently assisted this Council in assessing commissioning options for its Grounds Maintenance Contract. WCL has advised that in developing the report they have considered changes in interest rates, reduction in CPI, current market conditions and pay rates and have also used their first-hand experience of recent procurement exercises through which they have supported other Councils.

The report specifically looked at the anticipated annual operating costs of each commissioning option and their relative strengths and weaknesses. The report is based on current contract levels of service/specification and took into consideration FCC's current resources levels and detailed TUPE information to provide a detailed evaluation of anticipated option costs. The full report can be found at **Part 2 Annex 1.** For clarity, a LATCo allows authorities to establish their own trading company, operating outside some of the typical

DSO constraints, primarily the ability to offer different terms and conditions to employees, such as pensions at similar rates to the Private Sector (3-5%compared with the LGPS cost of c.19.7%/20.7%). That said, some LATCos still apply LGPS conditions, so the modelling again provides two LATCo views: 'LATCo 1' using a 3% pension contribution; and 'LATCo 2' using 19.7%/20.7%. These represent extremes and the authorities would be able to agree rates in between, if they wanted. It is worth noting that since completion of the previous WCL report, a number of LATCos have experienced industrial disputes with regard to single status applying to all staff in the Council (as may occur under a LATCo 1 model). While this risk could be negated by offering similar terms to all staff (as under the LATCo 2 model), the extra cost of operation combined with running as a 'company' (directors, governance, etc.) and our research indicating that there is a very limited availability of substantial additional work in the immediate area, all suggest the establishment of a LATCo 2 is unlikely to be financially viable. Nonetheless, WCL have included this option for completeness (and for comparison with previous WCL reports).

10.3 This is a major concern in relation to the LATCo 1 option as it leads to a two-tier structure of pay and conditions which is open for challenge by Unions and others. For this reason, it is suggested that Members may not wish to consider this option as being appropriate. The table within the executive summary of the WCL report shows a summary of the anticipated costs of each commissioning option (see **Part 2 Annex 1**).

10.4 The modelled costs referenced above and within the WCL report give figures for both the Partnership as a whole and the respective Councils as a share of those totals. Costs are based on current prices. If the Councils were to recommission independently, it is expected that these costs would increase, such as through the removal of the advantage of shared overhead costs.

10.5 Whilst the modelling has been based on current contract specification, some assumptions have been made that differ from current contract arrangements and are highlighted below for transparency. Whilst these assumptions may impact on the modelling costs, it is perceived that these assumptions only serve to reduce any future costs.

- High Speed Roads – The modelling includes current contract costs (paid to FCC) for the maintenance of high-speed roads including Dual Carriageways. This is due to the difficulty in modelling costs associated to this specific contract aspect. It is, however, considered that the current payments made are very competitive, offer good value for money and were exceptionally lower than other bid prices received through the original contract tender.

- Vehicle Hire/Purchase – The modelling assumes purchase of vehicles and the annual cost is based on an 8-year lifespan. Whilst this differs from current arrangements, with vehicles on lease hire, purchase of vehicles is considered to be the lower cost option.

10.6 The WCL report also looked at the relative strengths and weaknesses of the commissioning options it reviewed, and Table 1 below summarises this work.

Table 1 – WCL Summary of Commissioning Options Advantages and Disadvantages

Commissiong Option	Advantages	Disadvantages
Contracting Out	• Operational expertise with a regional, national and often international management support structure able to flex resources to respond to local/national/global emergencies; • Well-developed management systems for service delivery, fleet management, Health & Safety and contingency planning; • Private Sector approach provides a robust HR framework for managing operational service delivery; • Substantial waste sector buying power for fleet, supplies and other support services; • Contractor can provide capital and take the risks on fleet and depot provision; • Contractor takes responsibility for service delivery, labour relations, Health & Safety and waste management compliance; and • Costs set by a contract mechanism that provides 'relative' certainty for budget management.	• Costs contain provision for private sector risk, profit margin and corporate overhead, inflating the price of the 'direct' service; • Contracts tend to 'lock in' costs and resources resulting in a lack of flexibility to alter delivery in response to changes in Council budget, service priority and especially at times of policy/legislative change; • Local management resourcing can be 'mixed' and transient; • Potential for a lack of transparency in service provision as operational failures are not always admitted to, to avoid contract deductions; • Requires funding a Client Management Team to ensure contract compliance; and • Fleet cost, which are fully written down over contract term, may have useful life remaining at the end of the contract (which the Partners would not benefit from).

DSO	• Direct Council control offers more flexible resource allocation allowing Authorities to adjust resourcing to respond to budget pressures and service priorities especially at times of policy/legislative change; • Removes a potential 'one-size-fits-all' approach from some national waste contractors; • Cost of capital is cheaper than the Private Sector, allowing significant savings on borrowing costs for large capital item such as vehicles; • DSO being directly accountable for service delivery, removes need for client management function and costs; • Workforces returning to Council control are often appreciative of the	• Local Government Pension Scheme costs are substantially higher than Private Sector provision with Council pension on-costs typically being c. 20% compared with Private Sector employer contribution schemes frequently at the national minimum rate, currently 3%. As labour represents around half of a typical waste and street cleansing contract's service costs, this financial impact can be very significant; • DSO Management expertise may not exist where services have historically been subcontracted for some time;
	change and quality service improvements can be delivered (providing management systems are implemented appropriately); and • Local service knowledge developed and retained within the Council ensuring: o Management aware of service delivery challenges; and o Fleet and equipment specification is best suited to local environment.	• HR processes within Local Authorities are often less 'agile' than their Private Sector equivalent; • Fleet costs can be slightly higher without the benefit of Private Sector buying power; and • Significant capital investment/borrowing will be required to fund initial set-up costs, fleet and provide a depot (if not already owned).

LATCo	• Councils being able to directly award services to a LATC through a Teckal Exemption which removes the need and expense of procurement; • Pension Costs are outside of Local Government Pension Scheme; • LATCs have the capacity to generate 'external' income (providing that at least 80% of its activities are for its Public Sector owners); • Council retains control over service delivery, changes in service delivery and priority can be implemented without the constraints of Private Sector contract negotiations; • Cost of capital is cheaper than the Private Sector, allowing significant savings on borrowing costs for large capital item such as vehicles (although consideration must be given to conforming within the Subsidy Control Act, previously EU State Aid); • The LATC can develop a more commercial culture and approach to areas such as staff terms and conditions, HR and financial management compared to a DSO; and • Retains local knowledge within the LATC.	• Council may not possess management expertise and will have to source new staff to operate and manage the LATC; • There are additional support service costs for HR and finance to aid establishment of competitive commercial culture; • LATCs require the establishment of a Company Board and Governance structure to oversee costs and performance; • LATCs are 'registered' companies under the Companies Act 2006. The company is responsible for its activities and its finances are separate to the finances of the council, including management of payroll; • Without considerable 'external' profit it is unlikely the additional management costs of the LATC would be covered; • They require the Council to fund capital investment for set-up costs, fleet and depot provision, and • In recent years a number of authorities have found having 'two-tiers' of employment pay and conditions challenged by Unions.

11 Contract/Market Engagement Feedback

11.1 As part of any significant recommissioning exercise, it is advantageous and appropriate to engage with and seek comments from the market. The Project Group agreed for such an exercise to be carried out, considering that it would allow the Partnership Authorities to assess a number of factors and risks when considering re-tendering for services, which is one of the commissioning models being considered. Alongside the other information within this report, the results of the exercise will assist Members in their debate and decision making on the strategic approach to recommissioning of waste, recycling and street cleaning services.

11.2 Comments sought from the Market included the following:

- Optimum contract length
- Comments on current vehicle lease arrangements
- Mobilisation lead-in times
- Contractor risk that may be factored into to any tender
- Sustainability and the Partnership Authorities' carbon neutrality targets

- Collection methodologies
- Potential contract efficiencies
- Scale of contract (Partnership with TWBC)
- Benefits of contracting out as a commissioning model
- Contract options

11.3 The Market was given three and a half weeks to respond, and the Partnership Authorities received five responses.

11.4 The full responses received were extensive, however, a summary is provided at **Part 2 Annex 2.**

In general, the feedback:

- Raised minimal concern regarding the Partnership's current vehicle leasing arrangements and noted positive aspects in this regard.
- Generally supported eight-year contract terms.
- Supported current contract indices [a combination of RPI and fuel] with the proposed inclusion of an additional labour-cost related indexation.
- Generally supported a 12-month mobilisation period.
- Identified a high number of significant risks that contractors will factor in when considering tenders.
- Environmental options are possible, with costs & feasibility varying significantly depending on how emissions are reduced, e.g. many councils have already switched to biofuels which are cheaper & easier to take up, while electric and/or hydrogen vehicles are still high cost and require infrastructure that poses greater risks & challenges.
- Limited efficiencies savings suggested on current service resources.
- Current collections seen as compliant with developing government legislation and guidance including Simpler Recycling.
- Current uncertainty with government position including Extended Producer Responsibility and Deposit Return Scheme and associated impacts on materials collected.
- Potentially busy period up to & around 2027 for the Market that could limit bids.
- Supported the two Council/Partnership approach and the benefits this brings through contract procurement and management.
- Supported contracting out as opposed to LATCo or DSO.
- Scope of specification to be limited and does not support

multiple contract options through the tendering process.

