

TUNBRIDGE WELLS BOROUGH COUNCIL

CABINET

Thursday, 5 December 2019

**Present: Councillor Alan McDermott (Chairman)
Councillors March (Vice-Chairman), Bailey, Dawlings, Mackonochie and Scott**

Officers in Attendance: William Benson (Chief Executive), Lee Colyer (Director of Finance, Policy and Development (Section 151 Officer)), Paul Taylor (Director of Change and Communities), Patricia Narebor (Head of Legal Partnership), Caroline Britt (Democratic Services Officer), Finbar Gibbons (Head of Policy and Governance), David Candlin (Head of Economic Development and Property), Jane Fineman (Head of Finance and Procurement), John Antoniades (Estates Manager), Sharon Evans (Principal Planning Policy Officer) and Stephen Baughen (Head of Planning Services)

Other Members in Attendance: Councillors Reilly, Hayward, Pope and Backhouse

APOLOGIES

CAB96/19 There were no apologies.

DECLARATIONS OF INTEREST

CAB97/19 There were no disclosable pecuniary or other significant interests declared at the meeting.

NOTIFICATION OF VISITING MEMBERS WISHING TO SPEAK

CAB98/19 Councillors Reilly, Hayward and Pope had registered as wishing to speak on agenda item 11.

MINUTES OF THE MEETING DATED 24 OCTOBER 2019

CAB99/19 Members reviewed the minutes. No amendments were proposed.

RESOLVED – That the minutes of the meeting dated 24 October 2019 be approved as a correct record.

MINUTES OF THE MEETING DATED 21 NOVEMBER 2019

CAB100/19 Members reviewed the minutes. No amendments were proposed.

RESOLVED – That the minutes of the meeting dated 21 November 2019 be approved as a correct record.

QUESTIONS FROM MEMBERS OF THE COUNCIL

CAB101/19 There were no questions from members of the Council.

QUESTIONS FROM MEMBERS OF THE PUBLIC

CAB102/19 There were no questions from members of the public.

CONSIDERATION OF THE FORWARD PLAN AS AT 25 NOVEMBER 2019

CAB103/19 Members considered the plan. No amendments were proposed.

RESOLVED – That the Forward Plan as at 25 November 2019 be noted.

LEIGH EXPANSION AND HILDENBOROUGH EMBANKMENT SCHEME - CONSULTATION ON AN AMENDMENT TO THE RIVER MEDWAY (FLOOD RELIEF) ACT 1976

CAB104/19 Sharon Evans, Principal Planning Policy Officer introduced this report to agree amendments to the River Medway (Flood Relief Act) 1976 and to send a letter to DEFRA to approve the expansion of the Leigh Flood Storage Area. There was also a presentation by Kathy Aucott and James Kennedy from the Environment Agency. It included the following comments:

- A consultation was currently being carried out by the Environment Agency on a proposed change to the stored water level at the Leigh Flood Storage Area.
- The change would increase the capacity of the Storage Area in order to reduce flood risk to residents and businesses in Tonbridge and Hildenborough. It also affected a small area of land in the Parish of Biddborough, part of Tunbridge Wells Borough area.
- The current maximum level of water that could be stored was 28.05m.
- Following the damaging floods in 2013/14 considerable work had been undertaken by the Environment Agency to pursue robust flood mitigations to prevent future flooding.
- The proposed change would increase capacity of the flood storage area to 28.60m.
- In order to achieve this change an additional 16.4 hectares of land around the edge of the current flood storage area would be needed to accommodate an extra 24% of flood water. Discussions continued with land owners and land brought in to the new area might be eligible for compensation for any damage.
- The Environment Agency had confirmed that with regard to the impact of the expansion on areas downstream, the expansion would allow more water upstream which would reduce the likelihood of flooding downstream.
- A submission to DEFRA on the proposed changes would be submitted in January 2020. A month was given to allow for any objections. If none were received, a decision could be taken to approve the scheme. Planning permission would then be sought in spring 2020.

