



Public Document Pack
TONBRIDGE & MALLING
BOROUGH COUNCIL

EXECUTIVE SERVICES

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6 February 2015

CABINET - THURSDAY, 12TH FEBRUARY, 2015

I am now able to enclose, for consideration at the Thursday, 12th February, 2015 meeting of the Cabinet, the following reports that were unavailable when the agenda was printed.

Agenda No Item

5. **Setting the Budget for 2015/16 (Pages 3 - 92)**

6. **Setting the Council Tax for 2015/16 (Pages 93 - 102)**

J E BEILBY
Chief Executive

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

12 February 2015

Report of the Chief Executive, Director of Finance and Transformation, Leader of the Council and Cabinet Member for Finance, Innovation and Property

Part 1- Public

Matters for Recommendation to Council

1 SETTING THE BUDGET

Further to reports to the meeting of the Finance, Innovation and Property Advisory Board and Overview and Scrutiny Committee earlier in the cycle, this report updates Cabinet on issues relating to the Medium Term Financial Strategy. It also takes Members through the necessary procedures in order to set the Budget for 2015/16.

1.1 Introduction and Foreword

- 1.1.1 At the Full Council meeting on 17 February, Members will determine both the Budget and the level of council tax for 2015/16. The detailed Estimates for 2015/16 prepared by your Officers, having regard to the guidance given by Cabinet, have been carefully considered by the Finance, Innovation and Property Advisory Board and the Overview and Scrutiny Committee. Details are set out at paragraph 1.3 below.
- 1.1.2 Whilst the primary purpose of this report is for Cabinet to recommend the Budget and resultant level of council tax for 2015/16; as ever, this one year cannot be viewed in isolation. This budget sits within the context of our Medium Term Financial Strategy covering a ten-year period. Financial decisions made in respect of the year 2015/16 will have an impact across the Medium Term Financial Strategy and upon the savings targets the Council will need to achieve in order to 'balance its books' and we must not lose sight of the scale of this particular 'challenge'.
- 1.1.3 Members will no doubt be aware of the Government's proposal to freeze council tax in 2015/16. To this end the Government announced that it will provide funding equivalent to a **1.0%** increase in council tax in 2015/16 and in the absence of information to the contrary, I am assuming that the **freeze funding due to be handed out in 2015/16 will continue indefinitely**. It remains the case, of course, that where the proposed council tax increase is more than 1% the Council will be worse off financially if it was to accept the freeze grant.

- 1.1.4 Also, the Localism Act requires a local authority to seek the approval of their electorate via a local referendum if it proposes to raise council tax above the threshold set by the Secretary of State. Members may recall as part of the 2013 Spending Review we were advised that **the threshold was to be set at 2% or more for 2015/16** and this was reaffirmed on 18 December 2014.
- 1.1.5 **It is for Members at both Cabinet and Full Council to weigh up the merits of accepting the government grant and to freeze council tax as opposed to an increase of 1.99%. Cabinet's role is to provide guidance or recommendations to the Full Council as to the way forward.**
- 1.1.6 It must be remembered that, **in either case**, the Council continues to face a significant financial challenge in respect of identifying and implementing savings over the coming years. As Members are aware, we set a target of achieving savings of £200,000 by 31 March 2015, and this has been achieved. Beyond March 2015 it is estimated **further savings** of circa £1.4m (and potentially a greater sum) need to be identified and implemented over the medium term should a council tax increase of 1.99% be approved; alternatively those savings will increase by a further £125,000 should the 'freeze' grant be accepted and the council tax frozen.
- 1.1.7 This report necessarily touches on a number of related areas (some of which are complex) that the Director of Finance and Transformation is required to draw to Members' attention in order to provide assurance and advice to aid decision making. The report is, therefore, broken down into sections dealing with the following areas:
- Local Government Finance Settlement
 - Revenue Estimates 2015/16
 - Fees and Charges
 - Capital Plan
 - Treasury Management Strategy Statement and Annual Investment Strategy
 - Consultation with Non-Domestic Ratepayers
 - Update of Medium Term Financial Strategy
 - Collection Fund Adjustments
 - Parish Councils
 - Robustness of Estimates / Adequacy of Reserves
 - Calculation of Borough Council's Tax Requirement