12 Comparison

12.1 Members are requested to consider all information provided within this Report and the separate Part 2 Annexes and determine whether

- this Council should remain in partnership with TWBC on the delivery of waste, recycling and street cleaning services and
- what is this Council's preferred commissioning model

12.2 Table 2 below provides a summary of all options and their relative perceived benefits and risks. These benefits and risks have been given a weighting (3,2 and 1) that suggests their relative level of risk and potential impact, from higher to lower.

Table 2 – Overall Perceived Relative Risks and Benefits for Commissioning Options

Option	Perceived Benefits (Higher: 3 / Medium: 2 / Lower: 1) *	Perceived Risks (Higher: 3 / Medium: 2 / Lower: 1) *	Overall Risk/Impact Score
Contracting Out	Contract would be subject to full market testing. (H) Support from expert external contractors. (H) Opportunity to introduce environmental technology though still restricted by current fleet agreements. (M) Client experience and expertise in procurement and management. (M) Risk sharing with contractors. (M) **Overall Score (12)**	Uncertainly of future cost implications. (H) Early contract service issues. (M) Uncertainty around current government legislation and guidance. (M) Industry not advanced in environmental technologies and comes at a current high cost. (M) **Overall Score (13)**	**- 1**
DSO	Direct Award of Service to DSO so no contract procurement process. (M) Control over service delivery (M) Opportunity to introduce environmental technology though still restricted by current fleet agreements. (M) Retains local knowledge (M) Cost of capital (borrowing) is cheaper. (M) Removes the need for separate client management function. (M) Potential development of more staff pride improving service delivery. (L) **Overall Score (13)**	Greater uncertainly of future cost implications though perceived higher cost. (H) Early contract service issues due to inexperience of DSOs. (H) Not subject to full market testing. (M) No current expertise or experience in establishing DSOs. (M) No risk sharing with contractors (M) Industry not advanced in environmental technologies and comes at a current high cost. (M) Implications for current HR, Finance, Procurement and Legal teams. (M) Less buying power in the market for vehicles. (M) Large capital setup costs. (M) Uncertainty around current government legislation and guidance. (M) **Overall Score (22)**	**- 9**
LATCo 2	Direct Award of Service to LATCo so no contract procurement process. (M) Control over service delivery (M) Opportunity to introduce environmental technology though still restricted by current fleet agreements. (M) Retains local knowledge. (M) Cost of capital (borrowing) is cheaper. (M) Ability to avoid Local Government Pension Scheme costs (M) Ability of develop other commercial activities (L) **Overall Score (13)**	Greater uncertainly of future cost implications - perceived higher costs. (H) Early contract service issues due to inexperience of LATCos (H) Not subject to full market testing. (M) No current expertise or experience in establishing LATCos. (M) No risk sharing with contractors (M) Industry not advanced in environmental technologies and comes at a current high cost. (M) Additional management costs, and governance costs for running a company (M) Implications for current HR, Finance, Procurement and Legal teams. (M) Less buying power in the market for vehicles. (M) Large capital set up cost. (M) Uncertainty around current government legislation and guidance. (M) **Overall Score (24)**	**- 11**

LATCo 1	Direct Award of Service to LATCo so no contract procurement process. (M) Control over service delivery (M) Opportunity to introduce environmental technology though still restricted by current fleet agreements. (M) Retains local knowledge. (M) Cost of capital (borrowing) is cheaper. (M) Ability to avoid Local Government Pension Scheme costs (M) Ability of develop other commercial activities (L) **Overall Score (13)**	Greater uncertainly of future cost implications - perceived higher costs. (H) Early contract service issues due to inexperience of LATCos (H) Not subject to full market testing. (M) No current expertise or experience in establishing LATCos. (M) No risk sharing with contractors (M) Industry not advanced in environmental technologies and comes at a current high cost. (M) Additional management costs, and governance costs for running a company (M) Implications for current HR, Finance, Procurement and Legal teams. (M) Less buying power in the market for vehicles. (M) Large capital set up cost. (M) Uncertainty around current government legislation and guidance. (M) Leads to a two-tier structure of pay and conditions which is open for challenge by Unison/others and potential industrial action (H) **Overall Score (27)**	**-14**

***3, 2 or 1 point have been allocated to each perceived benefit and risk in regard to their relative risk and whether the impacts of these are considered relatively higher, medium or lower.**

	Lower Perceived Risk
	Medium Perceived Risk
	Higher Perceived Risk

12.3 Whilst Table 2 does cover some financial aspects, the specific perceived costs associated to all options (including TMBC only) are shown in the table in the executive summary of the WCL Options Report (see **Part 2 Annex 1**).

12.4 Taking the above into account it is suggested that the preferred option is that the Council retenders the contract in partnership with TWBC.

13 Other Options

13.1 All options considered are detailed and evaluated in this report.

14 Financial and Value for Money Considerations

14.1 The DIRECTOR OF Street Scene, Leisure & Technical Services confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

14.2 It has been noted for many years that the current contract cost is providing the Council with exceptional value for money in comparison to the level of services provided.

14.3 It is clear from the modelled figures within the Executive Summary in Part 2 Annex 1 that contract costs, regardless of the commissioning model selected, will be significantly higher than current costs. Allocation for an increase in such costs has already been factored into the Council's Medium-Term Financial Strategy from 1 April 2027 onward with an increase of £2.4m. It will be noted that even the lowest costs highlighted exceed this allocation and this will need to be considered by Officers and Members through either contract savings, increased charges or an increase in the Council's savings target (or a combination of all three).

15 Risk Assessment

15.1 Risk associated with all the commissioning options has been identified within the report. Risk mitigation has been undertaken as far as practical up to this point though it should still be recognised that a level of risk remains with all options identified and this is perhaps particularly the case with future financial risk and implications of the commissioning models identified within the WCL report.

16 Legal Implications

16.1 Legal representatives from both the Council and TWBC have considered the options within this report and, on the current details given, where an option is recommended confirm the ability to achieve compliance with relevant legalisation, guidance and Partnership Authorities constitutions.

16.2 The two Partnership Authorities also share a specialist procurement support team who have been fully engaged in the work undertaken to develop this report and confirm compliance to relevant procurement regulations.

16.3 The Council is required to agree a number of Policy Framework documents that provide long-term direction for its revenue and capital resources, its property assets, investment strategies and priorities for services and projects. December 2024 saw the publication of an English Devolution White Paper which has set out the Government's clear intent to drive devolution through the establishment of Mayoral Strategic Authorities and an associated programme of local government reorganisation in two-tier areas. If Kent (including both the Council and TWBC) is included as part of any priority programme it could see the Council ceasing to exist within the term of these plans and strategies. It also may well be that the Council's ability to take decisions, acquire or dispose of assets, to let contracts or to deliver projects or services may be constrained by the terms of the Structural Change Order or any Direction issued under Section 24 of the Local Government and Public Involvement in Health Act 2007 or by the lack of capacity associated with the work involved in delivering any structural changes. Whilst no councils can foresee the effect that devolution may bring, the Council must proceed on its current course at the moment to ensure that there is no interruption to the Service. The Council is also currently bound by the Public Contracts Regulations 2015 until the Procurement Act 2023 comes into force.

17 Consultation and Communications

17.1 Engagement has been undertaken with the market and advice has been sought from an external consultant.

18 Implementation

18.1 An implementation programme will be reported to the next meeting of this Board based on the decision taken by Cabinet.

19 Cross Cutting Issues

19.1 All cross cutting issues have been identified within the report.

19.2 Climate Change and Biodiversity

19.2.1 Climate change advice has been sought in the preparation of the options and recommendations in this report.

19.2.2 The environmental impact of the waste and recycling contract on both Partnership Authorities is recognised with specific reference to carbon emissions. In order for both Authorities to realise their ambitions to be carbon neutral by 2030, changes to the waste and recycling contract will be required. Whilst decisions taken in regard to this report refer to the high-level strategic direction on commissioning, this issue is dealt with separately alongside the review of the specification. This issue was given consideration when seeking feedback from the Market, see (**Part 2 Annex 2)**, Question 6. Further consideration is also given in Table 3 highlighting the perceived benefits and risks associated with the commissioning options. With all commissioning options, the opportunity for change will be limited up until 2031

given current fleet lease commitments, although opportunities to reduce emissions by using alternative fuels is possible with the existing vehicles. It is also worth noting that route optimisation, round reconfiguration and re- fleeting has taken place on the contract within the last year resulting in more effective and efficient collections.

19.3 Equalities and Diversity

19.3.1 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.

20 Other If Relevant

- Human Resources
- Procurement

Background Papers	None
Part 2 Annexes	Part 2 Annex 1 – WCL Options Report Part 2 Annex 2 – Summary of Market Feedback

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

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Recommendations of Communities and Environment SSC of 5 February 2025 - To Follow

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Communities and Environment Scrutiny Select Committee

05 February 2025

Part 1 - Public

Matters for Cabinet - Non-key Decision

Cabinet Member	Des Keers, Cabinet Member for Community Services
Responsible Officer	Adrian Stanfield, Director of Central Services & Deputy Chief Executive
Report Author	Laura French, Tonbridge Castle, Events and Customer Services Manager

Corporate Complaints Policy Review

1 Summary and Purpose of Report

1.1 To propose the adoption of the new Corporate Complaints Policy which has been brought into line with the changes to the recommended handling complaints by the Local Government & Social Care Ombudsman (LGSCO).

