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TONBRIDGE & MALLING BOROUGH COUNCIL

EXECUTIVE SERVICES

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17 February 2026

Dear Councillor

COUNCIL - TUESDAY, 24TH FEBRUARY, 2026 – SUPPLEMENT (1) – RECOMMENDATIONS OF CABINET OF 10 FEBRUARY 2026

I am now able to enclose, for consideration at the Tuesday, 24th February, 2026 meeting of the Council, the recommendations that were unavailable when the agenda was printed.

Agenda No	Item
9.	**Setting the Budget 2026/27** **(Pages 3 - 4)** Consideration of the recommendations of Cabinet in respect of Setting the Budget 2026/27. **In accordance with CPR 8.5 of the Constitution there will be a recorded vote for this item.**
10.	**Setting the Council Tax 2026/27** **(Pages 5 - 6)** Consideration of the recommendations of Cabinet in respect of Setting the Council Tax 2026/27. **In accordance with CPR 8.5 of the Constitution there will be a recorded vote for this item.**
11.	**Local Council Tax Reduction Scheme 2026/27** **(Pages 7 - 8)** Consideration of recommendations of Cabinet in respect of the Local Council Tax Reduction Scheme.

12. **Treasury Management Update and Treasury Management and Annual Investment Strategy 2026/27** **(Pages 9 - 10)**

Consideration of recommendations of Cabinet in respect of Treasury Management.

Yours sincerely

DAMIAN ROBERTS
Chief Executive

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SETTING THE BUDGET 2026/27

Item CB 26/19 referred from Cabinet of 10 February 2026

Further to the reports to the Overview and Scrutiny Committee earlier in the cycle the joint report of the Chief Executive, the Head of Finance, the Leader and Cabinet Member for Finance, Waste and Technical Services 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 2026/27.

Members noted that at the time of publishing the report the final settlement had not been confirmed and all figures contained in the report were based on the provisional local government settlement. Whilst the settlement for 2026/27 was better than expected within the MTFS there was an overall funding decrease on the notional equivalent funding for 2025/26 of £182,000 (2%). This decrease continued with further reductions of £335,000 (3.7%) and £378,000 (4.4%) in the 2027/28 and 2028/29 financial years respectively. This meant that in 2028/29 the Borough Council would receive reduced grant of £895,000 (9.8%) compared to the notional amount for 2025/26.

Since the publication of the report, the Head of Finance advised that the final local government finance settlement had been confirmed. Whilst there was no fundamental impact on the proposed budget for 2026/27, there would be a reduction of £173,000 in 2027/28 resulting in a change to the General Revenue Reserve which would reduce to £4.6M (from £4.8M).

However, as the provisional settlement was better than the prudent approach taken in the MTFS this allowed additional funds to be targeted to key priorities, such as the regeneration of the Tonbridge Town Centre.

In addition, the Business Rates Reset had resulted in previous gains being eliminated from the baseline settlement. There were a number of properties awaiting valuation by the Valuation Office that could give additional growth above the current baseline level.

Referendum principles meant that council tax could only rise by greater than 3% or £5. A 3% increase in the Borough Council element of the council tax bill represented a council tax at Band D for 2026/27 of £252.65 a cash increase of £7.35 per annum.

Allowing for the issues summarised above, and detailed in the report, the Funding Gap had reduced to zero over the medium-term but was dependent on committed savings of £200,000 in relation to office accommodation, £200,000 costs in relation to temporary accommodation and £400,000 service fee income from the Leisure Trust.

Finally, it was recommended that six schemes be added to the Capital Plan 2026/27.

Due regard was given to the financial and value for money considerations, the assessment of risk and the legal implications. Whilst the uncertainty surrounding local government finances had reduced, issues around longer-term funding could

give rise to further funding gaps in later years. The impact of current economic conditions, such as inflation and interest rates, were difficult to predict and made financial planning challenging.

In recognition that the Borough Council was required to set a budget and the proposals presented best value for money, Cllr Boughton proposed, Cllr Taylor seconded and Cabinet

***RECOMMENDED:** That

(1) The details of the final grant settlement and the associated adjustments to future years be noted and approved;

(2) the Revenue Estimates, as presented to the Overview and Scrutiny Committee on 22 January 2026, together with the subsequent adjustments and transfers detailed at paragraph 9, be endorsed and adopted by Council;

(3) the Capital Strategy as presented to the Overview and Scrutiny Committee on 22 January 2026, be endorsed and adopted by Council;

(4) the Capital Plan be updated, as set out at paragraph 11.13 and adopted by the 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 2026/27, 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 special expenses calculated in accordance with the Special Expenses Scheme and set out at Annex 13b, be endorsed;

(9) the Statement provided by the Head of Finance as to the Robustness of the Estimates and the Adequacy of the Reserves, as set out at Annex 16a, be noted and endorsed; and

(10) the calculation of the Borough Council's council tax requirement at Annex 17 be noted.

***Recommended to Council**

SETTING THE COUNCIL TAX 2026/27

Item CB 26/20 referred from Cabinet of 10 February 2026

The joint report of the Chief Executive, Head of Finance, the Leader of the Council and Cabinet Member for Finance, Waste and Technical Services 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 2026/27 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 24 February 2026.

In recognition that Council Tax provided the major proportion of the Borough Council's Revenue Funding and to provide an efficient service for all residents, Cllr Boughton proposed, Cllr Betts seconded and Cabinet

***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 £7.35 per annum increase in the Borough Council's element of the council tax for 2026/27, representing a notional 'average' charge at Band D of £252.65.

***Recommended to Council**

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LOCAL COUNCIL TAX REDUCTION SCHEME 2026/27

Item CB 26/21 referred from Cabinet of 10 February 2026

Consideration was given to the Draft Local Council Tax Reduction Scheme 2026/27 (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.

In recognition that the Borough Council's Local Council Tax Reduction Scheme provided essential support to residents who were on a low income and, where applicable, provided a reduction based on the personal circumstances of each applicant, Cllr Boughton proposed, Cllr Keers seconded and Cabinet

***RECOMMENDED:** That the draft Local Council Tax Reduction Scheme 2026/27 (attached at Annex 1) be commended to Council for adoption.

***Recommended to Council**

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TREASURY MANAGEMENT UPDATE AND TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2026/27

Item CB 26/24 referred from Cabinet of 10 February 2026

Consideration was given to recommendation AU 26/4 of the Audit Committee of 26 January 2026 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. Cllr Boughton proposed, Cllr Taylor seconded and Cabinet

***RECOMMENDED:** That

(1) the treasury management position as at 30 November 2025, be noted; and

(2) the Treasury Management and Annual Investment Strategy for 2026/27 (attached at Annex 5), be adopted.

***Recommended to Council**

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