

# TONBRIDGE & MALLING BOROUGH COUNCIL



## EXECUTIVE SERVICES

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### Chief Executive

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

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

27 November 2023

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

Dear Sir/Madam

Your attendance is requested at an Extraordinary meeting of the Cabinet to be held in the Council Chamber, Gibson Drive, Kings Hill on Tuesday, 5th December, 2023 commencing at 7.30 pm.

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

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

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

Yours faithfully

JULIE BEILBY

Chief Executive

## A G E N D A

1. Guidance for the Conduct of Meetings

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## **PART 1 - PUBLIC**

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3. Declarations of interest 11 - 12

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

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

### **Matters for Recommendation to the Council**

4. Medium Term Financial Strategy and Savings Update 13 - 24

The report provides an update on the Medium Term Financial Strategy (MTFS) having regard to the latest financial issues; sets out the savings identified and will assist in meeting 'tranche 1' of the latest savings target and sets out proposals for the allocation of the one-off windfall sum highlighted in the 'Financial Planning and Control 2023/24' report to Cabinet in October.

5. Council Tax Premium Changes for Empty and Second Homes 25 - 30

This report provides an update to a previous Cabinet recommendation (Cabinet meeting on 10 January 2023) to change Council Tax premium charges, subject to the enactment of the Levelling up and Regeneration Bill.

This Bill has now received Royal Assent and Cabinet is now requested to recommend to Full Council in February 2024 that a Council Tax premium for second homes from the 2025/26 financial year onwards is introduced; and that the amendments to Council Tax empty home premiums from the 2024/25 financial year onwards are adopted.

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

#### **Executive Non-Key Decisions**

6. Future of the Angel Centre, Tonbridge 31 - 46

Recommendation FRP 23/27 of Finance, Regeneration and Property Scrutiny Select Committee of 14 November 2023.

The aim of this report is to ascertain Members' in-principle views on the future of the existing Angel Centre building as part of the Council's work to review its land and property assets in Tonbridge town centre.

Annex 1 contains private/confidential information and is attached to the agenda under Part 2 - Private.

### **Matters submitted for Information**

7. Decisions taken by Cabinet Members 47 - 48

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

8. Urgent Items 49 - 50

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**

9. Exclusion of Press and Public 51 - 52

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

### **PART 2 - PRIVATE**

#### **Matters for Information**

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

11. Urgent Items 55 - 56

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.

## **GUIDANCE ON HOW MEETINGS WILL BE CONDUCTED**

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

<https://www.youtube.com/channel/UCPp-IJISNgoF-ugSzxjAPfw/featured>

- (2) There are no fire drills planned during the time a meeting is being held. For the benefit of those in the meeting room, the fire alarm is a long continuous bell and the exits are via the doors used to enter the room. An officer on site will lead any evacuation.
- (3) Should you need this agenda or any of the reports in a different format, or have any other queries concerning the meeting, please contact Democratic Services on [committee.services@tmbc.gov.uk](mailto: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](mailto: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 & MALLING BOROUGH COUNCIL

### CABINET

05 December 2023

#### Report of the Management Team

#### Part 1- Public

#### Matters for Recommendation to Council

#### 1 MEDIUM TERM FINANCIAL STRATEGY AND SAVINGS UPDATE

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

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

#### Dashboard/ Key Points

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

## 1.1 Introduction

1.1.1 This report has three purposes:

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

## 1.2 The Medium Term Financial Strategy

1.2.1 Cabinet is reminded that the Medium Term Financial Strategy (MTFS) covers both revenue and capital budgets over a rolling ten-year period, and it is this Strategy that underpins the budget setting process each year and over the strategy period.

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

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

- To achieve a **balanced revenue budget** that delivers the Council’s priorities by the end of the strategy period.
- To retain a **minimum of £3.0m** in the General Revenue Reserve by the end of the strategy period and **not to fall below £2.0m** at any time during the 10-year period.
- Seek to set future increases in council tax having regard to the **guidelines** issued by the Secretary of State.
- Continue to **identify efficiency savings** and **opportunities for new or additional income sources** and to **seek appropriate reductions in service costs** in delivery of the Savings and Transformation Strategy (STS) approved by Members.
- Subject to there being sufficient resources within the capital reserve, set a **maximum ‘annual capital allowance’** each year as part of the budget setting process for all new capital schemes (currently set at £250,000 from

the Council's own resources) and give priority to those schemes that generate income or reduce costs.