2 Corporate Strategy Priority Area

2.1 Efficient services for all our residents, maintaining an effective council.

2.2 Adopting a new policy in line with the recommendations of the LGSCO will ensure that the Council is able to respond efficiently to the needs of local residents.

3 Recommendations

3.1 Adopt the new Corporate Complaints Policy as set out at **Annex 3**.

4 Introduction and Background

4.1 On 8 February 2024 the Local Government and Social Care Ombudsman (LGSCO) launched their new Complaint Handling Code ('the Code'). A copy of the Code is attached as **Annex 1**. In the accompanying press release, the LGSCO stated that the Code sets out a process for organisations that will allow them to respond to complaints effectively and fairly.

4.2 The purpose of the Code is to enable organisations to resolve complaints raised by individuals promptly, and to use the data and learning from complaints to drive service improvements. It will also help to create a positive complaint handling culture amongst staff and individuals. The Code will act as a guide for individuals setting out what they may expect from an organisation when they make a

complaint. Organisations should seek feedback from individuals in relation to their complaint handling as part of the drive to encourage a positive complaint and learning culture.

4.3 Organisations should have a single policy for dealing with complaints covered by the Code. The principles, process and timescales in this Code are aligned with the Complaint Handling Code issued by the Housing Ombudsman. This means that organisations who fall under the jurisdiction of both Ombudsmen should be able to provide a co-ordinated complaint handling process across services covered by both Codes.

4.4 The publication of the Code provides a good opportunity to revisit our complaints handling and to consider aligning our process with the recommendations of the LGSCO.

4.5 There are some key differences between the Code and the existing TMBC complaints process (attached as **Annex 2**). For example, we currently operate a 3-stage complaint process, with each stage being handled by a Head of Service, Director and Chief Executive respectively. The Code proposes a 2-stage process. In the FAQs, the LGSCO explains their approach to this as follows:-

'We believe a two-stage complaint process provides a prompt process for responding to complaints. It allows councils to carry out a final check on how complaints have been considered and responded to before they come to the Ombudsman.

If a council decides to operate a one or three stage complaints process we would expect it to have good reasons for doing so supported by evidence and for those reasons to be clearly recorded in a timely manner.'

4.6 The timescales for responding to complaints are also different in the Code. At each stage of our existing complaints process, we aim to reply within 10 working days with a full written response. The Code proposes different response times for each stage:-

Stage 1 – acknowledged and logged within 5 working days of complaint being received. Organisations should provide a full response to stage 1 complaints within 10 working days of the complaint being acknowledged.

Stage 2 - acknowledged and logged within 5 working days of escalation request being received. Organisations should provide a full response to stage 2 complaints within 20 working days of the complaint being acknowledged.

4.7 In order to bring our complaints policy in line with the Code, a revised draft complaints policy is attached as **Annex 3**.

4.8 Members are asked to note the following:-

- Customers may make their complaint in a variety of ways, including online, via email/ telephone, by post or in person.

- Some complaints fall outside of the policy e.g, appeals against parking fines, appeals against planning application decisions, matters that are the subject of ongoing legal proceedings.

- To facilitate quicker resolution than the formal complaints process, service requests (see paragraph 3 of the policy at Annex 2) will be treated as part of the Council's normal business rather than a formal complaint. Examples of such requests are detailed in the policy and include such matters as missed bins and graffiti removal.

- We will not normally consider a complaint that is made more than twelve months after the issue occurring or the individual first became aware of the issue they would like to complain about. This is in line with good practice as operated by the LGSCO.

- Stage 1 complaints will continue to be handled by the appropriate Head of Service, with Stage 2 complaints being dealt with by one of the Council's Management Team.

- The revised policy will not apply to complaints against Councillors (for which there is a separate process under the Code of Conduct), nor to requests for information e.g., under the Freedom of Information Act (for which there is a separate review procedure).

5 Proposal

5.1 Adoption of the new policy and implement at a date to be agreed by the Director of Central Services & Deputy Chief Executive following appropriate Officer training. Training is scheduled to be delivered during April and May 2025 so an implementation date of 1 June 2025 is therefore proposed.

6 Other Options

6.1 The LGSCO states that

We believe a two-stage complaint process provides a prompt process for responding to complaints. It allows councils to carry out a final check on how complaints have been considered and responded to before they come to the Ombudsman.

If a council decides to operate a one or three stage complaints process we would expect it to have good reasons for doing so supported by evidence and for those reasons to be clearly recorded in a timely manner.'

6.2 With the above taken into consideration it is felt that there are no other options but to adopt the 2 Stage process.

7 Financial and Value for Money Considerations

7.1 There are no detrimental financial considerations to implementing this recommendation and Policy change. In line with the recommendations and working practices identified by the LGSCO improvement to our current processes and satisfaction rating would be key outcomes.

8 Risk Assessment

8.1 A decision is required now to proceed with the ongoing work involved in moving to a 2 stage process, including suitable online complaints notification and workflow requirements.

9 Legal Implications

9.1 The LGSCO has the power to issue 'advice and guidance about good administrative practice' to organisations it deals with under section 23(12A) of the Local Government Act 1974. The LGSCO has issued the Code under this statutory power following consultation with local councils, the public and other relevant bodies and organisations. It expects local councils to consider the Code when developing policies and procedures in relation to complaint handling as well as when considering individual complaints. The LGSCO has made it clear that local councils should follow the Code unless there are good reasons not to.

9.2 The LGSCO may make a finding of maladministration where local councils' policies and procedures depart from the Code without sufficient explanation. The LGSCO may also make a finding of maladministration where a local council, without good reason, does not meet the standards in the Code when responding to an individual complaint.

10 Consultation and Communications

10.1 In bringing forward this proposal, officers within the authority have been consulted and assisted with areas of the new Policy along with the support and direction of Directors and the Chief Executive.

11 Implementation

11.1 Appropriate training is scheduled to be delivered duringApril and May 2025. Subject to completion of the training it is proposed to implement the policy on 1 June 2025.

12 Cross Cutting Issues

12.1 Climate Change and Biodiversity

12.1.1 Limited or low impact on emissions and environment.

12.1.2 Climate change advice has not been sought in the preparation of the options and recommendations in this report.

12.2 Equalities and Diversity

12.2.1 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.

12.2.2 The ability for our residents / visitors to make a complaint through various channels remains in place.

12.3 Other If Relevant

- None

Background Papers	None
Annexes	**Annex 1**- Complaints Handling Code LGSCO **Annex 2** – Existing TMBC Complaints policy **Annex 3**- TMBC Complaints Policy 2025

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Local Government & Social Care OMBUDSMAN



Complaint Handling Code

Date published: February 2024

Date applicable: April 2024

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Introduction

Good complaint handling requires effective procedures and well-trained staff alongside a positive complaints culture that enables those procedures to achieve maximum impact. This code sets out what an organisation should do procedurally to handle complaints.

Organisations should embrace complaints through increased transparency, accessibility, and complaint handling governance. Demonstrating that individuals are at the heart of its service delivery and good complaint handling is central to that.

Some organisations see complaints as a form of negative feedback. However, there are many benefits to be gained from having an effective and efficient complaints process:

- Good complaint handling promotes a positive relationship between an organisation and service users.
- Complaints allow an issue to be resolved before it becomes worse. Those issues not resolved promptly can take significant resource and time to remedy.
- Involvement in complaint resolution develops staff ownership, decision-making and engagement.
- Complaints provide senior staff with essential insight into day-to-day operations, allowing them to assess effectiveness and drive a positive complaint handling culture.
- Data collected about complaints can be analysed and used to inform key business decisions to drive improvement in service provision.

The Complaint Handling Code ('the Code'), sets out a process for organisations that will allow them to respond to complaints effectively and fairly. The purpose of the Code is to enable organisations to resolve complaints raised by individuals promptly, and to use the data and learning from complaints to drive service improvements. It will also help to create a positive complaint handling culture amongst staff and individuals.

The Code will act as a guide for individuals setting out what they may expect from an organisation when they make a complaint. Organisations should seek feedback from individuals in relation to their complaint handling as part of the drive to encourage a positive complaint and learning culture.

Organisations should have a single policy for dealing with complaints covered by the Code.

The principles, process and timescales in this Code are aligned with the Complaint Handling Code issued by the Housing Ombudsman. This means that organisations who fall under the jurisdiction of both Ombudsmen should be able to provide a co-ordinated complaint handling process across services covered by both Codes.

The Local Government and Social Care Ombudsman's powers and approach

The Code is issued under the Local Government and Social Care Ombudsman's powers to provide "guidance about good administrative practice" to organisations under section 23(12A) of the Local Government Act 1974. For the Local Government and Social Care Ombudsman, this Code constitutes important advice and guidance to councils, rather than instructions.

We have issued the Code for local councils in England. Other organisations in the Ombudsman's jurisdiction may find the Code helpful in setting out good practice.