1.2 Local Government Finance Settlement

- 1.2.1 On 18 December 2014, provisional Settlement Funding Assessments for 2015/16 were published. The final local government finance settlement was published on 3 February. Ordinarily, indicative figures for the following year are also made available, but with the General Election in May, indicative figures for 2016/17 have not been provided. The Spending Review 2015 due to take place shortly after the General Election will tell us more about the financial landscape for local government beyond 2015/16 with the potential for multi-year settlements which, if introduced, will aid financial planning.
- 1.2.2 Our Settlement Funding Assessment for 2015/16 is £3,678,599. This represents a cash decrease of £678,519 or 15.6% when compared to the equivalent figure of £4,357,118 in 2014/15. Included in the Settlement Funding Assessment is the parish councils' indicative allocation in respect of the council tax support scheme, however, it is not separately identified.
- 1.2.3 In addition, the Council's grant award under the New Homes Bonus (NHB) scheme in 2015/16 is £3,101,153 compared to £2,395,874 in 2014/15. Grant funding including NHB is, therefore, £6,779,752. A breakdown of the total grant funding into the various funding streams is set out in the table below.

	2014/15 £	2015/16 £	Cash Increase / (Decrease)	
			£	%
Local Share of Business Rates	2,049,945	2,089,115	39,170	1.9
Revenue Support Grant	2,307,173	1,589,484	(717,689)	(31.1)
Settlement Funding Assessment	4,357,118	3,678,599	(678,519)	(15.6)
New Homes Bonus	2,395,874	3,101,153	705,279	29.4
Total Grant Funding	6,752,992	6,779,752	26,760	0.4

- 1.2.4 In recent years the government has referred to the increase / (decrease) in an authority's **spending power**; and this is what tends to be quoted in media coverage. The increase in spending power calculated by the government is given as 0.3% and, although not one and the same, is not that different to the increase in our grant funding including NHB. Members will note that the decrease in our Settlement Funding Assessment was negated by the grant award under the NHB scheme.
- 1.2.5 Our concern has always been what happens when NHB in its current form 'ceases' and/or it is replaced by something else, and we hit the metaphorical 'cliff edge'. Putting to one side NHB, it is worth noting that, **of the twelve district**

councils in Kent, Tonbridge & Malling Borough Council continues to receive the lowest Settlement Funding Assessment both in total and per head.

- 1.2.6 A comparison of our Settlement Funding Assessment for 2015/16 with those of other Kent district councils is provided at **[Annex 1a]**.
- 1.2.7 Attached at **[Annex 1b]** for Members' information is a copy of the *Referendums Principles* setting out the level of council tax increase for 2015/16 above which the local authority would be required to seek the approval of their electorate via a local referendum.

1.3 Revenue Estimates 2015/16

- 1.3.1 As mentioned in the Foreword, the draft Revenue Estimates for 2015/16 were presented to the meetings of the Finance, Innovation and Property Advisory Board and the Overview and Scrutiny Committee earlier in the cycle. The role of the Advisory Board and of the Committee is to assist both the Cabinet and the Council in the development of its budget within the context of the Medium Term Financial Strategy and the Council's priorities. Whilst a number of questions were posed by Members at these meetings, the Revenue Estimates as presented were endorsed.
- 1.3.2 Adjustments made to the Revenue Estimates presented to the Finance, Innovation and Property Advisory Board and the Overview and Scrutiny Committee are detailed in the table below. The reason for the increase in the Business Rates Retention Scheme Reserve adjustment is that the deficit in 2013/14 was higher than that estimated to be recovered in 2014/15 which then forms part of the 2015/16 estimate. Also, from a technical point of view whether the Council makes a decision to accept the 'freeze' grant or not affects the 'Summary Total' for the 2015/16 Estimates and for completeness the table below illustrates the position for both scenarios. Members' attention is returned to the issue of the council tax freeze later in the report.

	Revised Estimate 2014/15 £	Original Estimate 2015/16 (no freeze) £	Original Estimate 2015/16 (freeze) £
Summary Total reported to Finance, Innovation and Property Advisory Board on 7 January	13,360,350	12,396,350	12,396,350
Use of Business Rates Retention Scheme Reserve to offset the deficit shown below the line	(400,000)	(1,100,000)	(1,100,000)
Council Tax Freeze Grant 2015/16			(91,050)
Current Summary Total	12,960,350	11,296,350	11,205,300

1.4 Fees and Charges

- 1.4.1 During the course of this budget cycle Members have, via the appropriate Advisory Boards, made recommendations regarding the levels of fees and charges to be implemented. As Members have been advised previously, whilst drafting these Estimates, it had been assumed that the recommendations made would be agreed by the Cabinet.
- 1.4.2 At the meeting of Cabinet on 3 February, consideration of the fees and charges recommended via the appropriate Advisory Boards were deferred to this meeting for approval alongside the Budget. A summary of these recommendations together with the resolution of Licensing and Appeals Committee in respect of licensing fees is set out at **[Annex 2]**.
- 1.4.3 Members are accordingly **RECOMMENDED** to endorse the fees and charges set out in **[Annex 2]** as recommended by the appropriate Advisory Boards.