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

### 1.3 Economic Situation

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

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

### 1.4 Impact on Tonbridge & Malling Borough Council's MTFFS

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

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

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

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

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

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

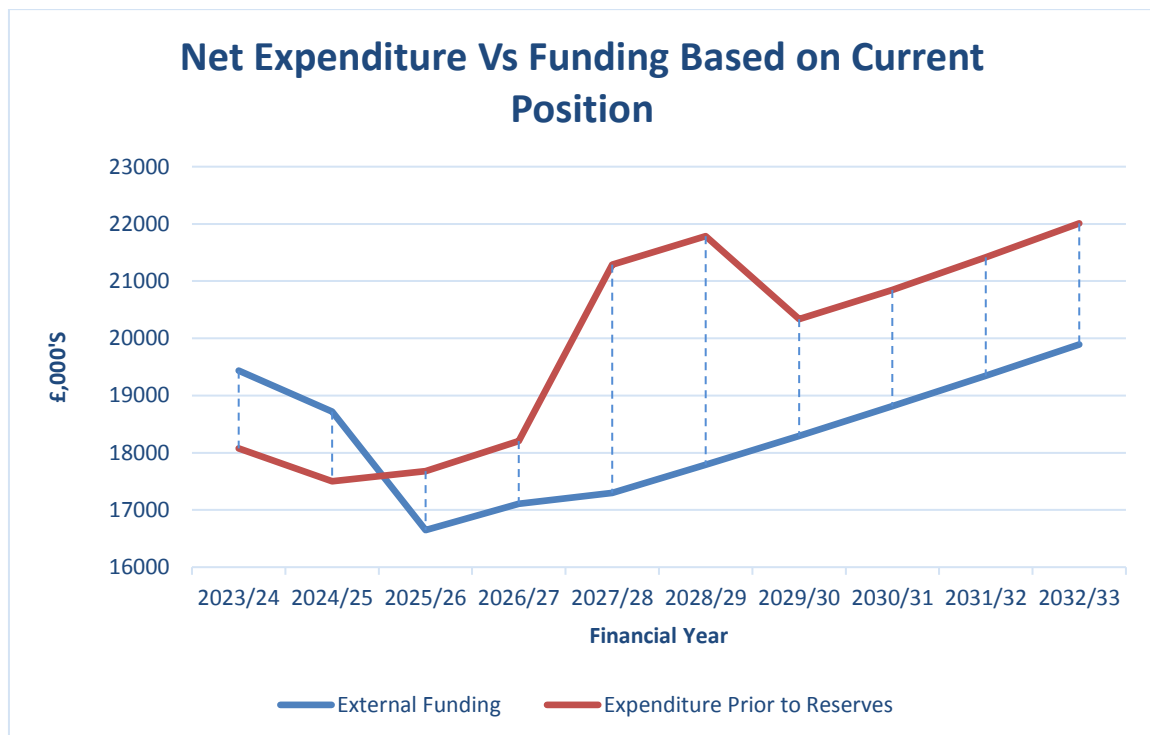
- 1.4.5 As Members are aware, there are pockets within the organisation where resources are extremely stretched. The Council's External Auditors, Grant Thornton, have also made key recommendations in respect of procurement and performance management - areas where the Council has no dedicated resources.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



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

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

Graph 1



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

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

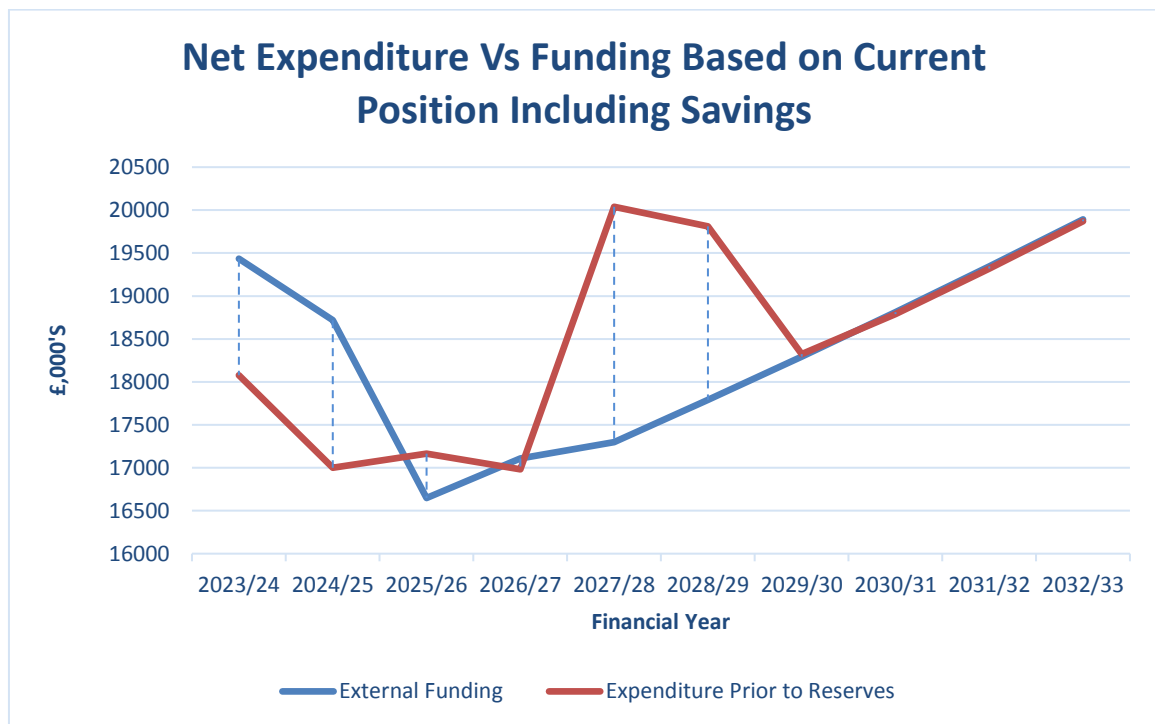
scenario that the Council might face. Dividing the funding gap into tranches as we have done for many years allows us to “flex” the approach as new information comes forward. Assuming a gap of £1.78m:

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

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

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

Graph 2



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

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

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

## 1.5 Savings/Additional income Identified

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

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

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

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

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

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

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

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

## 1.6 Windfall VAT sum

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

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

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

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

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

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

## 1.7 Legal Implications

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

## 1.8 Financial and Value for Money Considerations

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

## 1.9 Risk Assessment

- 1.9.1 The Medium-Term Financial Strategy sets out the high level financial objectives the Council wishes to fulfil and underpins the budget setting process for the forthcoming year and over the Strategy period. As the Council's high level financial planning tool, the Strategy needs to be reviewed and updated at least annually and in the current climate regularly reviewed by Management Team. In addition, not identifying and implementing the requisite savings and transformation contributions will put at risk the integrity of the MTFS.
- 1.9.2 Through prudent husbandry of resources, Council has reserves, including a Budget Stabilisation reserve, to help to smooth the path in the delivery of savings. However, reserves are finite and it is imperative that actions are taken at the earliest opportunity in order to preserve the longer term financial sustainability of the Council.