We can recommend an organisation takes action to improve services or provide a personal remedy where it finds fault causing injustice to an individual or group of individuals. Unlike the Housing Ombudsman, we have no specific responsibility for monitoring compliance with the Code in addition to our role investigating complaints of maladministration and service failure.

Using the Code

We expect local councils to carefully consider the Code when developing policies and procedures. Where an organisation decides that it will depart from the Code, it should ensure local decision-making processes have been properly followed.

We may make a finding of maladministration where local councils' policies and procedures depart from the Code without sufficient explanation. We may also make a finding of maladministration where a local council, without good reason, does not meet the standards in the Code when responding to an individual complaint.

Where an organisation is unable to comply with its policies and procedures when dealing with an individual complaint, the individual should be provided with a suitable explanation and signposted to the Ombudsman.

The Code should be considered along with other guidance issued by the Local Government and Social Care Ombudsman.

The Code does not replace any existing statutory complaint processes such as The Children Act 1989 Representations Procedure (England) Regulations 2006 or Local Authority Social Services and National Health Service Complaints (England) Regulations 2009.

The Complaint Handling Code

1. Definition of a service request and complaint

1.1 Effective complaint handling enables individuals to be heard and understood. The starting point for this is a shared understanding of what constitutes a service request and what constitutes a complaint. In most cases organisations should be able to put things right through normal service delivery processes.

1.2 A service request may be defined as:

‘a request that the organisation provides or improves a service, fixes a problem or reconsiders a decision.’

1.3 This provides organisations with opportunities to resolve matters to an individual’s satisfaction before they become a complaint.

1.4 A complaint may be defined as:

‘an expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the organisation, its own staff, or those acting on its behalf, affecting an individual or group of individuals.’

1.5 An individual should not have to use the word ‘complaint’ for it to be treated as such. A complaint that is submitted via a third party or representative should still be handled in line with the organisation’s complaints policy.

1.6 Organisations should recognise the difference between a service request and a complaint. This should be set out in their complaints policy.

1.7 Service requests are not complaints but may contain expressions of dissatisfaction. Organisations should have the opportunity to deal with a service request before a complaint is made. A complaint may be raised when the individual expresses dissatisfaction with the response to their service request, even if the handling of the service request remains ongoing. An organisation should not stop its efforts to address the service request if the individual complains.

1.8 Service requests should be recorded, monitored and reviewed regularly.

2. Exclusions

2.1 An organisation should accept a complaint unless there is a valid reason not to do so. If the organisation decides not to accept a complaint, it should be able to evidence its reasoning. Each complaint should be considered on its own merits.

2.2 Organisations should accept complaints referred to them within 12 months of the issue occurring, or the individual becoming aware of the issue. Organisations should consider whether to apply discretion to accept complaints made outside this time limit where there are good reasons to do so.

2.3 A complaints policy should set out the circumstances in which a matter might not be considered or escalated. Organisations should ensure that these are reasonable, and should not deny individuals access to redress.

2.4 If an organisation decides not to accept a complaint, an explanation should be provided to the individual setting out the reasons why the matter is not suitable for the complaints process and the right to take that decision to the Ombudsman.

2.5 Organisations should not take a blanket approach to excluding complaints; they should consider the individual circumstances of each complaint.

3. Accessibility and awareness

3.1 Organisations should make it easy for individuals to complain by providing different channels through which they can make a complaint. Organisations must consider their duties under the Equality Act 2010 and anticipate the needs and reasonable adjustments of individuals who may need to access the complaints process.

3.2 Individuals should be able to raise their complaints in any way and with any member of staff. All staff should be aware of the complaints process and be able to pass details of the complaint to the appropriate person within the organisation.

3.3 High volumes of complaints should not be seen as a negative, as they can be indicative of a well-publicised and accessible complaints process. Low complaint volumes are potentially a sign that individuals are unable to complain.

3.4 Organisations should make their complaint policy available in a clear and accessible format for all individuals. This should detail the process, what will happen at each stage, and the timeframes for responding. The policy should also be published on the organisation's website.

3.5 The policy should explain how the organisation will publicise details of the complaints policy, including information about the Ombudsman and this Code.

3.6 Organisations should give individuals the opportunity to have a suitable representative deal with their complaint on their behalf, and to be represented or accompanied at any meeting with the organisation.

3.7 Organisations should provide individuals with information on their right to access the Ombudsman service and how the individual can engage with the Ombudsman about their complaint.

3.8 Where an organisation asks for feedback about its services through a survey, it should provide details of how individuals can complain so they can pursue any dissatisfaction if they so wish.

4. Complaint handling resources

4.1 Organisations should have designated, sufficient resource assigned to take responsibility for complaint handling, including liaison with the relevant Ombudsman and ensuring complaints are reported to the governing body (or equivalent).

4.2 Anyone responding to a complaint should have access to staff at all levels to facilitate the prompt resolution of complaints. They should also have the authority and autonomy to act to resolve disputes promptly and fairly.

4.3 Organisations are expected to prioritise complaint handling and a culture of learning from complaints. All relevant staff should be suitably trained in the importance of complaint handling. It is important that complaints are seen as a core service and resourced accordingly

5. The complaint handling process

5.1 Organisations should have a single policy for dealing with complaints covered by the Code.

5.2 The early and local resolution of issues between organisations and individuals is key to effective complaint handling. Organisations should not have extra named stages (such as 'stage 0' or 'informal complaint') as this causes unnecessary confusion.

5.3 When an individual expresses dissatisfaction that could meet the criteria for a complaint as set out in section 1 of the Code, they should be given the opportunity to make a complaint. Organisations should recognise that individuals may be reluctant to raise complaints out of fear it may impact services they receive in future. .

5.4 The person responding to the complaint should:

a. clarify with the individual any aspects of the complaint they are unclear about;
b. deal with complaints on their merits, act independently, and have an open mind;
c. give the individual a fair chance to set out their position;
d. take measures to address any actual or perceived conflict of interest; and
e. consider all relevant information and evidence carefully.

5.5 Where a response to a complaint will fall outside the timescales set out in this Code the organisation should inform the individual of when the response will be provided and the reason(s) for the delay.

5.6 Organisations must make reasonable adjustments for individuals where appropriate under the Equality Act 2010. Organisations should keep a record of any reasonable adjustments agreed. Any agreed reasonable adjustments should be kept under active review.

5.7 Organisations should not refuse to escalate a complaint through all stages of the complaints procedure unless there are valid reasons to do so. Organisations should clearly set out these reasons, and they should align with the approach to exclusions set out in section 2 of the Code.

5.8 A full record should be kept of the complaint, and the outcomes at each stage. This should include the original complaint and the date received, all correspondence with the individual, correspondence with other parties, and any relevant supporting documentation such as reports. This should be retained in line with the organisation's data retention policies.

5.9 Organisations should have systems in place to ensure that a complaint can be remedied at any stage of its complaints process. Organisations should ensure that appropriate remedies can be provided at any stage of the complaints process without the need for escalation to stage 2 or the Ombudsman.

5.10 Organisations should have policies and procedures in place for managing unacceptable behaviour from individuals and/or their representatives. Organisations should be able to evidence reasons for putting any restrictions in place and should keep an individual's restrictions under regular review.

5.11 Any restrictions placed on an individual's contact due to unacceptable behaviour should be proportionate and demonstrate regard for the provisions of the Equality Act 2010.

6. Complaints stages

Stage 1

6.1 Organisations should have processes in place to consider which complaints can be responded to as early as possible, and which require further consideration. Organisations should consider factors such as the complexity of the complaint and whether the individual is vulnerable or at risk. Most stage 1 complaints can be resolved promptly, and an explanation, apology or resolution provided to the individual.

6.2 Complaints should be acknowledged, and logged at stage 1 of the complaints procedure **within five working days of the complaint being received**.

6.3 Organisations should provide a full response to stage 1 complaints **within 10 working days** of the complaint being acknowledged.

6.4 Organisations should decide whether an extension to this timescale is needed when considering the complexity of the complaint and then inform individuals of the expected timescale for response. Any extension should be no more than 10 working days without good reason, and the reason(s) should be clearly explained to the individual.

6.5 When an organisation informs an individual about an extension to these timescales, they should be provided with the details of the relevant Ombudsman.

6.6 A complaint response should be provided to the individual when the answer to the complaint is known, not when the outstanding actions required to address the issue are completed. Outstanding actions should still be tracked and actioned promptly, with appropriate updates provided to the individual.

6.7 Organisations should address all points raised in the complaint and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate. Organisations should be clear which aspects of the complaint they are, and are not, responsible for and clarify any areas where this is not clear.

6.8 At the conclusion of stage 1 organisations should provide details of how to escalate the matter to stage 2 if the individual is not satisfied with the response.

6.9 Where individuals raise additional complaints during stage 1, these should be incorporated into the stage 1 response if they are related, and the stage 1 response has not been provided. Where the stage 1 response has been provided, the new issues are unrelated to the issues already being considered, or it would unreasonably delay the response, the new issues should be logged as a new complaint.

6.10 Organisations should have systems in place to ensure that a complaint can be remedied at any stage of its complaints process. Individuals should not have to escalate a complaint in order to get an appropriate remedy.