Discussion and responses to members questions included the following matters:

- Paddock Wood Parish Council had not been consulted on the scheme as they were not affected by the flood storage area.
- The terms of any compensation were set out in the Medway Flood Relief Act. Individual claims for compensation were negotiated with each land/property owner.
- There were 2 residential properties involved in the proposed expansion scheme and the Environment Agency were consulting with them. There were no areas that were considered a risk to life.
- The release of water following the flooding in 2013 had a detrimental

effect in Yalding and Capel. The risk would be decreased once the expansion had been implemented. The benefit would not be the same as for Tonbridge but there would be a small measurable benefit. The scheme was unlikely to have an impact on the length of time the land would be flooded. However the impact of climate change could result in floods being bigger and as such no guarantees could be given. The investment would improve the ability of the Environment Agency and partners to reduce the flow from the Medway into the receiving areas.

RESOLVED –

1. That the content of the report be supported;
2. That the proposed amendments to the River Medway (Flood Relief Act) 1976 set out by the Environment Agency in section 2 of the report be supported, and;
3. That a letter be sent to DEFRA providing support of the Borough Council for the expansion of the Leigh Flood Storage Area.

REASON FOR DECISION:

To increase storage of flood water that would reduce the risk to homes and businesses in Tonbridge and Hildenborough.

PERFORMANCE SUMMARY: QUARTER 2

CAB105/19 Finbar Gibbons, Head of Policy and Governance introduced this report that summarised the performance of the Council's priority projects and service delivery over Quarter 2. It also identified areas of under-performance and actions to resolve this, and included the following:

- The Report covered the period 1 July to 30 September 2019.
- Against the performance indicators, there were 5 with targets that were underperforming. The Report included explanations and details of remedial actions that needed to take place.
- Data for Quarter 1 Waste indicators had now been received but had not included in the Report, a verbal update was given:
 - o The percentage of household waste sent for reuse, recycling and composting was on target at a value of 50% against a target of 48%.
 - o The kilograms of residual household waste per household missed its target with a value of 114kg against a target of 127kg.
- Quarter 2 data was still to be processed.
- A number of the projects were now showing as red or amber but to note that the Report was accurate as at 30 September 2019.

Discussion and responses to member questions included the following matters:

- The nature of the way people contact the Tourist Information Centre was changing. With the move to the new building it would be an opportunity to look at this again.

RESOLVED –

1. That the summary of priority projects performance over Quarter 2, as set out in Appendix A be noted
2. That the summary of service performance over Quarter 2, as set out in Appendix B be noted
3. That the performance indicator Recovery Plans for Quarter 2, as set out in Appendix C onwards be noted

REASON FOR DECISION:

To monitor the effectiveness of the council's actions and plans to meet all of the objectives within the Five Year Plan, highlight underperforming areas, and propose actions to remedy any underperformance to ensure the key objectives are met.

COMPLAINTS SUMMARY: QUARTER 1 AND 2

CAB106/19 Finbar Gibbons, Head of Policy and Governance introduced this report that provided an overview of the complaints received by Tunbridge Wells Borough Council and included the following:

- This was routine report that covered the period 1 April to 30 September 2019.
- There was an increase in the number of complaints from the previous 6 months, but not significantly different from the same period last year.
- The percentage of complaints that had progressed from Stage 1 to Stage 2 had gone down to 9% for this period. This suggested that most complaints at Stage 1 had been dealt to a satisfactory standard.
- 58% of Stage 1 complaints had been answered to time – this compared to the 90% target.
- Stage 2 compliance was better, at 80%, but still missed the 90% target.
- Stage 1 relied on services to respond directly to the complaint itself. A significant number of complaints related to Waste and Street Scene. Dealing with the reasons behind the complaints had resulted in a delay in resolving the complaints themselves.
- Working with colleagues to improve compliance levels by the next Report.

Councillor Hayward, Pope and Reilly had registered to speak on this item. The content of the questions from all 3 speakers was not related to this Agenda item which was limited to complaints to services provided by TWBC.

Discussion and responses to member questions included the following:

- To note the Report end date of 30 September 2019. The new waste service took effect from this date so it was likely to have a significant effect on the next Quarter Report.
- Complaints and service for the new waste contract had improved. A report would be brought to Cabinet in April 2020 which would cover the first 12 months by the new contractor.