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

## 1.10 Equality Impact Assessment

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

## 1.11 Policy Considerations

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

## 1.12 Recommendations

- 1.12.1 Cabinet is **REQUESTED** to:

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

Background papers:

Nil

Sharon Shelton  
Director of Finance & Transformation

contact: Sharon Shelton  
Paul Worden

Julie Beilby  
Chief Executive

For Management Team



## TONBRIDGE & MALLING BOROUGH COUNCIL

### CABINET

05 December 2023

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

#### Part 1- Public

#### Matters for Recommendation to Council

#### 1 **COUNCIL TAX PREMIUM CHANGES FOR EMPTY HOMES AND SECOND HOMES**

This report provides an update to a previous Cabinet recommendation (Cabinet meeting on 10 January 2023) to change Council Tax premium charges, subject to the enactment of the Levelling up and Regeneration Bill.

This Bill has now received Royal Assent and Cabinet is now requested to recommend to Full Council in February 2024 that a Council Tax premium for second homes from the 2025/26 financial year onwards is introduced; and that the amendments to Council Tax empty home premiums from the 2024/25 financial year onwards are adopted.

#### 1.1 Introduction

1.1.1 Proposed changes to council tax premium charges were initially considered by Cabinet on 10 January 2023.

1.1.2 At that time, the Levelling-up and Regeneration Bill was still awaiting Royal Assent; therefore, Members agreed to recommend to Full Council for the new premium charges to be introduced from the 2024/25 financial year onwards subject to the bill being enacted and guidance being published by Central Government.

1.1.3 Shortly before the Full Council meeting, it became clear that the Bill would not receive Royal Assent. As a result, advice was given to defer the decision until the Bill was enacted to avoid any potential challenges.

1.1.4 I can advise Members that the Bill has now become law, with the Levelling-up and Regeneration Act 2023 coming into effect from 26 October 2023.

1.1.5 The criteria for both the Empty Homes and Second Homes premium charges remain unchanged; however, due to the delay in the Bill being enacted, the effective date for implementation of the Second Homes premium charge has changed.

## 1.2 Background

- 1.2.1 On 19 February 2019, Council resolved to adopt a 100% Council Tax premium from the 2019/20 financial year onwards for properties that have been empty for 2 years or longer.
- 1.2.2 On 18 February 2020, Council resolved to adopt, from the 2020/21 financial year onwards, a 200% Council Tax premium for properties that have been empty for at least 5 years; and from the 2021/22 financial year onwards, a 300% Council Tax premium for properties that have been empty for at least 10 years.
- 1.2.3 Latest figures show that there are currently 96 properties attracting a 100% premium, 74 properties attracting a 200% premium and 14 properties attracting a 300% premium. There are currently 260 properties that have been empty for at least one year that do not currently pay a premium charge.
- 1.2.4 The amendment to the Long Term empty dwellings (England) legislation gives Councils discretion to apply a premium of up to 100% of the Council Tax charge on those properties that have been empty for more than one year. **This provision was introduced by Central Government as a tool to assist local authorities in the drive to bring empty properties back into use.**
- 1.2.5 New legislation relating to ‘dwellings occupied periodically (England)’ i.e. properties that are classed as ‘second homes’ provides councils with the discretion to apply a premium of no more than 100% to qualifying properties.

The conditions of this criteria are:

- a) There is no resident of the dwelling, and
- b) The dwelling is substantially furnished.

- 1.2.6 Latest figures show that there are currently 230 properties classified as second homes.

## 1.3 Empty Homes Amendment

- 1.3.1 Amendments will allow councils to introduce the premium for empty homes a year earlier than existing agreements.

| Introduction date | Existing premiums                           | Premiums that can be applied               |
|-------------------|---|--|
| 1 April 2024      | 100% premium for properties empty 2 years + | 100% premium for properties empty 1 year + |

- 1.3.2 Regulations allow a billing authority to vary or revoke a determination in respect of an empty home premium for a financial year, but only before the beginning of the year.
- 1.3.3 The amendment can, therefore, have an impact for the financial year beginning on or after 1 April 2024 and it does not matter if the start date of the property being empty is before this comes into force.
- 1.3.4 **It is expected that by reducing the time a property is empty, the premium will allow local authorities to strengthen the incentive for owners of empty homes to bring them back into use.**
- 1.3.5 No public consultation is required to introduce this change.
- 1.3.6 Liable parties will be able to appeal via standard Council Tax appeal routes if they disagree with the applying of a premium on an account based upon facts of an individual case, for example, they state that the property is not empty. The principle of a premium will not be open to appeal.
- 1.3.7 Taxpayers affected by the reduced empty period will be notified prior to the new charge coming into force so they can decide to sell or let the property before they are impacted by the change.

#### **1.4 Second Homes Amendment**

- 1.4.1 Under existing legislation, properties classed as second homes have a full charge (100%) and there are no discounts or premiums in place.
- 1.4.2 By introducing a premium on these properties, it is expected that properties that are not in constant use may be encouraged to be brought back into use for local residents. It would also remove potential loopholes regarding empty homes where an owner could furnish a property to remove it from the list as being classed as an empty home to avoid the premiums that this can attract.
- 1.4.3 There is no minimum timeframe on this premium, but legislation states a billing authority's first determination under this section must be made at least one year before the beginning of the financial year to which it relates. Therefore, if the premium is agreed by 31 March 2024, any property classed as a second home would attract the premium with effect from 1 April 2025.
- 1.4.4 Taxpayers affected by the additional premium will be notified prior to the 1 April 2025 so they can decide what to do with their property before they are impacted by the change.
- 1.4.5 It is recognised that some taxpayers may request their properties to be treated as Non-Domestic due to letting legislation to avoid a premium (e.g. holiday lets). This will be monitored by the Council and cases investigated as appropriate.