Stage 2

6.11 If all or part of the complaint is not resolved to the individual's satisfaction at stage 1, it should be progressed to stage 2 of the organisation's procedure. Stage 2 is the organisation's final response..

6.12 Requests for stage 2 should be acknowledged and logged at stage 2 of the complaints procedure within **five working days of the escalation request being received**. Within the acknowledgement, organisations should set out their understanding of any outstanding issues and the outcomes the individual is seeking. If any aspect of the complaint is unclear, the individual should be asked for clarification.

6.13 Individuals should not be required to explain their reasons for requesting a stage 2 consideration. Organisations should make reasonable efforts to understand why an individual remains unhappy as part of its stage 2 response.

6.14 The person considering the complaint at stage 2 should not be the same person that considered the complaint at stage 1.

6.15 Organisations should issue a final response to the stage 2 **within 20 working days** of the complaint being acknowledged.

6.16 Organisations should decide whether an extension to this timescale is needed when considering the complexity of the complaint and then inform individuals of the expected timescale for response. Any extension should be no more than 20 working days without good reason, and the reason(s) should be clearly explained to the individual.

6.17 When an organisation informs an individual about an extension to these timescales they should be provided with the details of the relevant Ombudsman.

6.18 Organisations should confirm the following in writing to the individual at the completion of stage 2 in clear, plain language:

a. the complaint stage;
b. the organisation's understanding of the complaint;
c. the decision on the complaint;
d. the reasons for any decisions made;
e. the details of any remedy offered to put things right;
f. details of any outstanding actions; and
g. details of how to escalate the matter to the Ombudsman if the individual remains dissatisfied.

6.19 Stage 2 should be the organisation's final response and should involve all suitable staff members needed to issue such a response.

6.20 A process with more than two stages will make the complaint process unduly long and delay access to the relevant Ombudsman. A process with a single stage means the organisation may lack the ability to check its response before an individual comes to the Ombudsman.

6.21 Where an organisation's complaint response is handled by a third party (e.g. a contractor) or independent adjudicator at any stage, it should form part of the two stage complaints process set out in this Code. Individuals should not be expected to go through two complaints processes.

6.22 Organisations are responsible for ensuring that any third parties handle complaints in line with the Code.

7. Putting things right

7.1 Where something has gone wrong an organisation should acknowledge this and set out the actions it has already taken, or intends to take, to put things right. These can include:

- Apologising;
- Acknowledging where things have gone wrong;
- Providing an explanation, assistance or reasons;
- Taking action if there has been delay;
- Reconsidering or changing a decision;
- Amending a record or adding a correction or addendum;
- Providing a financial remedy;
- Changing policies, procedures or practices.

7.2 Any remedy offered should reflect the impact on the individual as a result of any fault identified.

7.3 The remedy offer should clearly set out what will happen and by when, in agreement with the individual where appropriate. Any remedy proposed should be followed through to completion.

7.4 If a proposed remedy cannot be delivered, the individual should be informed of the reasons for this, provided with details of any alternative remedy and reminded of their right to complain to the Ombudsman,

7.5 Organisations should take account of the good practice guides issued by the Ombudsman when deciding on appropriate remedies.

8. Performance reporting and self-assessment

8.1 Organisations should produce an annual complaints performance and service improvement report for scrutiny and challenge, which should include:

a. an annual self-assessment against this Code to ensure its complaint handling policy remains in line with its requirements.

b. a qualitative and quantitative analysis of the organisation's complaint handling performance. This should also include a summary of the types of complaints the organisation has refused to accept;

c. any findings of non-compliance with this Code;

d. the service improvements made as a result of the learning from complaints;

e. the annual letter about the organisation's performance from the Ombudsman; and

f. any other relevant reports or publications produced by the Ombudsman in relation to the work of the organisation.

8.2 The annual complaints performance and service improvement report should be reported through the organisation's governance arrangements and published on the section of its website relating to complaints. The response to the report from the relevant governance arrangement should be published alongside this.

8.3 Organisations should also carry out a self-assessment following a significant restructure, merger and/or change in procedures.

9. Scrutiny & oversight: continuous learning and improvement

9.1 Organisations should look beyond the circumstances of the individual complaint and consider whether service improvements can be made as a result of any learning from the complaint.

9.2 A positive complaint handling culture is important to the effectiveness with which organisations resolve disputes. Organisations should use complaints as a source of intelligence to identify issues and introduce positive changes in service delivery.

9.3 Accountability and transparency are also integral to a positive organisational culture. Organisations should report back on wider learning and improvements from complaints to stakeholders, such as citizens' panels, staff and relevant committees.

9.4 The organisation should appoint a suitably senior person to oversee its complaint handling performance. This person should assess any themes or trends to identify potential systemic issues, serious risks, or policies and procedures that require revision.

9.5 In addition to this, organisations should assign lead responsibility for complaints in governance arrangements to support a positive complaint handling culture. We refer to this as the 'Member Responsible for Complaints"'(the Member). This role could be carried out by an individual or committee depending on the governance arrangements in place.

9.6 The Member should receive regular information on complaints that provides insight on the organisation's complaint handling performance. The Member should have access to suitable information and staff to perform this role and report on their findings.

9.7 As a minimum, the Member should receive:

a. regular updates on the volume, categories, and outcomes of complaints, alongside complaint handling performance

b. regular reviews of issues and trends arising from complaint handling; and

c. the annual complaints performance and service improvement report.

9.8 Organisations should have a standard objective in relation to complaint handling for all relevant employees or third parties that reflects the need to:

- have a collaborative and co-operative approach towards resolving complaints, working with colleagues across teams and departments;
- take collective responsibility for any shortfalls identified through complaints, rather than blaming others; and
- act within the professional standards for engaging with complaints as set by any relevant professional body.

Appendix A: Self-assessment

A self-assessment should be completed and shared with the organisation's governance arrangements as part of the complaints performance and service improvement report.

Evidence should show how the organisation follows the Code and its own policies. It should also set out how well it is performing and provide information about service improvements which have been implemented following complaints.

For example, this could include records of quality assurance checks on complaint responses, exclusions and feedback from relevant staff. If the failure to meet an expectation only relates to one service area or department this should be made clear.

When completing the self-assessment, organisations should not focus on the number of complaints received. Recording a high number of complaints may be an indication that the organisation welcomes complaints and that individuals are able to access the complaints process easily. Organisations should focus on timescales for responding to complaints and complaint outcomes.

A suggested self-assessment format is included here, but organisations may adopt their own version to meet local needs and reporting requirements.

Example: Self-assessment against the requirements of the Code

Code section	Action	Do we follow the code Yes/No	Explanations and Commentary
1: Definition of a service request and complaint	We recognise the difference between a service request and a complaint and these are defined in our policies and procedures.		
2: Exclusions	Our complaints policy sets out circumstances where we would not consider a complaint. These are reasonable and do not deny individuals access to redress.		
3: Accessibility and awareness	We provide different channels through which individuals can make complaints. These are accessible and we are able to make reasonable adjustments where necessary.		
4: Complaint handling resources	We have designated, sufficient resource assigned to take responsibility for complaint handling. Complaints are viewed as a core service and resourced accordingly.		

Code section	Action	Do we follow the code Yes/No	Explanations and Commentary
5: The complaint handling process	We have a single policy for dealing with complaints covered by the Code and individuals are given the option of raising a complaint where they express dissatisfaction that meets the definition of the complaint in our policy.		
6: Complaints stages (Stage 1)	We process stage 1 complaints in line with timescales and processes set out in the Code.		
6: Complaints stages (Stage 2)	We process stage 2 complaints in line with timescales and processes set out in the Code.		
7: Putting things right	When something has gone wrong we take action to put things right.		
8: Performance reporting and self-assessment	We produce an annual complaints performance and service improvement report for scrutiny and challenge which includes a self-assessment against the Code.		
9: Scrutiny & Oversight	We have appropriate senior leadership and governance oversight of the complaints process and performance.		

Local Government and Social Care Ombudsman
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Coventry
CV4 0EH

Phone: 0300 061 0614
Web: www.lgo.org.uk
Twitter: @LGOmbudsman

Annex 2

Tonbridge & Malling Borough Council

Corporate Complaints

A guide for managers and staff

Introduction

Scope of this guide

All Services - all staff that receive and/or respond to complaints from the public need to be familiar with this procedure and the public booklet.

Other TMBC documents to read

The public booklet entitled "Solving your problems - how to make a complaint about the Council".

Definition of a complaint

A complaint is an expression of dissatisfaction to the Council, however made, about the standard of service, actions or lack of action by the Council, its staff, contractors or agents. This includes expressions of dissatisfaction about our policies.

Complaints not covered by this guide

Some complaints are outside the scope of our corporate complaints procedure and need to be addressed in another way, including those:

- Where there is a separate review process, which may be statutory, that includes a right of appeal to an independent body. Examples include someone disagreeing with the Council's decision on his/her planning application or with the legality of the Council's decision to issue him/her with a parking ticket (although disagreement with the manner in which the ticket was issued does fall within our complaints system).
- About the conduct of councillors. These should be referred to the **Chief Executive** and the **Monitoring Officer** (The Director of Central Services & Deputy Chief Executive).
- Involving allegations of criminal behaviour or other unlawful actions. These should be referred to the **Chief Executive** and the **Monitoring Officer** who may wish to consult the police before taking action on the allegation.
- Involving financial impropriety. These should be referred as appropriate to the: **Chief Executive**, **Monitoring Officer**, **Director of Finance & Transformation** and **Chief Internal Auditor**.