RESOLVED – That the Council's position on complaints performance at the end of Period 1 be noted.

REASON FOR DECISION:

To enable Cabinet to understand the Council's current performance in

relation to complaints handling.

REVENUE MANAGEMENT REPORT: QUARTER 2

CAB107/19 Jane Fineman, Head of Finance and Procurement introduced this Report that showed the actual expenditure on services for the period ending 30 September 2019 and the forecast outturn condition, including variances from the revised annual budget and included the following:

- The actual expenditure to 30 September 2019 was £7.275m, £39,000 less than budget.
- However the forecast outturn for the year was currently £98,000 over budget.
- The main movements had been a £87,000 forecast reduction in staff costs (£55,000 from planning and £32,000 from finance). This was because recruitment had been particularly challenging.
- The income from cremations in Quarter 1 was much lower than budgeted and this had continued into Quarter 2. This meant income was now forecast to be £120,000 below budget by year end.
- A reduction in car parking income of £60,000 was now forecast. Parking income in Royal Victoria Place and Crescent Road were both below budget. Season ticket income at Crescent Road was on budget, which suggested it was shopper and visitor numbers that had declined. Season tickets were not available at Royal Victoria Place.
- Income from Fixed Penalty Notices for littering and dog fouling was forecast to be £82,000 under budget. This was mainly due to the contractor terminating its contract with the Council. The income loss was mitigated in part by the reduction in the contract cost - a total of £49,000.
- The Council had now set up its own enforcement service for littering and dog fouling but this would take some time to get up to speed.
- Earmarked reserves were forecast to be £10.6m by the end of the year. Total reserves would be £19.7m.
- The Report showed that the Capital Programme was not quite fully funded, being £284,000 under. With a challenging Capital Programme it might be that further projects would have to be rescheduled into future years. Income from the sale of assets could be used to finance capital projects and bridge the funding gap.
- The reserves did not include the impact of the cessation of the Calverley Square development, this would be presented in Quarter 3 accounts. This was because the decision was taken after the end of September.
- The Report included a request to Cabinet to approve the Write Off of £11,943 of Housing Loans. To assist in the prevention of Homelessness the Council gave interest free loans to pay for rental deposits. The Council endeavoured to collect the loans at a later date, but this was not always possible.

Discussion and responses to member questions included the following:

- The loan Write Offs included in the Report only related to the larger debts. There were smaller debts that the Section 151 Officer was authorised to Write Off.
- The Council was very successful at recovering the loans with only a few that needed to be written off.

- The Council had seen a significant increase in the number of loans that had been issued. This was as a result of the Homelessness prevention that the Council was required to undertake. This had put extra pressure on the Finance Team and additional resource was being put into the recovery of the loans. Due to the number of loans issued, the current level of debt was quite high. But over time they would be repaid.
- The next few years was likely to show an increase in the number of Write Offs but this would be due to the increase in the support that the Council was required to give.
- A number of agencies help with debt issues, including the Citizens Advice Bureau (CAB). But usually the Council dealt with the individual direct to determine what was affordable in terms of repayment. This was done in conjunction with the Housing team, particularly at the time the loan was issued to avoid individuals being put in a position where the repayment was unaffordable.

RESOLVED –

1. That at Quarter 2 the net expenditure on services year to date was £7,275,000, which was £39,000 less than forecast be noted;
2. That by year end the Council anticipated next expenditure of £13,728,000 on services, which was £98,000 over budget; and
3. The Write Offs set out in Paragraph 2.26 of Appendix J be approved.

REASON FOR DECISION:

To show the actual expenditure on services compared to the revised budget for the period ending 30 September 2019, and the forecast outturn position, highlighting significant variances from the revised annual budget.