## **1.5 Summary**

- 1.5.1 One of the Council's four priorities set out in the Corporate Strategy (2023-2027) is to 'Improve housing options for local people whilst protecting our outdoor areas of importance'.
- 1.5.2 The Council's Housing Strategy (2022-2027) set out priorities which include bringing empty homes back into use.
- 1.5.3 Adopting these changes would enable further premiums of council tax to be levied which might encourage the sale or even private rental of properties.
- 1.5.4 Members should note, however, that the full extent of the additional income might not be realised should the empty properties be successfully brought back into use.
- 1.5.5 If Cabinet are supportive of these recommendations, then policies will be drawn up and presented to Full Council in February 2024 alongside these recommendations.

## **1.6 Legal Implications**

- 1.6.1 A Full Council resolution is required to introduce the amendments detailing exemptions and agreements of introduction dates and premium amounts.
- 1.6.2 In respect of the Empty Home amendment, this just needs a decision before the financial year to which the decision relates as set out in S11B(5) of the Local Government Finance Act 1992.
- 1.6.3 As mentioned in the report, the amended premium charge can therefore be implemented from 1 April 2024.
- 1.6.4 In respect of the Second Homes amendment, the premium charge for second homes can only be implemented with at least one year's notice as set out in S11C(3) of the Local Government Finance Act 1992. This means a final decision must be passed by 31 March 2024 to be able to introduce any changes from 1 April 2025.

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

- 1.7.1 The table below illustrates the estimated financial impact the additional properties that would be impacted if both amendments were introduced; it is too early to provide details on second homes for April 2025 at this current time and these figures are for illustration purposes. Please note these figures are based on the TMBC element of the 2023/24 Council Tax rate.

### Projection of premium changes based on latest figures

|                            | Properties | CTax Base value | 100% premium charge value | Additional charge value |
|----------------------------|------------|-----------------|---------------------------|-------------------------|
| Empty Homes (for 2024/25)  | 260        | £60,000         | £60,000                   | £60,000                 |
| Second Homes (for 2025/26) | 230        | £53,000         | £53,000                   | £53,000                 |

1.7.2 Indicative rates above are based on 100% collection. The Council is aware that not all cases will yield 100% collection in year. In year collection at the end of October 2023 is currently 65.2%, equal to the amount collected in 2022/23. The end of year target for overall collection of Council Tax in 2023/24 is 98.5%.

## 1.8 Risk Assessment

1.8.1 A summary of the perceived risks follows:

| Perceived risk  | Seriousness | Likelihood | Preventative action  |
|---|-------------|------------|--|
| 1) Additional income to TMBC is not fully realised due to the impact of the current economic climate on collection rates. | High        | Medium     | Collection to be closely monitored.  |
| 2) Adverse reaction from owners of empty properties having their council tax doubled during a cost of living crisis       | Medium      | High       | Consider implementing the change from April 2025 to give owners more notice of the amendment |

## 1.9 Equality Impact Assessment

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

## 1.10 Policy Considerations

1.10.1 Communications. Publication of the decision must be made with 21 days of the decision as stated in the report.

1.10.2 Community

## 1.11 Recommendations

1.11.1 Cabinet is **REQUESTED** to :

- 1) recommend to Full Council to adopt the amendments to Council Tax empty home premiums from the 2024/25 financial year onwards as demonstrated in paragraph 1.3.1; and
- 2) recommend to Full Council to introduce a Council Tax premium to second homes from the 2025/26 financial year onwards as demonstrated in paragraph 1.4.3.

Background papers:

[Levelling-up and Regeneration Act 2023](#) (Points 79-80)  
[\(legislation.gov.uk\)](#)

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## **FUTURE OF THE ANGEL CENTRE, TONBRIDGE**

### **Item FRP 23/27 referred from Finance, Regeneration and Property Scrutiny Select Committee of 14 November 2023**

Members' in-principle views were sought on the future of the existing Angel Centre building as part of the Borough Council's work to review its land and property assets in Tonbridge town centre.

Members recognised that, due to age, design and the changing nature of leisure provision, the Angel Centre had reached the point of requiring substantial investment in both plant and equipment and building fabric to remain fit for purpose in the long term. In addition, significant further investment would be required to reduce the carbon footprint of the building to achieve the Council's carbon neutral aspirations for its leisure facilities. From a cost saving perspective, actions needed to take place as soon as possible in view of the huge ongoing maintenance expenses.

It was emphasised by the Cabinet Member for Climate Change, Regeneration and Property that it was only a preference on the in-principle option that was sought from Members at this stage, which information would then be incorporated into the option appraisals to be developed by the consultant company MACE as part of their Phase 2 report, to be presented to the Committee for consideration at a future meeting.

Having regard to the operational, building fabric and climate change considerations, as well as views expressed by the Leisure Trust and the financial implications, Members noted the pros and cons of both refurbishment and new facility options respectively and took into account the legal implications set out in Annex 1.

**RECOMMENDED\*:** That

- (1) in principle, all options be kept on the table for the future of the leisure centre, including demolishing and rebuilding it elsewhere.

**\*Recommended to Cabinet**

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**TONBRIDGE & MALLING BOROUGH COUNCIL**

**FINANCE, REGENERATION AND PROPERTY SCRUTINY SELECT COMMITTEE**

**14 November 2023**

**Joint Report of the Director of Central Services,  
the Director of Street Scene, Leisure & Technical Services,  
the Cabinet Member for Climate Change, Regeneration & Property and  
the Cabinet Member for Community Services**

**Part 1- Public**

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

**1 FUTURE OF THE ANGEL CENTRE, TONBRIDGE**

**The aim of this report is to ascertain Members' in-principle views on the future of the existing Angel Centre building as part of the Council's work to review its land and property assets in Tonbridge town centre.**

**Due to its age, design and the changing nature of leisure provision, the Angel Centre has reached the point of requiring substantial investment in both plant and equipment and building fabric to remain fit for purpose in the long term. In addition, significant further investment will be required to reduce the carbon footprint of the building to achieve the Council's carbon neutral aspirations for its leisure facilities.**

**Members are asked to provide their in-principle recommendations to Cabinet on whether they feel the existing building should be retained and refurbished or whether the Council should replace leisure provision at an alternative location in the town.**

**1.1 Introduction**

1.1.1 As Members are aware, the Council has been progressing a review of its land and property assets in Tonbridge town centre to determine how they can best be utilised.