Any other exclusions identified by Services should be reported to and agreed formally with the **Director of Central Services & Deputy Chief Executive**.

Record keeping

At all stages, the **Corporate Complaints System** will be used to record and, if appropriate, to escalate complaints, giving details of who dealt with the complaint, what action was taken and the complainant's response.

Complaint Form

Complainants should be encouraged to self-serve using the web-site form: http://www.tmbc.gov.uk/do-it-online/report-forms/complaints .

Where it is necessary for staff to record complaints, the internal complaints form on the Intranet should be used: (http://staffnet.tmbc.gov.uk/assets/personnel/New_Forms/CouncilComplaintsForm.dot)

Contents of this guide

The following detailed procedures should be read in conjunction with our public complaints booklet entitled "Solving your problems - how to make a complaint about the Council".

Stage in the complaints procedure	Type of complaint	Page
Our general approach.	**All**	4-5
Where a straightforward complaint is received for the first time by TMBC, whether by telephone, in person or in writing.	**Stage 1**	6-7
Where the complaint is a very complex matter or the complainant is not satisfied by our response at Stage 1 and the complainant writes to the Service Director.	**Stage 2**	8-9
Where the complaint is a very serious matter or the complainant is not satisfied by our Stage 2 response and the complainant writes to the Chief Executive.	**Stage 3**	10-11
Learning from complaints.	**All**	11

Our general approach

1. *Our first responsibility is to try to satisfy the complainant by processing the complaint fully, fairly, quickly and courteously.*
2. *Where a complaint is justified, our policy is to restore, as far as possible, people to the position they would have been in if things had not gone wrong. This will normally mean:*
   - *Apologising, and*
   - *Providing the desired service or taking corrective action.*

   Our staff who respond to complaints as part of their normal work usually have sufficient authority to cover the above actions. If in doubt they check immediately with their line manager.
3. *We are sensitive to any special needs and circumstances of the complainant (e.g. poor sight or hearing, inability to read or write, difficulty in understanding the discussion etc.). In order that no one is excluded from our complaints system because of difficulties they have in representing themselves we either provide appropriate help ourselves or, exceptionally, put them in touch with a suitable agency (e.g. Citizens' Advice Bureau).*
4. *We deal with all complaints impartially, objectively and professionally. We do not under any circumstances penalise the complainant or their family in any way because they have made a complaint.*
5. *Where a complaint concerns more than one Service or Section, we nominate a lead Service and the* ***Complaints Officer*** *for the lead Service co-ordinates the Council's response.*
6. *Where the complaint is made via a Councillor, the* ***Director*** *of the Service is notified immediately.*
7. *It is not appropriate to pay financial compensation for the vast majority of complaints. The Council's policy on financial compensation is included at Appendix 1 along with guidance from the Local Government & Social Care Ombudsman.*
8. *Some complaints that are directed at TMBC are the responsibility of another organisation. In these circumstances we provide as much information as possible to the complainant to help him/her contact the right organisation. How well we help people in this situation reflects on TMBC so our standards in dealing with complaints still apply.*

9. Most complaints about most services fall within the scope of our corporate complaints system. Exclusions are detailed on page 2. Where a complaint is outside the scope of the corporate complaints system we advise the complainant how to proceed. Our staff check immediately with line management if in doubt.

10. Complaints by, or on behalf of, children and young people can be investigated directly by the Local Government & Social Care Ombudsman (LGSCO), without first going through the Council's own complaints procedure. Leaflets about what the Ombudsman does are available from the LGSCO office.

Service Complaints Officers	
Name/email	**Service**
Denise.Tate@tmbc.gov.uk	**Central Services** (including: crime and disorder reduction, media and communications, customer services, land charges/searches, and licensing).
Denise.Tate@tmbc.gov.uk	**Executive Services** (including: electoral registration and economic development).
Matthew.Cattermole@tmbc.gov.uk	**Environmental Health & Housing, Transportation and Planning Services** (including: housing/homelessness, development and building control, and public and on-street car parking).
Sally.Evans@tmbc.gov.uk	**Financial & Transformation Services** (including: business rates, council tax, housing/council tax benefits and benefit fraud, and IT).
Joanne.Sonnex@tmbc.gov.uk	**Street Scene & Leisure Services** (including leisure centres, parks, open spaces, arts and tourism, street cleaning, waste collection and recycling).

Stage 1 complaints

11. **Stage 1** is an opportunity for an informal and reasonably quick resolution of a complaint. At this stage it is normally clear what constitutes a reasonable and fair outcome. If not, we invite the complainant to say what they think would be reasonable and fair.

12. There is no universal agreement on what constitutes a complaint. For example, one person's service request is another person's complaint. It is not our job to 'educate' the public about our views on what constitutes a complaint, as this might inflame an already difficult situation. Our approach is to adopt the language used by the complainant. If someone says, "I am complaining about…" then it is a complaint. If someone says, "I am reporting some dumped rubbish that needs to be cleared" then it is a service request.

All complaints will be monitored centrally but the responsibility for responding to and, if necessary, escalating complaints rests with Services.

Where a complaint involves discrimination of any sort, the details will be recorded in full on the Complaints Form.

13. Complaints tend to be made:

- By telephone where this is the most convenient/easy means of contact or where the complainant is looking for a quick response.

- In person where this is the most convenient/easy means of contact or where the complainant is looking for dialogue that may involve joint review of papers, plans or other material.

In these circumstances, so far as possible our response is to put the matter right quickly without unnecessary formality. Otherwise, for complaints made by telephone or in person, if our response does not necessarily involve going into writing, a written response is not required. If we cannot sort out the problem immediately we explain to the complainant what we are going to do and when we will do it by. We then keep to our commitment.

14. Complaints tend to be made in writing where the complainant wants a record of the communication and/or where putting the matter in writing is seen as having the best chance of getting the matter resolved satisfactorily. Where complaints are received in writing our response is always to include a reply in writing - even where our response would otherwise not necessarily involve going into writing

More specifically:

- Unless an immediate (i.e. same or next day) response is possible, we send a written acknowledgement on the same or the next working day that we receive the complaint.

- Where a full response is made within 10 working days of receiving the complaint, it will be confirmed in writing within 10 working days of receiving the complaint.

- Where a full response is not made within 10 working days of receiving the complaint we provide a written progress report within 10 working days of receiving the complaint.

  The progress report must:
  - Acknowledge and provide reasons for the delay.
  - Say what is going to happen next.
  - Provide a new target time for fully responding to the complaint.

  If we cannot respond within the new target time this step is repeated.

- We monitor and ensure the promised action is completed on time.

15. Where a complainant indicates or makes it clear that he/she will not be satisfied with our response at this stage, we:

- Tell the complainant what to do next.

- Offer to provide, or enclose if the response is in writing, a copy of our public booklet entitled "Solving your problems - how to make a complaint about the Council".

Stage 2 complaints

16. **Stage 2** complaints are where the complaint is a very complex matter or the complainant is not satisfied by our response at **Stage 1** and the complainant writes to the **Director of the Service** (or the **Chief Executive** where the complaint concerns Executive Services). Where straightforward complaints are made in writing or verbally to the **Director** or the **Chief Executive**, because complainants have not followed our advice to take these complaints to front-line staff in the first instance, they are treated as **Stage 1** complaints.

17. At **Stage 2**, all complaints are recorded on the Complaints Form to help ensure a standard council-wide response within the set time limits.

18. On receipt of a **Stage 2** complaint, the Service's **Complaints Officer** (see page 5) escalates the Stage 1 complaint within the Complaints Recording System. The target date for written reply/progress report is 10 working days from the date the Stage 2 complaint was received (which is day 1).

19. Where complaints are received in writing our response always includes a reply in writing - even where our response would otherwise not necessarily involve going into writing.

More specifically:

- Unless an immediate (i.e. same or next day) response is possible, we send a written acknowledgement on the same or the next working day that we receive the complaint.
- Where it is not clear, we invite the complainant to say what they think would be a reasonable and fair outcome.
- Where a full response is made within 10 working days of receiving the complaint, it will be confirmed in writing within 10 working days of receiving the complaint.
- Where a full response is not made within 10 working days of receiving the complaint we provide a written progress report within 10 working days of receiving the complaint.

The progress report must:

- Acknowledge and provide reasons for the delay.
- Say what is going to happen next.
- Provide a new target time for fully responding to the complaint.

If we cannot respond within the new target time this step is repeated.

- We monitor and ensure that the promised action is actually taken on time.

20. Throughout this process the **Service's Complaints Officer** updates the case within the Complaints Recording System.

21. The **Director** advises the complainant that he/she may take his/her complaint to the **Chief Executive** if he/she remains dissatisfied and, where there is no evidence that the complainant already has a copy, sends him/her our public booklet entitled "Solving your problems - how to make a complaint about the Council".

