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COUNCIL

TUESDAY 18 FEBRUARY 2025

SUPPLEMENT (3) – RECOMMENDATIONS TO THE COUNCIL FROM CABINET OF 11 FEBRUARY 2025

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SETTING THE BUDGET 2025/26

Item CB 25/12 referred from Cabinet of 11 February 2025

Further to the reports to the Overview and Scrutiny Committee earlier in the cycle the joint report of the Chief Executive and Director of Finance and Transformation, the Leader and Cabinet Member for Finance and Housing updated the Cabinet on issues relating to the Medium-Term Financial Strategy (MTFS) and gave details of the necessary procedures to be followed in order to set the budget for 2025/26.

Members noted that at the time of publishing the report, the final settlement had not been confirmed, all figures contained in the report were based on the provisional local government settlement, which was better than anticipated, but saw an overall funding decrease on 2024/25 funding of £514,000 (8.5%).

The Director of Finance and Transformation advised that the final local government finance settlement figure was now confirmed as detailed in the supplementary report published in advance of the meeting. The final settlement was more than the provisional settlement by £157,550 due to the inclusion of a grant in relation to the increased cost of Employers' National Insurance contributions, and it seemed appropriate to transfer the additional funding to the earmarked 'Transformation Reserve'.

As a result of increased NNDR receipts and the better-than-expected settlement the Borough Council had a balanced budget for 2025/26 and had been able to set aside funds in earmarked reserves for key priorities. In addition, an initial assessment of reserves had facilitated a recommendation to release additional funds for key priorities. Members noted that it was anticipated that changes to Local Government Funding affecting Grants and Business Rates would reduce grant funding to the Council. The latest projected funding gap was £2.8m over the medium term. In addition, commitment of saving £200,000 (release of office accommodation) and £625,000 (cost and client numbers within temporary accommodation).

***RECOMMENDED:** That

- (1) the sum of £1.25m held as a general fund (working) balance and a sum of £2.2m from the Budget Stabilisation Reserve, totalling £3.45m, are transferred to the Tonbridge Town Centre reserve, and specifically set aside for the funding of the redevelopment of the Angel Leisure Centre;
- (2) the Revenue Estimates, as presented to the Overview and Scrutiny Committee on 23 January 2025, together with the subsequent adjustments detailed at paragraph 9.5, be endorsed and adopted by Council;
- (3) the Capital Plan be updated, as set out at paragraph 11.10, and adopted by the Council;
- (4) the Capital Strategy as presented to the Overview and Scrutiny Committee on 23 January 2025, be endorsed and adopted by Council;

- (5) the prudential indicators listed in paragraph 12.7, including the liability benchmark indicator and 12.11, be endorsed and adopted by the Council;
- (6) for the financial year 2025/26, the Borough Council's annual minimum revenue provision be noted as 'nil; subject to the comment at paragraph 12.8;
- (7) the updated MTFS, set out at Annex 10a be noted and endorsed;
- (8) the updated Savings Transformation Strategy, attached at Annex 10b, including the proposed scale and timing of each of the required savings and transformation contributions set out at paragraph 14.14, be noted and endorsed;
- (9) the special expenses calculated in accordance with the Special Expenses Scheme and set out at Annex 13b, be endorsed;
- (10) the Statement provided by the Director of Finance and Transformation as to the Robustness of the Estimates and the Adequacy of the Reserves, as set out at Annex 16a, be noted and endorsed;
- (11) the calculation of the Borough Council's council tax requirement at Annex 17 be noted;
- (12) the additional funding of £157,550 allocated through the Final Local Government Finance Settlement in respect of additional Employers' National Insurance contributions , be noted; and
- (13) the transfer of this additional funding to the earmarked Transformation Reserve, be endorsed.

***Recommended to Council**

SETTING THE COUNCIL TAX 2025/26

Item CB 25/13 referred from Cabinet of 11 February 2025

The joint report of the Chief Executive, Director of Finance and Transformation, Leader of the Council and Cabinet Member for Housing and Finance set out the requirements under the Local Government Finance Act 1992 for a billing authority to set an amount of council tax for each category of dwelling in its area. Members were advised of the position concerning the determination of their respective precepts for 2025/26 by the major precepting authorities.

Consideration was given to a draft resolution (attached at Annex 2) identifying the process to be undertaken in arriving at the levels of council tax applicable to each part of the Borough. The resolution and further information regarding the precepts of the other authorities would be reported to Council on 18 February 2025.

***RECOMMENDED:** That

- (1) the draft resolution, which would be completed and presented to the Council, be noted; and
- (2) the Council be recommended to approve a 3% or £7.14 per annum increase in the Borough Council's element of the council tax for 2025/26, representing a notional 'average' charge at Band D of £245.30.

***Recommended to Council**

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LOCAL COUNCIL TAX REDUCTION SCHEME 2025/26

Item CB 25/14 referred from Cabinet of 11 February 2025

Consideration was given to the Draft Local Council Tax Reduction Scheme 2025/26 (attached at Annex 1 to the report) which had been revised to bring it in line with statutory prescribed requirements from Government national benefit rates. The scheme had also been uplifted in line with new rates of National Living Wage (NLW), where NLW was used as a factor in calculating income discount bands.

Members noted that for pension age households the separate Government Scheme prescribed maximum help to 100% of council tax liability, a minimum requirement of a pension age scheme.

***RECOMMENDED:** That the draft Local Council Tax Reduction Scheme 2025/26 (attached at Annex 1) be commended to Council for adoption.

***Recommended to Council**

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RISK MANAGEMENT

Item CB 25/17 referred from Cabinet of 11 February 2025

Consideration was given to recommendation AU 25/4 of the Audit Committee in respect of risk management.

Cabinet had due regard to the views of the Committee, the review undertaken by Zurich Risk Management, the financial and value for money considerations and the legal implications.

***RECOMMENDED:** That

- (1) updates to the Strategic Risk Register since the last iteration with particular emphasis on those risks categorised as RED, be noted;
- (2) the progress towards the delivery of recommendations from the Zurich Risk Management Review, be noted; and
- (3) the objective to present an updated Risk Management Strategy to the September 2025 meeting of the Audit Committee, be noted and approved.

***Recommended to Council**

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TREASURY MANAGEMENT UPDATE AND TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY FOR 2025/26

Item CB 25/18 referred from Cabinet of 11 February 2025

Consideration was given to recommendation AU 25/5 of the Audit Committee of 13 January 2025 in respect of treasury management.

Due regard was given to the views of the Audit Committee, the details of investments undertaken and return achieved in the first eight months of the current financial year, the financial and value for money considerations and legal implications.

***RECOMMENDED:** That

- (1) the treasury management position as at 30 November 2024, be noted; and
- (2) the Treasury Management and Annual Investment Strategy for 2025/26 (attached at Annex 5), be adopted.

***Recommended to Council**

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ANNUAL AUDIT REPORT 2023/24

Item CB 25/19 referred from Cabinet of 11 February 2025

Consideration was given to the recommendations of the Audit Committee meeting held on 13 January 2025 (AU 25/6).

***RECOMMENDED:** That

- (1) the Auditor's Annual report for 2023/24, attached at Annex 1, be approved;
- (2) the comments made in respect of the key recommendations from the Annual Audit Report for 2022/23, be noted; and
- (3) the management comments raised to the 2023/24 Value for Money recommendations, be noted and endorsed.

***Recommended to Council**

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