1.5 Capital Plan

- 1.5.1 The Capital Plan Review process started at the Finance, Innovation and Property Advisory Board on 7 January followed by the Overview and Scrutiny Committee on 27 January.
- 1.5.2 Members' attention was drawn to the significant financial challenge faced by the Council and the impact this has on the ability of the Council to invest in capital schemes. It was, however, also acknowledged that some capital projects can have a beneficial effect on the revenue position by either generating additional or new income, or alternatively producing cost savings in due course.
- 1.5.3 Members were reminded of the criteria established to guide the inclusion of new schemes to List C (wish list) and ultimately the inclusion of schemes on List A (schemes assigned budget provision). The criteria are:
- to meet legislative requirements including health and safety obligations;
 - funded from external resources; and
 - generate income or reduce revenue expenditure.
- 1.5.4 The subsequent recommendations, where appropriate, have regard to these criteria.
- 1.5.5 Members were also reminded that the revenue reserve for capital schemes provided the main source of funding for existing and any new schemes that are introduced into the Capital Plan.
- 1.5.6 It is important to ensure that the revenue reserve for capital schemes can continue to fund capital expenditure at least until we reach a position where the annual contribution to the reserve matches the funding required for the replacement of

existing assets (vehicles, plant and equipment) as well as recurring capital expenditure.

1.5.7 As a result there is an annual capital allowance for all other capital expenditure. Any 'bids' for capital schemes or discretionary capital grants are to be assessed in the context of the annual allowance. Members are reminded that in setting the budget for 2014/15 that allowance was set at £320,000. It should be noted, based on current projections, that from 2019/20 the Council will need to borrow to fund such expenditure.

1.5.8 The Finance, Innovation and Property Advisory Board and the Overview and Scrutiny Committee endorsed the recommendations as detailed in the papers. The recommendations were:

- 1) Cabinet be asked to endorse the Capital Plan (List A) position as shown in Annex 2 of the Capital Plan Booklet summarised at **[Annex 3]**.
- 2) The schemes listed in **[Annex 4]** are added to List C or deleted from List C as detailed.
- 3) The schemes listed in **[Annex 5]** are selected for evaluation over the coming year including one for Fast-Track evaluation.
- 4) The evaluated List C schemes are progressed in accordance with the recommendation shown in **[Annex 6]** noting:

In respect of the Tonbridge Town Lock scheme this is an additional funding requirement of £100,000 to that currently reflected in the Capital Plan to be met from a pending developer contribution and in the interim from the Council's own resources (see update at paragraph 1.5.9).

The Tonbridge School Athletics Track Improvements scheme is expected to be progressed in the year 2018/19 subject to the identification of developer contributions / external grant sources.

In respect of the LLC Health Suite Refurbishment scheme this is an additional funding requirement of £60,000 to that currently reflected in the Capital Plan.

- 5) Cabinet be asked to endorse the Capital Strategy at Annex 5 for adoption by Council and publication on the Council's website.

1.5.9 Members are asked to note the following **updates** post the meeting of the Finance, Innovation and Property Advisory Board and Overview and Scrutiny Committee.

- 1) The tenders in respect of the Tonbridge Town Lock scheme have recently been received but require much greater evaluation, in conjunction with the Environment Agency, due to a number of complexities. As a result, a

detailed project appraisal and assessment of the tenders is being carried out and the outcome of this exercise will be the subject of a separate part 2 report to Members in March. We suggest that, rather than making unconfirmed adjustments to the budget now, we review this in March when we have greater clarity.

- 2) The Overview and Scrutiny Committee on 27 January endorsed the recommendations set out in the report detailing the outcome of the review of the Capital Renewals process. The Capital Plan has been adjusted accordingly.