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Stage 3 complaints

22. **Stage 3** complaints are where the complaint is a very serious matter or the complainant is not satisfied by our response at **Stage 2** and the complainant writes to the **Chief Executive**. Where straightforward complaints are made in writing or verbally to the **Chief Executive**, because complainants have not followed our advice to take these complaints to front-line staff in the first instance, they are treated as **Stage 1** complaints. Similarly, very complex or follow-on complaints that should have been sent to the **Director** are treated as **Stage 2** complaints.

23. The way that complaints are handled at **Stage 3** can vary significantly. In some cases it may be possible to conclude quickly that there is nothing to add beyond what was said in the **Stage 2** decision. In other cases a more extensive investigation will be needed before any conclusion can be reached.

24. On receipt of a **Stage 3** complaint, Executive Service's **Complaints Officer** (see page 5) escalates the Stage 2 complaint within the Complaints Recording System. The target date for written reply/progress report is 10 working days from the date the Stage 3 complaint was received (which is day 1).

25. Where complaints are received in writing our response always includes a reply in writing - even where our response would otherwise not necessarily involve going into writing.

26. More specifically:

- Unless an immediate (i.e. same or next day) response is possible, we send a written acknowledgement on the same or the next working day that we receive the complaint.
- Where it is not clear, we invite the complainant to say what they think would be a reasonable and fair outcome.
- Where a full response is made within 10 working days of receiving the complaint, , it will be confirmed in writing within 10 working days of receiving the complaint.

- Where a full response is not made within 10 working days of receiving the complaint we provide a written progress report within 10 working days of receiving the complaint.

  The progress report must:
  - Acknowledge and provide reasons for the delay.
  - Say what is going to happen next.
  - Provide a new target time for fully responding to the complaint.

  If we cannot respond within the new target time this step is repeated.

- We monitor and ensure that the promised action is actually taken on time.

27. Throughout this process the **Service's Complaints Officer** updates the case within the Complaints Recording System.

28. The **Chief Executive** advises the complainant that he/she may take his/her complaint to the **Local Government & Social Care Ombudsman** if he/she remains dissatisfied.

Learning from complaints

29. As noted previously, one person's complaint is another person's service request.

Learning from customer contacts, in all their forms, is more important and valuable than trying to differentiate between complaints and other types of customer contact.

Services should continually seek to identify measures to reduce the likelihood of recurring complaints and avoidable service requests.

Each Service should analyse complaints received to identify patterns and lessons for service improvement.

. Our contractors

30. Complaints may relate to the actions of an outside person or firm working on behalf of the Council, rather than the actions of our own staff. Each contract specification should include the following clause as per the Council's core contract conditions:

The Contractor shall notify the Council of full details of all complaints received, whether resolved or not, within 24 hours of receipt of the complaint by the Contractor. The Supervising Officer may investigate all such complaints and for complaints of a serious nature a joint investigation will be conducted with the Council and the Contractor. The Contractor shall fully co-operate with all such investigations. After conducting such investigations the Supervising Officer may, where he considers appropriate, issue Default Notices or make percentage reductions or invoke the default mechanism clauses or exercise any other remedies available under the Contract.

Approach to diversity

31. Our policy is to be sensitive to the needs and circumstances of every complainant.

32. Complaints against the Council that concern alleged discrimination are categorised separately. Complaints regarding discrimination are rare and, when analysed, often involve a perception of unfair treatment by the Council rather than discrimination.

Appendix 1 - Financial compensation

1. **Extract from the Council's complaints policy on remedies (as reported to the Personnel & Performance Review Sub-Committee on 4 November 1997:**

"Exceptionally, in some circumstances where the complainant has sustained loss or suffering, the Council may consider the question of financial compensation. In these cases, in the first instance, the matter is referred to the Council's **Insurance Officer** to establish whether or not it is covered by the Council's insurers."

Where compensation payments are covered by the Council's insurers:

- The insurance company deals directly with the claimant and the **Director of Finance & Transformation** ensures that Management Team is aware of significant cases as necessary.
- Execution of such payments is monitored by the **Director of Finance & Transformation** .

Where compensation payments are not covered by our insurers:

- Execution of such payments is monitored by the **Director of Finance & Transformation**.
  - Financial compensation payments up to the amount stipulated in the Council's constitution (the current equivalent of £350 adjusted for RPI; the amount stated in Part 3 – Page 39, paragraph CEX202 of the Feb 2015 edition) can be authorised only by the **Chief Executive**, the **Director of Finance & Transformation** or the **Director of Central Services & Deputy Chief Executive**.
  - Financial compensation payments above the amount stated in the Council's constitution adjusted for RPI must be reported to and authorised by General Purposes Committee.
- Having obtained the appropriate authorisation, the relevant **Chief Officer** makes an appropriate offer to the complainant, *"making it explicit in writing that the offer is being made in accordance with the Council's complaints procedure without admission of legal liability"*. Once agreed, the **Chief Officer**, cross referencing to the authorisation obtained, passes the case to the **Director of Finance & Transformation** to effect payment.

If there is any doubt on the legality of any financial compensation payment, it will be referred by Management Team to the **Monitoring Officer** (the Director of Central Services & Deputy Chief Executive-) for clearance prior to implementation.

To ensure consistency financial compensation payments will be monitored by Management Team.

2. General guidance from the Local Government & Social Care Ombudsman's, "Running a Complaints System - Guidance on good practice (1)", June 2002:

Whether financial compensation should be paid, and how much, will depend on the circumstances. Where compensation is considered appropriate, the following guidelines should be taken into account:

- Where specific financial losses have been incurred, reimbursement is likely to be appropriate (together with consideration of whether interest should be paid).
- Where devaluation of property is alleged, an independent valuation (for example by the Valuation Office Agency) could be considered with a view to compensation for any difference in value arising from the action complained of.
- Where the complainant has had to spend an unreasonable and significant amount of time in pursuing the matter, a payment in recognition of 'time and trouble' may be appropriate.
- If exceptional worry, distress or inconvenience has been caused by the events, consideration could be given to a payment in recognition of those factors.

3. Guidance from the Local Government & Social Care Ombudsman's, "Remedies - Guidance on good practice (6)", March 2003:

Further, more detailed, guidance on financial compensation regarding complaints is provided in Guidance from the Local Government & Social Care Ombudsman's, "Remedies - Guidance on good practice (6)", March 2003.

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TONBRIDGE & MALLING BOROUGH COUNCIL

www.tmbc.gov.uk

Complaints Policy

1 Introduction

1.1 Complaints are an important part of how the council improves its overall service delivery across all its service areas. This policy sets out the council's approach to dealing with complaints.

1.2 The aim of the Council's complaints policy is to:

- Define what a complaint is and how a complaint differs from a service request
- Make it easy for customers who are dissatisfied to complain
- Explain the process for making a complaint
- Resolve service issues in a timely fashion and at initial point of contact wherever reasonably possible
- Improve our services

1.3 Effective complaint handling enables individuals to be heard and understood. The starting point for this is a shared understanding of what constitutes a service request and what constitutes a complaint. In most cases the Council will be able to put things right through our normal service delivery processes. The following sections explain what we will treat as a complaint and what we will treat as a service request.

1.4 This policy will be published on the Council's website at www.tmbc.gov.uk and available in hard copy at the Council offices at Tonbridge Castle and at the Gibson Building, Gibson Drive, Kings Hill, West Malling, Kent ME19 4LZ.

1.5 The Council has had regard to the Complaints Handling Code (February 2024) published by the Local Government and Social Care Ombudsman in the preparation of this policy. A copy of the Complaints Handling Code may be viewed at Complaint Handling Code - Local Government and Social Care Ombudsman.

2 What is a complaint?

2.1 A complaint is an expression of dissatisfaction to the Council, however made, about the standard of service, actions or lack of action by the Council, its staff, or those acting on our behalf e.g. contractors or agents. This includes expressions of dissatisfaction about our policies.

2.2 A customer should not have to use the word 'complaint' for it to be treated as such. A complaint that is submitted via a third party or representative should still be handled in line with this complaints policy.

2.3 A complaint may be raised when the customer expresses dissatisfaction with the response to their service request, even if the handling of the service request remains ongoing. The Council should not stop its efforts to address the service request if the customer complains.

3 What will we not treat as a complaint?

3.1 A service request is a request that the Council provides or improves a service, fixes a problem or reconsiders a decision. This provides the Council with an opportunity to resolve matters to an individual's satisfaction before they become a complaint. Service requests are not complaints but may contain expressions of dissatisfaction.

3.2 We expect all Council staff to work with customers to resolve any service requests in the first instance. This normally enables a quicker resolution than the Council's formal complaints process. A request for service may, however, result in a complaint if we are unable to resolve the issue. The Council may, with the agreement of the customer, resolve any formal complaint as a service request.

3.3. In general, the following issues will be treated as part of the council's normal business rather than through the complaints process. Such matters include, but are not restricted to:

Examples of this include:

- general enquiries
- comments
- initial requests for service
- initial reporting of faults
- applications to the housing register/homelessness

Many of the reports that the council receive just require us to do, remove, fix or clean something such as:

- A missed bin collection
- Graffiti removal
- Noise nuisance
- Bonfires / Smells
- Dog fouling / bins
- Anti-social behaviour
- Issues with litter bins
- Fly-posting
- Fly-tipping
- Abandoned cars
- Stray dogs
- Street cleansing
- Empty homes
- Litter.
- Grass cutting.