CAPITAL MANAGEMENT REPORT: QUARTER 2

CAB108/19 Jane Fineman, Head of Finance and Procurement introduced this Report that summarised the actual and forecast outturn expenditure on capital schemes to 30 September 2019 and included the following:

- Cabinet had approved Capital Expenditure of £22.681m for 2019/20.
- Since this approval, £1.244m of Projects had been rescheduled from 2018/19 to 2019/20.
- Approvals of £28,000 had been made in Quarter 1. A further £1.7m of expenditure was requested in this Report for 2019/20.
- The Report also included the following allocations:
 - o £769,000 for beam and concrete repairs to the Royal Victoria Place car park.
 - o £520,000 for the purchase of Tonbridge and Malling Waste Bins and Food Caddies – to note, the entire cost would be recharged back to Tonbridge and Malling.
 - o £200,000 to deliver interest free loans to lower income families and landlords to enhance energy efficiency in homes. The loans would be repaid following the sale of the property.
 - o £80,000 for CCTV to be installed in Crescent Road, Great Hall and Torrington Road car parks. All of which were open 24 hours a day.
 - o £56,000 for a new Crematorium Management software package.
- The Report also requested that £4.8m be rescheduled from 2019/20 to 2020/21.

- In addition the following proposed expenditure had been deferred:
 - o £2.962m for the Crescent Road car park extension.
 - o £1m for sports sites acquisitions.
 - o £588,000 for the building of the Benhall Mill Depot.
 - o £120,000 for the Assembly Hall Fire Escape.
 - o £44,000 for the resurfacing of the West Station Coach car park
- Also included in the Report was an additional £1.593m in the budget for 2021 that was approved by Cabinet for the Amelia Scott scheme.
- The forecast outturn included the Calverley Square project as the decision to stop the scheme was taken after 30 September 2019. This would all be reversed out in the Quarter 3 Report.
- Subject to approval, the total forecast capital spend for 2019/20 would be £20.866m.

RESOLVED –

1. That the actual gross and net expenditure for the year and the sources of finance, as shown in Appendices B to D to the report be noted;
2. That the proposed variations to the 2019/20 Capital programme set out in paragraphs 4.3 to 4.8 of the report be approved;
3. That the inclusion of new schemes to the Capital programme set out in notes 4.9 to 4.14 be noted; and
4. The proposed movement between years set out in paragraph 4.15 to 4.19 be approved.

REASON FOR DECISION:

Managing and forecasting capital expenditure effectively was vital in order to support all of the services provided by the Council.

TREASURY AND PRUDENTIAL INDICATOR MANAGEMENT REPORT: QUARTER 2

CAB109/19 Jane Fineman, Head of Finance and Procurement introduced this Report that monitored compliance with the Treasury Management Policy and Strategy for the Period 1 April and 30 September 2019 and included the following:

- The projected interest from investments and bank interests for 2019/20 was forecast to be £687,000 which was the same as the approved budget.
- The Bank of England interest rate remained at 0.75%. There was not expected to be any further rise in interest rates until 2020.
- The outstanding Public Works Loan Board (PWLB) loan was £2m as at 30 September 2019. £1m was due to be paid in January 2020. The interest on borrowing for this year would be £50,000.
- In October 2019 the PWLB announced that the rate of interest offered to local authorities would rise by 1%. And this would be effective immediately.
- Borrowing from the PWLB had increased significantly in recent years due to the low rates on offer. As such, Government decided to restore interest rates to the level available in 2018 in order to dampen that demand. The change applied to new loans so it didn't affect the Council's current borrowing rate.
- The Property Fund continued to do well. 5.18% had been received in dividends.
- There was an overall gain on investment of £1.775m.

RESOLVED –

1. That the 2019/2020 Treasury Management and Prudential Indicator position be noted; and
2. That the forecast interest from investment and bank interest for 2019/20 was £687,000, which was the same as the approved budget be noted.

REASON FOR DECISION:

Ensuring effective cash flow management was vital in order to support all the services provided by the Council. The interest received from the Council's investments was an important source of income in helping the Council set a balanced budget.