1.5.10 The estimated annual revenue costs of the evaluated List C schemes and those existing schemes where there is an additional funding requirement are given in the table below (excluding Tonbridge Town Lock). The amount and timing of any revenue impact depends on the profiling of the capital expenditure and the timing of any changes in activity levels which generate changes to running costs or income. It can be seen that if the schemes are progressed as recommended the estimated revenue consequence is £11,500 in 2015/16 and £19,950 in subsequent years.

Scheme	Capital Cost £	Revenue Impact	
		2015/16 £	2016/17 £
Car Parking Action Plan Phase 9	20,000	1,000	1,000
LLC Installation of UV Pool Disinfectant Plant	150,000	7,500	10,650
Tonbridge School Athletics Track Improvements	150,000	-	-
LLC Health Suite Refurbishment	60,000	3,000	3,000
IT Initiatives: Revenues and Benefits Document Management (Fast-Track)	60,000	-	5,300
Total	440,000	11,500	19,950

1.5.11 An updated summary of the Capital Plan incorporating both the updates detailed at paragraph 1.5.9 and the schemes listed in paragraph 1.5.10 is attached at **[Annex 7]**.

1.5.12 A funding statement based on **[Annex 7]** is attached at **[Annex 8]**. The main source of funding is the Revenue Reserve for Capital Schemes and the impact on the Revenue Reserve for Capital Schemes is illustrated in **[Annex 9]**.

1.5.13 Accordingly, it is **RECOMMENDED** that:

- 1) Cabinet approves the position of the existing Capital Plan (List A) as summarised in **[Annex 3]**.
- 2) Cabinet approves that the schemes as detailed in **[Annex 4]** are added to List C or deleted from List C.

- 3) Cabinet approves the selection of those schemes listed in **[Annex 5]** for evaluation over the coming year including one for Fast-Track evaluation.
- 4) Cabinet approves the transfer of the schemes detailed in **[Annex 6]** noting:

The Tonbridge School Athletics Track Improvements scheme is expected to be progressed in the year 2018/19 subject to the identification of developer contributions / external grant sources.

In respect of the LLC Health Suite Refurbishment scheme this is an additional funding requirement of £60,000 to that currently reflected in the Capital Plan.
- 5) Cabinet approves the updated Capital Plan (List A) as summarised in **[Annex 7]**.
- 6) Cabinet endorse the Capital Strategy as presented to the Finance, Innovation and Property Advisory Board on 7 January and the Overview and Scrutiny Committee on 27 January.

1.6 Treasury Management Strategy Statement and Annual Investment Strategy

- 1.6.1 The Local Government Act 2003 and its subsidiary regulations set out the framework for the system of capital controls which applied from 1 April 2004 whereby local authorities must set their own borrowing limits with regard to affordability, prudence and sustainability. Underpinning this is a requirement to follow the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.6.2 The Prudential Code requires that the CIPFA Treasury Management Code of Practice (the Code) is adopted and that a number of prudential indicators are set. Council adopted the December 2009 edition of the Code of Practice on Treasury Management on 18 February 2010 and due regard has also been given to subsequent revisions in preparing the Treasury Management Strategy Statement and Annual Investment Strategy for 2015/16.
- 1.6.3 The approval of the Strategy and determination of the prudential indicators has to be made by the body setting the Council Tax, i.e. Full Council, as do amendments to either the Strategy or indicators during the year.
- 1.6.4 The CIPFA Prudential Code for Capital Finance in Local Authorities under the auspices of the Local Government Act 2003 and subsidiary regulations requires that a number of treasury management prudential indicators are set as follows:
 - 1) The capital financing requirement - the extent to which the authority needs to undertake external borrowing to support its capital programme.
 - 2) The operational boundary for external debt.

- 3) The authorised limit for external debt.
- 4) The actual external debt.
- 5) The upper limit for fixed interest rate exposure.
- 6) The upper limit for variable rate exposure.
- 7) The upper limit for total principal sums invested for over 364 days.
- 8) The maturity structure for new fixed rate borrowing during 2015/16.

