

TONBRIDGE & MALLING BOROUGH COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

13 September 2016

Report of the Management Team

Part 1- Public

Matters for Recommendation to Cabinet

1 SPECIAL EXPENSES SCHEME POLICY ('FAIRER CHARGING')

Members are asked to review the draft Special Expenses Scheme policy and make any appropriate recommendations to Cabinet prior to its meeting on 12 October 2016.

1.1 Introduction

1.1.1 Members will be aware that over the course of the last few months, Cabinet has considered, and consulted on, the potential introduction of a Special Expenses Scheme.

1.1.2 The consultation undertaken was headed 'Fairer Charging', and concluded on 20 June. Members may have noted that, in the documentation, we used the term '*Local Charge*' in place of the more technical term '*Special Expenses*'; although the two terms are interchangeable.

1.1.3 Details of the consultation, **including a short video explaining the background to it**, can still be found via our website at:

<http://www.tmbc.gov.uk/services/council-and-democracy/consultations/public-consultation-fairer-charging-in-tonbridge-and-malling>

1.1.4 If necessary, Members are asked to refresh their own memories of the consultation to aid their understanding of this issue, as it is not intended to repeat previous presentations at the meeting. **Viewing the short video** (less than five minutes long) may help in this regard.

1.1.5 Detailed reports, and supporting papers, were presented to Cabinet on 20 April and 28 July which Members may also wish to read in advance of the meeting:

<https://democracy.tmbc.gov.uk/documents/s15551/Report%20of%20Management%20Team.pdf>

<https://democracy.tmbc.gov.uk/documents/s17651/Report%20of%20Management%20Team.pdf>

1.2 Cabinet Recommendations

1.2.1 Cabinet considered the results of the consultation at its extraordinary meeting on 28 July.

1.2.2 Following detailed consideration and debate, Cabinet recommended at **CB 16/60** that, in respect of the potential Special Expenses scheme :

- 1) *the responses received in respect of the consultation regarding the potential introduction of Special Expenses and any potential equality impacts be noted and the introduction of such a Scheme from 1 April 2017 be commended to the Council;*
- 2) *the following concurrent services should be incorporated within 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) *and, in accordance with the agreed project timetable, the Overview and Scrutiny Committee review the Scheme, once it is drawn up, at its next meeting;*
- 4) *on the basis that a Special Expenses Scheme is to be introduced, the Scheme of Financial Arrangements cease with effect from 1 April 2017 and parish councils be notified accordingly.*

1.2.3 In addition to the above recommendations which are specific to the Special Expenses Scheme policy, Cabinet Members also requested that Overview & Scrutiny Committee undertake a review into the future funding of Christmas Lighting and High Street flower displays in readiness for 2017/18. This is referred to elsewhere on this agenda, and it is intended that it is programmed for review by a Scrutiny Panel during Autumn 2016.

1.3 Draft Policy

- 1.3.1 In accordance with the recommendations above, a draft policy **[Annex 1]** has been prepared for review by this Committee.
- 1.3.2 Members are, accordingly, invited to review the draft policy and make recommendations back to Cabinet, within the timetable approved by Cabinet.
- 1.3.3 For information, the timetable is set out below. Members will note that Full Council will need to take any final decisions at its meeting on 1 November.

28 July 2016	Special Cabinet considers responses, formulates preferred way forward and, if appropriate, commissions new policy to be drafted in respect of Special Expenses
July/August 2016	Draw up draft policy for Special Expenses
8th September 2016 and 12th September 2016	PPP and Tonbridge Forum updated verbally re Special Expenses /FAPC
13th September 2016	Overview and Scrutiny Committee (O&S) review draft policy for Special Expenses and make recommendations to Cabinet
12th October 2016	Cabinet considers policy, including any recommendations from O&S, and makes recommendation to Full Council
1st November 2016	Full Council adopts Special Expenses policy for 2017/18 and cessation of FAPC scheme
Early December 2016	Write to parish councils with information for budget setting
January 2017	Finance, Innovation and Property Advisory Board considers implications of adopted policy on budget setting process.

- 1.3.4 In order to meet the above timetable, this Committee will need to make recommendations to Cabinet prior to its meeting on 12 October.
- 1.3.5 If Full Council decides to adopt the Special Expenses Scheme with effect from 1 April 2017, it will at the same time revoke the Financial Arrangements with Parish Councils (FAPC) Scheme from the same date.

1.4 Legal Implications

- 1.4.1 Section 136 of the Local Government Act 1972 allows principal authorities to pay grants to local (parish) councils in respect of concurrent functions. The principal authority has discretion as to the amount, if any, it may decide to pay under these arrangements.
- 1.4.2 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.
- 1.4.3 The Council currently resolves to pay grants under s136 of the Local Government Act 1972, although the amount it pays is entirely at its discretion. By resolving to adopt a Special Expenses Scheme under sections 34 and 35 of the Local Government Finance Act 1992, the Council would no longer pay grants for those items of special expense under s136 of the 1972 Act.

1.5 Financial and Value for Money Considerations

- 1.5.1 If the Full Council were to resolve to adopt a Special Expenses Scheme as recommended by Cabinet and cease the FAPC grants Scheme as a result, the saving would be circa £226,000 per annum.

1.6 Risk Assessment

- 1.6.1 A full consultation with the public and parish councils has been undertaken, and the results considered and debated in detail by Cabinet at an extraordinary meeting on 28 July.
- 1.6.2 A Special Expenses scheme would establish 'equity' across the borough in terms of council tax paid towards the cost of local services. Whilst there is a risk of challenge to the introduction of such a scheme, the principles have been robustly tested.
- 1.6.3 If decisions are not made within the timescales set out in paragraph 1.3.3, the Council may not be able to implement savings (if any) in readiness for 2017/18.

1.7 Equality Impact Assessment

- 1.7.1 Cabinet considered the potential Equality Impacts at its meeting on 28 July.
- 1.7.2 It had regard to the fact that the consequential increases in council tax as a result of the implementation of a Special Expenses Scheme will be the same for all Tonbridge residents (proportionate to the council tax band) regardless of any protected characteristics.
- 1.7.3 Taking all this into account, Cabinet considered that there were no disproportionate effects that need to be addressed. However, Cabinet

acknowledged that this should be kept under review should we become aware of any unforeseen indirect impacts that may arise in future.

1.8 Policy Considerations

1.8.1 Customer Contact; Community; Equalities/Diversity

1.9 Recommendation

1.9.1 Members are **REQUESTED** to review the draft Special Expenses Scheme policy set out at Annex 1, and make appropriate recommendations to Cabinet prior to its meeting on 12 October 2016.

Background papers:

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Nil

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