3.4 We will treat these as a request for us to do something (a service request) rather than as a complaint. These reports are critical in helping us to keep our borough clean and well maintained. These in the first instances can be reported on our website [link]

4 Time limit for making a complaint

4.1 We will not normally consider a complaint that is made more than twelve months after the issue occurring or the individual first became aware of the issue they would like to complain about. This is in line with good practice as operated by the Local Government and Social

Care Ombudsman. In its discretion the Council may accept complaints outside of this time limit where there are exceptional reasons for the delay.

4.2 If the Council decides not to accept a complaint, an explanation will be provided to the individual setting out the reasons why the matter is not suitable for the complaints process and the right to take that decision to the Ombudsman

5 Exclusions

5.1 Some complaints may fall outside the scope of our procedure. These are listed below.

Alternative right of appeal/ alternative legal remedy

5.2 The Council will not respond to complaints where there is an alternative right of appeal. Such matters include, but are not restricted to:

- Appeals against parking fines
- Appeals against planning application decisions
- Appeals against housing benefit decisions
- Appeals against housing benefit/council tax reduction/discretionary housing payment decisions
- Appeals against council tax and business rate decisions
- Reviews of homelessness and housing register decisions
- Fixed Penalty Notices
- Matters that are the subject of ongoing legal proceedings

Complaints about Councillors

5.3 Complaints about Councillors are handled in a different way. Customers wishing to complain about the conduct of a Councillor should contact the Council's Monitoring Officer (the Director of Central Services and Deputy Chief Executive). More information is available here - Code of conduct for councillors – Tonbridge and Malling Borough Council (tmbc.gov.uk)

6 How to complain

6.1 Customers can complain in these ways:

- On-line at Make a complaint – Tonbridge and Malling Borough Council (tmbc.gov.uk)
- By email to complaints@tmbc.gov.uk
- In person at Tonbridge Castle or the Gibson Building (address below) where we will guide you through our complaints process
- By telephone on 01732 844522, or
- By post at Tonbridge & Malling Borough Council, Gibson Building, Gibson Drive, West Malling, Kent ME19 4LZ

7 Equality, diversity and inclusion

7.1 We want customers to be able to communicate with us and access our services easily. It is important that customers let us know if they prefer to communicate with us and access our information in a particular way. For example, if customers need help making a complaint and English is not their first, or preferred, language, or customers have a disability that makes communicating with us more difficult, please tell us and we will arrange for someone to help. If customers require information in an alternative format please let us know and, where feasible, we will provide it.

7.2 If you wish to have a representative act on your behalf in dealing with your complaint (including representing or accompanying you at any meeting with the Council), please let us know.

8 Access to information and data protection

8.1 Freedom of Information and Environmental Information complaints will be processed by the Freedom of Information team through an internal review process. If individuals remain dissatisfied, they have the right to escalate their concerns to the Information Commissioner's Office at www.ico.org.uk.

8.2 All correspondence received by the council is subject to the Freedom of Information and Environmental Information laws and, in certain circumstances, may need to be made public. We will, however, respect legitimate expectations for confidentiality and we will keep to the relevant privacy laws.

8.3 We will use the personal information customers give us only to deal with feedback and, where necessary, to put things right. In the case of complaints, we will give details to the people who need them in order to investigate and resolve the matter.

8.4 We will not give customers' personal details to any third party unless they have a need to know (for example, if a complaint relates to the actions of one of our contractors, or if the Local Government & Social Care Ombudsman is investigating).

8.5 When dealing with complaints, we also protect the identity of other people who may be involved. So there may be times when we will not be able to give customers personal information about other people (for example, witnesses to incidents or other people complaining).

8.6 For complaints and concerns relating to data protection, please refer to Data Protection Policy [link].

8.7 Customers who are unhappy with the way we have dealt with their requests for information or disagree with one of our decisions can request a review. This will be dealt with outside of this Complaints Procedure. The Borough Council will respond to review requests within 40 working days. Following this, any customer remaining dissatisfied may contact the Information Commissioner's Office (www.ico.org.uk).

9 Publication and review

9.1 This policy is published on the council's website and can be provided in paper form if required. This policy will be reviewed every two years, or earlier at the request of either Councillors or management, or in light of any changes to legislation or national guidance.

9.2 The annual complaints performance and service improvement report will be reported to the Overview and Scrutiny Committee and published on the complaints section of the website alongside the response to the report.

10 Unreasonable behaviour and persistent complainants

10.1 Tonbridge & Malling Borough Council is committed to dealing with all complaints fairly and impartially. We acknowledge that some customer complaints can be difficult to resolve and can cause anxiety and distress to customers. Whilst we aim to resolve matters there are times where a small number of customers may pursue their complaints in a way which hinders consideration of their complaints, and/or has a significant impact on the Council's resources.

10.2 In such cases we will follow our Policy on Unreasonably Persistent Complaints and Unreasonable Customer Behaviour, which may result in a customer's contact with the Council being restricted. This policy may be viewed here Policy on managing unreasonable behaviour – Tonbridge and Malling Borough Council (tmbc.gov.uk)

The Complaints Procedure

Tonbridge & Malling Borough Council has a two stage Complaints Procedure. At any time the Council may, with the agreement of the customer, resolve any formal complaint as a service request.

The aim being to:

- Deal with complaints in a timely way
- Keep the complainant apprised of the progress of their complaint
- If we have got something wrong we will say sorry and explain the context

- Use complaints to improve our services

- Take care with personal information contained in a complaint

Stage 1

We will try to resolve service issues on first contact as service requests. If we can't, or a customer asks us to, or we need to look into a complaint further, we will deal with them at Stage 1 of our Complaints Procedure. Once submitted, we will acknowledge receipt of any complaint within five working days of receipt.

The responsible Head of Service will investigate the complaint and will ordinarily respond within 10 working days of receipt of the acknowledgement.

Where an extension to the above timescale is needed e.g., when a complaint is complex the Council will inform you of the expected timescale for response. Any extension should normally be no more than 10 working days, and the reason(s) will be clearly explained to you.

Any customer who is unhappy with the response at Stage 1 may request a review of their complaint by the Chief Executive at Stage 2.

Stage 2

Customers remaining dissatisfied with the Council's response at Stage 1 may ask that their complaint is reconsidered at Stage 2.

The Council will only consider new information at Stage 2 and will not respond to the same things already addressed at Stage 1 of the complaint.

Customers must include all information materially significant to their Stage 2 complaints within their Stage 2 referrals. Failure may mean that we cannot take that information into account in our response.

We will acknowledge Stage 2 requests within 5 working days of receipt.

Your complaint and the Stage 1 response will be reviewed by one of the Council's Management Team.

One of the Council's Management Team will normally respond to the Stage 2 complaint within 20 working days of the acknowledgement.

Where an extension to the above timescale is needed e.g., when a complaint is complex the Council will inform you of the expected timescale for response. Any extension should normally be no more than 20 working days, and the reason(s) will be clearly explained to you. You will also be provided with details of the Local Government and Social Care Ombudsman.

The Stage 2 response will contain the following information:

- the Council's understanding of the complaint

- the decision on the complaint

- the reasons for any decisions made
- the details of any remedy offered to put things right
- details of any outstanding actions; and
- details of how to escalate the matter to the Ombudsman if the individual remains dissatisfied.

Any customer remaining dissatisfied with the response at Stage 2 of the Council's Complaints Policy may take their complaint to the Local Government & Social Care Ombudsman (LGSCO).

If at either stage we need more time to respond to your complaint, we will explain the reasons for the delay and notify you as to when to expect a full response.

Putting things right

Where something has gone wrong the Council will acknowledge this and set out the actions it has already taken, or intends to take, to put things right. These can include:

- Apologising;
- Acknowledging where things have gone wrong;
- Providing an explanation, assistance or reasons;
- Taking action if there has been delay;
- Reconsidering or changing a decision;
- Amending a record or adding a correction or addendum;
- Providing a financial remedy;
- Changing policies, procedures or practices.
- Providing additional training for staff

Local Government & Social Care Ombudsman (LGSCO)

The LGSCO is an independent service set up by the Government to investigate complaints about Councils. The Ombudsman will not investigate most complaints until they have been through the Council's Complaints Procedure. If you remain dissatisfied with the outcome of your complaint at stage 2, you can complain to the Ombudsman at http://www.lgo.org.uk, telephone 0300 061 0614.

Executive Decisions Record - January 2025

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
D250001MEM	Extension to Windmill Lane Gypsy & Traveller site management arrangements	Finance and Housing	06.01.25	08.01.25	15.01.25						16.01.25
D250002CAB	Procedure on Amendments to Planning including reserved matters	Cabinet	07.01.25	09.02.25	16.01.25						17.01.25
D250003CAB	LLC Solar PC Tender										
D250004MEM	New Lease Arrangements at the Six In One Community Centre, Northwood Road, Tonbridge	Climate Change, Regeneration and Property	05.01.25	09.01.25	16.01.25						17.01.25

Decision pending | Call in period | Key Decision | Private | Urgent

Subject to call in

URG - outside of budget and policy framework

Number of monthly call-ins:	0

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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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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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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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