1.1.2 The Council has been working with the company Mace to deliver this work with Phase 1 focused on establishing Members' aims and objectives of the review, the outcome of which was reported to Cabinet at its meeting on 5<sup>th</sup> July 2022.

- 1.1.3 Cabinet agreed to continue the work into phase 2, which is focussing on the overall governance and programme objectives across the range of work streams identified in Phase 1, as well as giving priority to explore options on the potential development area east of the High Street.
- 1.1.4 The Angel Centre is one of the Council's largest assets in the town centre and is included within the area of potential development being explored through Phase 2. Members recently approved the inclusion of the Angel Centre, as well as the surface car parks in the surrounding area, for potential development as part of the new Local Plan process.
- 1.1.5 While completing their work, Mace have made clear that a decision on whether to refurbish the Angel Centre or seek to move facilities elsewhere is essential to best advise the Council on the wider redevelopment options on land East of the High Street. Due to its size and location the future of this building forms a key part of this work.
- 1.1.6 At the next meeting of this Committee, the outcomes of the phase 2 report will be reported to Members on the potential development area east of the High Street. It is important in the context of the future report to be presented to Members to know Members' in-principle views on whether they would like to see the existing building retained and refurbished, or whether a replacement facility to serve the town would be the preference.

## **1.2 The Angel Centre**

- 1.2.1 The Angel Centre was originally constructed in 1981 as part of the development of the former Angel football ground which saw the construction of the existing Sainsbury's store and surface car parks. The Angel Centre replaced community facilities in Lyons Crescent together with a large sports hall and squash courts.
- 1.2.2 The Angel Centre is divided into two sides. The community side includes a suite of meeting rooms, a function suite and a community hall with stage. On the sports side there is a 6 badminton court sports hall, dance studio, pre-school and gym. There is a reception area serving both sides of the building.
- 1.2.3 Since the building was constructed, the Council has delivered a wide range of leisure services and activities from the facility and has continuously invested in both equipment and the building in an attempt to keep the building fit for purpose.
- 1.2.4 By way of some examples, the Council has spent approximately £687,000 over the last 10 years in maintaining the building and invested approximately £2.5m since the year 2000 on capital improvement schemes and equipment.

- 1.2.5 In 2013 the Council established the Tonbridge & Malling Leisure Trust to operate its leisure facilities, the Angel Centre being one. The decision to outsource to a Trust resulted in significant financial benefit to the Council including both business rate exemption and the preferential exempt VAT status of the Trust. This advantage was enhanced by a decision that the Council would retain responsibility for the cost of plant and equipment for which it could reclaim VAT thus reducing the service fee demands of the Trust and further cost saving for the Council.
- 1.2.6 In recent times it has become clear that for the building to be considered fit for purpose in the long term, either substantial investment would be required in the existing building, or a replacement facility would be required. The main issues being decarbonising the building as well as maintaining and updating the building fabric, plant and equipment, more details of which are provided in section 1.4.
- 1.2.7 This is as a result of the changing face of leisure provision and how it is delivered. When the building opened in 1981 there would have been very limited public access to high quality leisure facilities. However now there are a range of facilities available for public use across a range of settings within the town particularly by local state and private schools. These include:

#### Sports Halls

- Hayesbrook Academy
- Huge Christie School
- Judd School
- Tonbridge Grammar School
- Weald of Kent School

#### Fitness

- Snap Fitness
- Anatomy 37
- Tonbridge School

#### Meeting/function Rooms

- Schools
- Churches
- Colleges

- Sports clubs
- Tonbridge Castle

1.2.8 In 2013/14 the Council were in advanced negotiations with Sainsbury's regarding the development of the area east of the High Street, which would have seen the construction of a new leisure centre on the site of the Bradford Street car park. Sainsbury's withdrew from the scheme and so the current Angel Centre building remained.

### **1.3 Tonbridge Town Centre Work**

1.3.1 As mentioned in the introduction, due to its size and location the existing Angel Centre building is a key issue in the work the Council are progressing in liaison with Mace to review its assets in the town, specifically in the area east of the High Street.

1.3.2 Due to the breadth and depth of the work associated with the option appraisals in this area, it would be incredibly helpful to get a sense from Members whether their preference, in principle, would be to refurbish the existing building or look to provide a replacement facility. This information will then be incorporated into the option appraisals developed by Mace which will be presented to Members at an appropriate meeting.

1.3.3 From a place shaping perspective, the current Angel Centre building does not easily fit into wider redevelopment options due to its size, location, design and range of facilities. If Members recommend, in principle, not to consider a refurbishment option then it will unlock additional opportunities in the area East of High Street, especially in relation to the area running alongside the Botany Stream where more could be made of the water frontage.

### **1.4 Current Situation**

1.4.1 The Angel Centre was included in the portfolio of buildings leased to the Tonbridge & Malling Leisure Trust when it was created in 2013. The current lease of the Angel Centre is due to expire in October 2033, along with the other buildings leased to the Trust.