DRAFT BUDGET 2020/21 AND MEDIUM TERM FINANCIAL STRATEGY UPDATE

CAB110/19 Lee Colyer, Director of Finance, Policy and Development introduced this Report that outlined the assumptions that have been built into the draft budget for 2020/21 and included the following:

- The Report outlined the assumptions that had been built into the draft budget for the next financial year. This was the 3rd report in the budget setting process.
- Since the last Report the Ministry for Housing, Communities and Local Government (MHCLG) had issued a technical consultation that included areas such as the New Homes Bonus.
- The New Homes Bonus was introduced by Government as a powerful, predictable, permanent incentive to reward the delivery of housing growth. It was funded from £900m that was top sliced from the revenue support grant. The technical consultation made clear that any new allocation for the next financial year would not result in legacy payments. It also suggested an intent to look again at New Homes Bonus to explore its effectiveness of incentivising housing growth. This raised concern and it was therefore prudent to suggest the Council remove its reliance on the New Homes Bonus within its base budget where it could afford to do so. Any New Homes Bonus that the Council did receive should be put in reserves and used to help fund the Capital Programme.
- In 2019/20 the Council received £1.143m in New Homes Bonus but only used £921,000 within its base budget. The remaining £222,000 would be placed in reserves.
- For 2020/21 the Council was only guaranteed 4 years of funding - 3 years of which would be £589,000. £300,000 had been estimated for next years allocation, but this had yet to be confirmed.
- New Homes Bonus had been operating for 9 years, by comparison Tonbridge and Malling had received £23m, TWBC had received £14m less.
- The other part of the consultation dealt with the Council Tax cap. In 2015 the Government introduced a £5 deminimus which had not changed. In recent years the Police had increased theirs initially to £12 and then £24. The average increase per household in the Borough was £100, but only £5 could be attributed to the Council.
- The Council would not know the outcome of the Council Tax cap until receipt of the Local Government Settlement.
- The date of settlement was traditionally sometime in December which was not conducive to planning future expenditure. Government commissioned The Hudson Review to look into this. The Report had

one main recommendation – to provide Local Councils with their settlement by 5 December each year – which was accepted by Government. However due to the impending election MHCLG had written to the Council stating that this deadline would not be met, and no date could be given.

- An email had been received from Civil Servants on 5 December 2019 (the date of the meeting) it was their understanding that following the General Election the Local Government Finance Settlement would a priority for Ministers.
- The Budget for 2019 was due to take place on 6 November. This had subsequently been cancelled with not future date announced.
- Without a national budget it would be difficult for TWBC to plan its own budget.
- The Report did however include some local economic data:
 - o The Borough had the highest level of gross disposable household income in Kent.
 - o The highest earners in Kent lived within the Borough of Tunbridge Wells – average salaries of just under £34,000.
 - o The unemployment rate for the Borough was 1.4% as at the end of September 2019.
 - o The Borough had 7,000 businesses registered for VAT.
 - o The percentage of employees in the Knowledge Economy was 23.5% - second only to Sevenoaks.
 - o The 3 year new business survival rate was 62%.
 - o The Borough had the highest level of NVQ level 4 or above at 50%.
- The council would continue to partake in the Kent Business Rate Pool.
- The Report included a break down of the biggest cost changes for next year:
 - o Employment Costs (including a manager for the Amelia).
 - o An increase in the demand for temporary accommodation.
 - o An additional subsidy for the Assembly Hall Theatre.
 - o Payment of Business Rates for the Councils own stock.
 - o An increase in Grounds maintenance costs and utility costs.
 - o An increase in car parking revenue (Great Hall car park remaining in operation).
 - o £5 increase in Council Tax (assumed).
 - o Garden waste income.
 - o The cessation of the Calverley Square scheme meant the savings set aside would be put back into the base budget.
- The 4 year Capital Programme would be rolled over for another year.
- In terms of consultation, an article had already been published in Local Magazine. A survey was also being undertaken.
- The revenue budget was balanced but was subject to a number of uncertainties. The capital cost of additional schemes had a revenue impact of £116,000.
- Subject to approval at Cabinet, the draft budget would be placed on the Council's website for consultation, with a closing date of 17 January 2020.

Discussion and responses to member questions included the following:

- The knowledge sector included businesses with digital technology that provided services for other businesses to become more efficient.
- The take up for the new garden waste service was high with households continuing to sign up.

- Within the Council's calculation of reserves there was an approval request for £1.65m for the Capital programme. Capital could only be spent once, so it was important that the reserves were replenished. The method for replenishment included money from New Homes Bonus, Business Rate growth proceeds and any capital receipts.

