

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

05 February 2008

Report of the Chief Executive and Director of Finance

Part 1- Public

Matters for Information

A MORE DETAILED SUPPLEMENTARY REPORT ON “SETTING THE BUDGET FOR 2008/09” AND A REPORT ON “SETTING THE COUNCIL TAX FOR 2008/09” WILL BE CIRCULATED BEFORE THE MEETING ON 5 FEBRUARY

1 REVENUE AND CAPITAL ESTIMATES 2008/09

This is a short report to update members on issues relating to the setting of the Revenue Budget for 2008/09, the Capital Plan and the level of Council Tax for 2008/09. A more detailed supplementary report in liaison with the Leader of the Council and the Cabinet Member for Finance will be circulated before the meeting on 5 February.

1.1 Medium Term Financial Strategy

1.1.1 The Council adopted a Medium Term Financial Strategy, spanning a six-year period and covering both capital and revenue budgets for the first time as part of the budget setting process for 2004/05. It is this Strategy that underpins the budget setting process for the forthcoming year and over the six-year period.

1.1.2 The aim of the Medium Term Financial Strategy is to give us a realistic and sustainable plan that reflects the Council’s priorities and takes us into the future. 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 Revenue Estimates 2008/09

1.2.1 The draft Revenue Estimates for 2008/09 were presented to the meeting of the Finance and Property Advisory Board on 2 January and the Policy Overview Committee on 22 January. The role of the Board and of the Committee is to assist both the Council and the Cabinet in the development of its budget within the context of the Medium Term Financial Strategy and the Council’s overall Aims and Priorities.

- 1.2.2 The draft Revenue Estimates were considered at the meeting of both the Finance and Property Advisory Board and Policy Overview Committee. Whilst a number of questions were posed by members at these meetings the Board and the Committee endorsed the Revenue Estimates as presented. In reconsidering the objective to achieve a balanced budget by 2011/12, both the Board and the Committee **recommended** that the Cabinet reconsider the broad objectives of the Medium Term Financial Strategy in terms of achieving a balanced budget at an appropriate time depending upon the Council's financial position.
- 1.2.3 Since preparing the draft Revenue Estimates Booklet, a number of changes have emerged and the Estimates have been updated accordingly. The changes are detailed below.

	Revised Estimate 2007/08 £	Original Estimate 2008/09 £
Summary Total reported to Finance and Property Advisory Board on 2 January	13,980,550	14,669,850
Leisure Services Business Unit Surplus	(3,550)	
Transfer of unallocated LABGI reserve to Planning Inquiries reserve	(90,400) 90,400	
Proposals regarding fees & charges reported to Advisory Boards during this cycle of meetings not reflected in above Summary Total.		
Leisure and Arts AB – 14/01/08		
Introduction of car parking charges at Haysden Country Park		(8,000)
Increase car park charges at Leybourne Lakes Country Park		(2,500)
Increase ticket prices for Tonbridge Castle Festival of Music and Fireworks		(4,000)
Planning and Transportation AB – 08/01/08		
Charging for pre-application advice		(20,000)
Introduction of car parking charges at River Walk		(8,000)
Local Environmental Management AB – 21/01/08		
Introduction of a charge for the treatment of rats and mice		(24,000)
Introduction of a charge for the collection of fridges & freezers (subject to discussions with contractor)		(5,000)
Increase in charges for food certificates		(300)
Increase in charges for redemption of stray dogs		(200)
Other Changes		
Administration charge for S.106 agreements		(5,000)
Expansion of on-street parking		(5,000)
Increase staff turnover savings target		(25,000)
Investment Income		39,450
Current Summary Total	13,977,000	14,602,300

1.3 Government Grant 2008/09, 2009/10 and 2010/11

- 1.3.1 At the time of writing this report we have not received the final grant settlement. The consultation on the provisional settlement for the three-year period 2008/09 to 2010/11 closed on 8 January. The outcome of the consultation is of critical importance and until we have received the final settlement it is not possible to conclude our calculations. Members will be informed of the outcome of the settlement in the supplementary report to be circulated before the meeting on 5 February.
- 1.3.2 As reported to the Finance and Property Advisory Board on 2 January and the Policy Overview Committee on 22 January a letter of representation about the settlement [**Annex 1**] was prepared and sent to the Department for Communities and Local Government. A response is awaited.
- 1.3.3 The letter was copied to Sir John Stanley, MP and a letter of support has been received [**Annex 2**]. Letters were also sent to Jonathan Shaw, MP seeking an urgent meeting [**Annex 3**] and to Parish Council Chairmen and members of the Tonbridge Forum seeking their support [**Annex 4**]. At the time of writing we have received some letters of support [**Annexes 5, 6 and 7**].

1.4 Capital Plan Review

- 1.4.1 The Capital Plan Review process started at the Finance and Property Advisory Board on 2 January 2008 followed by the Policy Overview Committee on 22 January 2008. The Board and the Committee endorsed as detailed in the papers the following recommendations:
- 1) The endorsement of the current position of List A schemes.
 - 2) The addition of new schemes to List C and the removal of schemes from List C.
 - 3) The selection of schemes from List C for evaluation over the forthcoming year including the fast-tracking of some.
 - 4) The selection of schemes for promotion to List B, a pool of schemes with "in principle" support for adding to the Capital Plan (List A), subject to resources being available in the light of the Medium Term Financial Strategy and the overall budgetary position. These schemes were selected from those schemes which had been evaluated following selection for evaluation in the previous year.

1.5 Supplementary Reports

- 1.5.1 A detailed supplementary report on Setting the Budget for 2008/09 and on Setting the Council Tax for 2008/09 will be circulated to members in advance of the meeting to enable the Cabinet to make appropriate recommendations to Council.

1.6 Legal Implications

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

1.7 Financial and Value for Money Considerations

1.7.1 As set out above.

1.8 Risk Assessment

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

Background papers:

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Nil

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