1.4.2 Outlined below is some information which may assist Members in reaching a recommendation to Cabinet.

### Operational Considerations

- 1.4.3 The Angel Centre has always been a difficult building to manage and operate and its design, layout and mix of facilities does not meet the current needs of the market. This is evidenced by the fact the Angel Centre operates at a net loss compared to the other facilities operated by the Leisure Trust, which contribute a net profit to the Leisure Trust's overall bottom line. In the Leisure Trust's Business Plan 2023-2025 the forecast for 2023/24 is that the Angel Centre would operate at a loss of £265,500.
- 1.4.4 The facilities on the community side are not well used and better quality alternative facilities are available in the town operated by others. The usage of the community facilities in particular has declined since the covid pandemic. The Leisure Trust report that usage statistics and income analysis show the Medway Hall is utilised to a far lesser degree than pre-covid and that this decline may be traced back further. Major events like the Dance Festival and Christmas Panto no longer take place, along with the regular cinema screenings. It further reports that casual large hires are fewer and the Medway Hall is now used far more for regular group exercise classes linked to fitness membership and that a suite of six meeting rooms is not required with one now being permanently used for storage and the smallest room rarely hired.
- 1.4.5 Whilst on the sports side the gym performs well with the Leisure Trust reporting membership significantly ahead of pre-covid levels. Compared to pre-covid, membership is up 44% and income for 2022/23 was 49% above pre-covid levels.
- 1.4.6 In terms of group exercise and dance studios, the existing facilities, which are a mix and match of a refurbished squash court, the Riverside function room, Medway Hall and Sports Hall are variously ill-equipped to deliver a quality service due to a lack of air-conditioning, sprung floor, mirrors, high quality sound and light and poor acoustics. The fact that exercise classes are having to be run from these facilities supports the position that there are inadequate, fit for purpose dance studios to meet demand. There are no catering facilities on the site.
- 1.4.7 The Angel Centre operates a successful GP Referral Programme and Phase IV Cardiac Rehabilitation Programme. This involves a combination of prescribed exercise and lifestyle and dietary advice. Medical professionals refer patients to the programme.
- 1.4.8 In the past the Council has attempted to improve the layout and accessibility of the building via numerous internal reconfigurations, including moving the entrance to the side of the building and converting underutilised areas, for example conversion of squash courts to fitness studios and the gym.
- 1.4.9 Although these previous works have been successful, it always presents challenges when delivering services in areas which have not been originally designed for that purpose.

- 1.4.10 The internal layout of the building includes numerous corridors and rooms which restricts movements around the facility and does not create a particularly positive customer experience. This also reflects in higher maintenance costs.

#### Building Fabric Considerations

- 1.4.11 The building is now over 40 years old and therefore costs to maintain both the building fabric, as well as plant and equipment, are increasing. In terms of plant and equipment, it has reached the stage where entire systems that have reached the end of their serviceable lives need to be completely replaced, for example mechanical ventilation systems and boilers.
- 1.4.12 In terms of building fabric, we are aware of issues with items such as the sports hall floor, which will need to be completely replaced in the short to medium term due to reaching the end of its serviceable life, and underground drainage pipes, which are deteriorating to the extent the site are experiencing regular blockages.
- 1.4.13 A specific area of concern is the roof, which is a combination of felt covered roof, with the felt reaching the end of its serviceable life, and asbestos containing roof tiles.

#### Climate Change Considerations

- 1.4.14 In addition to the above, a key consideration is the Council's aspiration to become carbon neutral by 2030 and Cabinet's pledge to have carbon neutral leisure centres by 2027.
- 1.4.15 Across the Council's owned estate, energy consumption at the Angel Centre is only outstripped by the two sites with swimming pools, Larkfield Leisure Centre and Tonbridge Swimming Pool. For comparison, energy consumption and carbon emissions from the Angel Centre are close to double those from the Council's Gibson East and West office buildings combined. Reaching carbon neutral in operational terms for the Angel Centre would mean removing emissions of approximately 315 tonnes of CO<sub>2e</sub> per year.
- 1.4.16 The building's Display Energy Certificate (DEC) and Energy Performance Certificate (EPC) provide information on current energy efficiency and potential additional measures. DEC's are required for buildings frequently visited by the public which have a total useful area greater than 250 sqm and have been produced for the Angel Centre since 2015. The DEC rates the actual or operational energy performance of a building against established benchmarks and takes into consideration the ways in which occupant use the building. A is the highest rating, and G the least energy efficient.
- 1.4.17 An EPC is similar in that it gives information about the energy efficiency of a building to owners, prospective buyers and tenants. The ratings run from A+ to G, with A+ being better than carbon neutral and G being the poorest energy rating.

- 1.4.18 From 1<sup>st</sup> April 2023 all commercial properties must have an EPC rating of E or above to continue to be let. If they score an F or G then the building owner will need to carry out improvement works in order to achieve an E or higher rating. The government are expected to increase the minimum EPC threshold to a C rating by April 2027 and then a B rating by April 2030. Financial penalties can be levied on building owners who do not comply, up to a maximum of £150,000.
- 1.4.19 Taking into account the Council's aspiration to become carbon neutral by 2030, and Cabinet's pledge to have carbon neutral leisure centres by 2027, the aim should be to have DEC and EPC ratings of A.
- 1.4.20 The Angel Centre's current DEC rating is E and EPC rating is C. The EPC notes that a rating of D is typical for buildings of similar type to the Angel Centre, whereas a new build of similar type typically has an EPC A rating.
- 1.4.21 The EPC recommendation report sets out measures that could improve a building's energy efficiency. For the Angel Centre, these recommendations are limited to potential improvements to insulation and some operational efficiencies, all with a low or medium impact. As pointed out elsewhere in this report, the building fabric, previous re-designs and co-option of space for new purposes limits what else can be done within the property short of complete over-haul. Retrofit that would be extensive enough to make a more significant reduction in operational energy use and carbon emissions would come at high financial cost. Significant carbon emissions would also be expected from the scale of works needed to address the fabric of a building of this size.
- 1.4.22 If new provision were provided, the emissions from any new build element would need to be accounted for and minimised using up-to-date design, materials, manufacture and construction processes. Plans for provision in any alternative location would need to take account of both the Council's own carbon neutral 2030 aspiration, as well as looking ahead to the UK 2050 Net Zero target, given that the life of such a facility would likely exceed 20 years. A building with a minimum 'A' EPC rating would be consistent with these goals.
- 1.4.23 For any building, emissions are produced during the design, manufacture and build process; while the building is in operation; and at 'end of life' when the building is dismantled and materials disposed of. During the operational life of a building emissions will be produced by energy consumption, but also through emissions associated with further retrofit measures. New design methods and construction standards can ensure buildings, including leisure centres, can already operate at net zero, minimising the need for future retrofit. Whether the decision is to invest in deep retrofit, or to move to an alternative location, efforts should be made to minimise emissions at every point.