RESOLVED – That the Draft Budget be agreed for public consultation.

REASON FOR DECISION:

To commence a public consultation on the Council's proposed budget for 2019/20.

CALCULATION OF COUNCIL TAX BASE

CAB111/19 Lee Colyer, Director of Finance, Policy and Development introduced this report that detailed the calculations for the 2020/21 Tax Base and included the following:

- A technical calculation that looked at the number of chargeable dwellings within the Borough and then adjusted to the relevant Band. Further adjustments were then made for any Council Tax reliefs and discounts. The aim was to end up with a Band D equivalent that would be used to calculate Council Tax.

RESOLVED – That the Tunbridge Wells Tax Base, as shown in Appendix B of this report be approved.

REASON FOR DECISION:

To comply with the provisions of Statutory Instruments 2012 No 2914 – The Local Authorities (Calculation of Council Tax Base) (England) Regulations.

DRAFT ASSET MANAGEMENT PLAN 2020/21

CAB112/19 David Candlin, Head of Economic Development and Property and John Antoniadou, Estates Manager introduced this Report that provided a management strategy for the Council's property assets and included the following:

- The 2020/21 Asset Management Plan (AMP) provided a management strategy for the Council's property assets. It detailed the principles, procedures and mechanisms to be adopted to effectively manage the Council's Property Management Portfolio.
- It summarised the value and composition of the current portfolio and identified the main portfolio ambitions for 2020/21.
- The main draft was done in October 2019 and had been updated accordingly as the year progressed.
- As at 31 March 2019 the portfolio was valued at £106.77m.
- To date, the Council had negotiated lease renewals, new lettings and rent reviews to an increased value of approximately £72,000 per annum.
- All property rentals that were subject to annual rental increase at RPI had increased to the value of £5.34k per annum.
- The planned maintenance programme for 2019/20 would have completed works to the value of £600k by the financial year end.
- Capital projects to the value of £600k would have been progressed or completed during 2019/20. Capital receipts to date totalled £1.17m.

Further work was being undertaken on land asset strategy sites and it was hoped to add £1m by the financial year end.

Ten Year Property Maintenance Plan

- Periodically the Council undertook a complete review of its entire portfolio. This process would be undertaken and completed in 2019/20.
- The review was slightly behind schedule with about 80 assets having had a complete review, which was about half of the total portfolio. The remaining assets should be completed by mid/end December 2019.
- The 10 year asset review in terms of maintenance had identified that to keep all the properties in good repair, the cost to the Council would be approximately £5m per year for the next 10 years.
- There had been a number of capital submissions made for the Town Hall, 9/10 Calverley Terrace and the Assembly Hall Theatre. In the 10 year Maintenance Plan, these buildings accounted for between £7-8m of investment needed over this period.
- The 10 Year Property Maintenance Plan would be ready for approval for Cabinet in February 2020.

Discussion and responses to member questions included the following:

- The phase out of the R22 refrigerant was more in terms of impact on the ozone layer rather than CO2 emissions. But it did reduce the pollutants that the Council had been utilising over a number of years.
- Included in the aims and objectives for the AMP for 2019/20 was reference to the Development Advisory Panel (DAP) having oversight of the plan. The AMP for 2020/21 highlighted the role the DAP had and this was included in Appendix 2. Oversight was through individual decision making details of which were clearly set out in the plan. This included general reports submitted to the Management Board and decisions related to the disposal of assets were normally taken at Cabinet.

RESOLVED – That the Draft Asset Management Plan 2020/21 be agreed for public consultation

REASON FOR DECISION:

To commence a public consultation on how the Council manages its assets.

URGENT BUSINESS

CAB113/19 There was no urgent business.

DATE OF NEXT MEETING

CAB114/19 The next meeting would be held on Thursday 6 February 2020 commencing at 10:30am in Committee Room A at the Town Hall, Tunbridge Wells.

NOTES:

The meeting concluded at 12.20 pm.

An audio recording of this meeting is available on the Tunbridge Wells Borough Council website.