



**TONBRIDGE & MALLING
BOROUGH COUNCIL**

Nicolas Heslop

Leader of The Council

**Cabinet Member for
Economic Regeneration**

**Borough Councillor
for Cage Green Ward**

Mr John Simmonds MBE
Deputy Leader and Cabinet Member for Finance and Procurement
Kent County Council
Members' Suite
Sessions House
County Road
Maidstone
Kent ME14 1XQ

7 September 2016

Dear John

Local Council Tax Reduction Scheme Consultation

Thank you for your letter of 10 August 2016 setting out Kent County Council's response to our Local Council Tax Reduction Scheme Consultation.

The consultation closed at the end of August, and our officers are now beginning the task of reviewing all the responses received and preparing an Equality Impact Assessment. It is the intention that our Cabinet will consider this at a meeting on 12 October, at which point we will make recommendations to Full Council about how the Scheme should be updated.

At this stage, and until the work has been completed, I am unable to comment specifically on some of the points you have made. However, there are a few points of clarification I would like to make in response.

I note your 'disappointment' that the consultation has '*not been set in the wider context of the financial challenge for local authorities*'. The financial challenge is, of course, a factor and is one of the reasons we are considering more, potentially, radical changes to the scheme. However, this is not the only issue, as you will be well aware. Collecting debts from those who are already financially disadvantaged is becoming increasingly difficult, and we must, therefore, consider the administrative costs and burdens this brings quite apart from the 'moral' issues of continuing to charge more and more to those who are already financially struggling. It is always a balancing act, as I am sure you will acknowledge. The short explanatory video we produced for the consultation (which was on our website) set out the dilemmas we face.

I am perplexed by your statement that 'you would have liked to have seen some consideration of even lower CTR discounts as part of the consultation (particularly those authorities that have only consulted on a very small change of 1.5% in contribution)'. I appreciate your letter is a generic one to all district councils, but I would say that whilst we have consulted on a 1.5% increase (as well as a 6.5% increase), we are already asking our residents to pay the highest amount in Kent (i.e. the 18.5% contribution). Thus, as we are a district applying the highest 'Kent' deduction rate, our options have been formed through the analysis of data displaying a 'tipping point' of collectable debt from low income households. The options, of 1.5% and 6.5% cuts go to the very boundary of the 'tipping point' in our view.

Other proposed options do not take the 'blanket cuts' approach but target areas identified as being potentially more affordable. We firmly believe there is a limit as to how far we can realistically go, having to balance the financial pressures we are collectively facing with the pressures some of our financially disadvantaged residents are personally facing. I believe this is a point that has been repeatedly made by the district finance officers.

In terms of the potential hardship policy which we have consulted on, I understand that this, along with all the other options set out in our consultation documentation, was discussed some time ago with finance officers from the major precepting authorities via the Kent Finance Officers group. My Director advises me that it was clearly stated at the group that, were such a policy be deemed appropriate following the consultation, it would be facilitated through s13A 1a of the Local Government Finance Act 1992 – i.e. the funding is via the collection fund. We did not think it was appropriate to put this level of detail into the consultation documentation itself because the majority of respondents would have no knowledge whatsoever as to what this meant, or how it was funded.

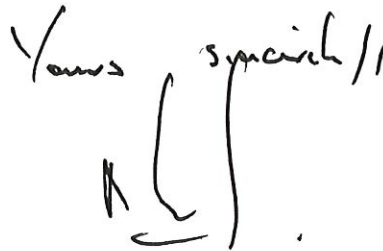
Whilst I do not wish to pre-empt the Cabinet's recommendations regarding the outcomes of the consultation, my Director advises me that it seems very likely, based on the responses, that a new hardship policy will form part of the revisions to our Local CTR scheme (I cannot, of course, speak for others). She is presently working with the Consultant that the Kent District Councils jointly procured in order to draw up a 'draft' which will be shared via the Kent Finance Officers group (at which KCC is represented and can offer any thoughts). Whilst I can appreciate that you have an interest in the potential cost of hardship claims, it is important that we do not put an arbitrary 'cap' on the amount that can be awarded as this could fetter discretion.

Towards the end of your letter, you comment that you feel that the section regarding alternatives to reviewing the CTR scheme is *poor*. Contrary to what you have stated in your letter, our video and/or consultation documentation did allude to the savings that are already needed in order to achieve a balanced Medium Term Financial Strategy, and did mention that increases in council tax would be subject to referendum limits.

Finally, I would say that when I first read your letter, I had the distinct impression that you felt there had been little or no liaison with Kent County Council prior to the launch of our consultation which I have to say was somewhat unexpected, and disappointing. This somewhat 'jarred' with your positive statement about the close working relationship between district councils and major preceptors. Having discussed this point with my Director, she categorically assures me that finance representatives from Kent County Council (Dave Shipton), Kent Police and Kent Fire have all been party to discussions about the potential revisions to the schemes in the lead up to the public consultation.

Indeed, I understand that a very detailed presentation was given to the major precepting authorities at Sessions House on 24th March this year by a small group of district finance officers and the Consultant who has been assisting them. As I understand it, following detailed discussion ensuing from the presentation, the major precepting authority representatives expressed satisfaction with the proposals that were being put forward for consultation. I hope that this gives you some comfort, and confirms the close working relationships you have spoken about.

I am grateful for the responses you have made to our consultation and as I have outlined above, these will be fed into the overall report to Cabinet on 12 October.

Yours sincerely,


Nicolas Heslop