## 1.5 The Leisure Trust

- 1.5.1 The Leisure Trust were asked to provide its views on the current Angel Centre, which are:
- 1.5.2 *Despite investment over many years by the Council the fundamental failures in the original design of the Angel Centre have resulted in operational challenges for 40 years. Reconfiguration of the facilities have assisted in improvement of services but have never represented truly fit for purpose spaces and as public expectation of bespoke, clean, well-maintained and accessible facilities increases so does the challenge. Whilst investment has always been welcomed it has proved impossible to refurbish existing areas to the high standards of extensions/new build projects undertaken elsewhere, notably at Larkfield Leisure Centre where the gym, spa and studio facilities amongst others have largely been extensions rather than refurbishment of existing areas.*
- 1.5.3 *The customer journey at the Angel Centre militates against easy access and lack of dedicated changing spaces also deters customers from use of the gym in particular. The need to programme activities into areas not designed for purpose results in lower customer satisfaction and the continual need to move equipment around the site. This impacts on the ability of the Trust to provide services seen as competitive in the local market.*
- 1.5.4 *Day to day maintenance is challenging in an ageing building with many redundant spaces that contribute to a less attractive facility. Dry side facilities across the country generally attract higher operating costs to income ratios and the Angel Centre is no exception but this is worsened by the age of the building and time and money spent on cleaning and maintenance.*
- 1.5.5 *Notwithstanding the above the Trust has worked hard to develop gym membership and provides valuable health and wellbeing services to a very wide range of residents and visitors. It is the Trust's view that current growth in use since the pandemic needs to be capitalised upon by investment in new or refurbished facilities as outlined in this report and the Trust looks forward to a continued and progressive partnership with the Council for the physical and mental health and wellbeing of local people.*
- 1.5.6 Liaison has been taking place with the Leisure Trust so that they have been able to brief their staff on the content of this report. Being that it is a public document staff may have legitimate concerns over their future job security. The Council is keen to work with the Trust to ensure continuity for the workforce and the service it provides. Liaison will also take place with customers by the Trust so they are properly informed. This is being undertaken in liaison with the Council's Media and Communications team.



## **1.6 Financial Implications**

- 1.6.1 Being that Members are being asked to make an in-principle recommendation, officers have not incurred large costs associated with detailed financial appraisals of the options. However, we have looked at high level costs associated with an option to refurbish the current building and a replacement facility although at this stage no assumptions are being made about where any replacement facility would be located.
- 1.6.2 In terms of refurbishment, an estimated range of gross development costs (including building works, fees etc) is £8.6m - £14.58m.
- 1.6.3 The lower cost includes replacement of electrical and mechanical systems as well as internal alterations and reconfiguration, while the higher cost also includes replacements and upgrades to the building fabric with a view to providing a carbon neutral facility, hence the large range.
- 1.6.4 They also include a cost for lost revenue during the course of the works on the basis large areas of the building would be unavailable to customers. Whilst every effort would be made to retain core services this has been included as a one-off cost however it is not unreasonable to assume lost revenue may continue for some time as some customers will take out new membership elsewhere, for example. No allowance has been made for any loan repayment costs.
- 1.6.5 In terms of construction of a new building, costs are dependent on the size of the facility and the type of facilities being provided. Although a detailed assessment of the type of services which may be required has not yet been undertaken, an estimated range of gross development costs is £16.5m - £19.8m.
- 1.6.6 These high-level costs are based on a carbon neutral replacement facility which is approximately 15% smaller than the current Angel Centre, to take into account the inefficient layout of the current building. No allowance has been made for any loan repayment costs.
- 1.6.7 These costs do not include any increased revenue or operational savings which would result from the works as this will be dependent on the final scope. However initial estimates suggest this could range between £250,000 - £675,000 per annum.

## **1.7 Summary**

- 1.7.1 The two in-principle options we are asking Members to consider are whether the Council should look to refurbishment the existing facility, with the aim of making the facility fit for purpose for the long term (20-25 years) including the pledge to make it carbon neutral by 2027, or whether those aims would be more effectively achieved in a newly constructed facility.

Table 1 – Summary of pros and cons

|             | <b>Refurbishment Option</b>  | <b>New Facility Option</b>   |
|-------------|--|--|
| <b>Pros</b> | <ol style="list-style-type: none"> <li>1) Lower initial capital cost</li> <li>2) Generally speaking, less embodied carbon</li> </ol>   | <ol style="list-style-type: none"> <li>1) Existing Angel Centre could continue to operate while a new facility is constructed</li> <li>2) Design can ensure fit for purposes spaces are provided to meet customer needs</li> <li>3) Ensuring building is designed and constructed to carbon neutral standard</li> <li>4) Lower operating and maintenance costs</li> <li>5) Presents opportunities as part of the wider town centre work</li> </ol> |
| <b>Cons</b> | <ol style="list-style-type: none"> <li>1) Significant disruption to facility during works meaning customers may move elsewhere</li> <li>2) Difficulty in ensuring the existing building can be made fit for purpose for the future if working within the existing footprint</li> <li>3) Likely to be ongoing high operational and energy costs, despite refurbishment</li> <li>4) Limits options for the wider development of the area east of the High Street</li> <li>5) Significant challenges to make the building carbon neutral</li> </ol> | <ol style="list-style-type: none"> <li>1) Higher initial capital cost</li> </ol>   |

1.7.2 In either case an assessment of what facilities could be provided and, in the case of a new facility option, where those facilities could be located will be undertaken.

## **1.8 Next Steps**

- 1.8.1 Once a decision is made then officers can work with Mace to finalise the phase 2 Tonbridge Town Centre work with a view to providing Members with a report detailing the phase 2 work, including the implications of the in-principle decision made by Members.

## **1.9 Legal Implications**

- 1.9.1 This information can be found in a separate (Part 2) annex.

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

- 1.10.1 Some high-level financial information in relation to the two options is provided above at section 1.6. Once an in-principle option is chosen further work will be undertaken and presented to Members setting out facility options, as well as some more detail on likely costs.
- 1.10.2 This may involve the need to instruct design and cost services with an appropriate budget being identified.
- 1.10.3 Options for how the Council could look to fund either option would be explored as part of the next phase of work.

## **1.11 Risk Assessment**

- 1.11.1 If an in-principle decision is not forthcoming in relation to the Angel Centre it will add uncertainty to the Council's work to review its assets in the town centre.
- 1.11.2 Due to the condition of plant and equipment, as well as the Council's carbon neutral aspirations, this decision is needed to provide direction so we can plan for the future. If that does not happen the Council will be forced to spend significant sums of money on the building and equipment with no clear direction as to what the future of the facility may be, resulting in likely abortive costs.
- 1.11.3 If there is ongoing uncertainty over the future of the facility it may lead to both staff and customers leaving, impacting on the Trust's ability to generate revenue.

## **1.12 Equality Impact Assessment**

- 1.12.1 Being that an in principle recommendation is being sought from Members, it is felt the decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. At the point final decisions are taken in relation to the provision of services then an equality impact assessment will be undertaken.

### 1.13 Policy Considerations

1.13.1 Asset Management

1.13.2 Climate Change

1.13.3 Healthy Lifestyles

### 1.14 Recommendations

1.14.1 It is **RECOMMENDED** to Cabinet that;

1.14.2 The preferred option chosen by Members of the Finance, Regeneration and Property Scrutiny Select Committee relating to the future of the Angel Centre set out in this report be taken into account, and;

1.14.3 Officers be instructed to proceed with further work on the preferred option, including what facilities could be provided and, in the case of a new facility option, where those facilities could be located, with a view to presenting a future report to Members with the details

The Director of Central Services confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

Nil

contact: Stuart Edwards  
Robert Styles

Adrian Stanfield  
Director of Central Services & Deputy Chief Executive

Robert Styles  
Director of Street Scene, Leisure & Technical Services

Robin Betts  
Cabinet Member for Climate Change, Regeneration & Property

Des Keers  
Cabinet Member for Community Services

Annex 1 contains private/confidential information and is attached to the agenda under Part 2 - Private.

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Executive Decisions Record - November 2023

| Decision Number | Title  | Cabinet Member                                       | Date of Decision | Date Published | Call-in period ends | Called in | Scrutiny Committee Consideration | Referred back to Cabinet | Referred back to Council | Council referred to Cabinet | Date Decision Effective |
|-----------------|--|--|------------------|----------------|---------------------|-----------|----------------------------------|--------------------------|--------------------------|-----------------------------|-------------------------|
| D230098MEM      | Tackling Graffiti                                | Cabinet Member for Transformation and Infrastructure | 6.11.23          | 10.11.23       | 17.11.23            |           |                                  |                          |                          |                             | 18.11.23                |
| D230099CAB      | Review of Car Parking fees and charges           | Cabinet  | 8.11.23          | 10.11.23       | 17.11.23            |           |                                  |                          |                          |                             | 18.11.23                |
| D230100CAB      | Review of Fees and Charges (miscellaneous        | Cabinet  | 8.11.23          | 10.11.23       | 17.11.23            |           |                                  |                          |                          |                             | 18.11.23                |
| D230101MEM      | Digital Inclusion Project                        | Housing and Finance                                  | 14.11.23         | 14.11.23       | 21.11.23            |           |                                  |                          |                          |                             | 22.11.23                |
| D230102MEM      | Transfer of toilets, King Street, West Malling   | Climate Change, Regeneration and Property            | 13.11.23         | 14.11.23       | 21.11.23            |           |                                  |                          |                          |                             | 22.11.23                |
| D230103MEM      | S106 Support for Youth and Community at Wouldham | Community Services                                   | 14.11.23         | 15.11.23       | 22.11.23            |           |                                  |                          |                          |                             | 23.11.23                |
| D230104MEM      | Discretionary Rate Relief                        | Finance and Housing                                  | 15.11.23         | 16.11.23       | 23.11.23            |           |                                  |                          |                          |                             | 24.11.23                |
| D230105MEM      | Write Offs                                       | Finance and Housing                                  | 15.11.23         | 16.11.23       | 23.11.23            |           |                                  |                          |                          |                             | 24.11.23                |
|                 |  |  |                  |                |                     |           |                                  |                          |                          |                             |                         |
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|                 |  |  |                  |                |                     |           |                                  |                          |                          |                             |                         |

|                  |                    |              |         |        |
|------------------|--------------------|--------------|---------|--------|
| Decision pending | Call in period     | Key Decision | Private | Urgent |
|                  | Subject to call in |              |         |        |

URG - outside of budget and policy framework

\*reflects Bank Holiday

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# Agenda Item 8

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

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# Agenda Item 9

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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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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# Agenda Item 11

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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