A summary of the indicators appears in the table below:

Treasury Management Prudential Indicators					
Prudential Indicator	2013/14 Actual £'000	2014/15 Revised Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
The capital financing requirement	NIL	NIL	NIL	NIL	NIL
The operational boundary for external debt	NIL	2,000	2,000	2,000	2,000
The authorised limit for external debt	NIL	5,000	5,000	5,000	5,000
Actual external debt	NIL	NIL	NIL	NIL	NIL
The upper limit for fixed interest rate exposure >1 year at year end	NIL	It is anticipated that the net exposure will range between 0% to 60%			
The upper limit for variable rate exposure < 1 year at year end	16,309 86.1%	It is anticipated that the net exposure will range between 40% to 100%			
The upper limit for total principal sums invested for over 364 days at year end	2,234 11.8%	60% of core funds			
The maturity structure for new fixed rate borrowing during 2015/16	Upper Limit		Lower Limit		
Under 12 months	100%		NIL		
Over 12 months	NIL		NIL		

1.6.5 The capital financing requirement measures the amount of external borrowing that the Council expects to have to undertake in support of its capital programme. A nil figure indicates that no borrowing is required. As this Council is debt free and does not expect to have to borrow to support its capital programme over the period covered, this indicator is nil.

1.6.6 The operational boundary is designed to cover all day to day borrowing requirements. As this Council is debt free, borrowing is only undertaken on a short-term basis to cover cash flow management. Experience suggests that an operational boundary of £2.0m will be sufficient to cover all likely contingencies.

- 1.6.7 The authorised limit is intended to provide a degree of headroom above the operational boundary to cover unexpected and unusual borrowing requirements. A limit of £5.0m is estimated to be sufficient to cover such eventualities.
- 1.6.8 The other prudential indicators which we are required to set are shown in the table below:

Prudential Indicators

1.	Ratio of actual and estimated financing costs to the net revenue stream	(Interest payable with respect to borrowing less interest and investment income) ÷ (government grants plus call on local taxpayers) x 100%.					
No freeze							
2013/14 actual	2014/15 estimated	2015/16 estimated	2016/17 estimated	2017/18 estimated	2018/19 estimated	2019/20 estimated	2020/21 estimated
-1.41%	-1.30%	-1.48%	-2.18%	-2.68%	-3.57%	-4.50%	-4.60%
Freeze							
2013/14 actual	2014/15 estimated	2015/16 estimated	2016/17 estimated	2017/18 estimated	2018/19 estimated	2019/20 estimated	2020/21 estimated
-1.41%	-1.30%	-1.49%	-2.18%	-2.69%	-3.60%	-4.55%	-4.66%
2.	Estimates of the incremental impact of capital investment decisions on the Council Tax	The revenue impact of capital schemes added to the capital plan on the Council Tax Band D equivalent. The figures below show the estimated effect on the Borough Council's Band D equivalent of the addition of List B schemes to list A. A more detailed version of this indicator appears in [Annex 10] .					
Total		2015/16 estimated £	2016/17 estimated £	2017/18 estimated £	2018/19 estimated £	2019/20 estimated £	2020/21 estimated £
		0.24	0.18	0.00	0.00	0.00	0.00
3.	Actual and estimated capital expenditure	This indicator is based on the updated capital plan position. The figures are based on those shown in [Annex 8] .					
2013/14 actual £'000	2014/15 estimated £'000	2015/16 estimated £'000	2016/17 estimated £'000	2017/18 estimated £'000	2018/19 estimated £'000	2019/20 estimated £'000	2020/21 estimated £'000
1,744	3,461	2,942	2,411	1,851	1,730	1,553	1,676

- 1.6.9 We, therefore, **RECOMMEND** that for the financial year 2015/16 the prudential indicators listed in paragraphs 1.6.4 and 1.6.8 be recommended to Council for adoption.
- 1.6.10 A local authority has a statutory duty to “*determine for the current financial year an amount of minimum revenue provision that it considers to be prudent*” in relation to its capital expenditure. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred and so such expenditure is spread over several years so as to try and match the years over which such assets benefit the local community through their useful life.

- 1.6.11 The spreading of these costs is through what is termed an *annual minimum revenue provision*. As the Council is debt free and, at least in the short term, does not expect to borrow to support its capital programme the minimum revenue provision is nil. Guidance issued by the Government also recommends that a Minimum Revenue Provision Policy Statement be prepared. We propose to prepare such a Statement at a time when our capital expenditure plans cannot be met without recourse to borrowing. Based on current estimates, this is not anticipated to be until the financial year 2019/20.
- 1.6.12 Members are asked to **NOTE** that for the financial year 2015/16 our Minimum Revenue Provision is nil.

1.7 Consultation with Non-Domestic Ratepayers

- 1.7.1 Representatives of the Council's Non Domestic Ratepayers have been consulted in respect of the draft revenue budget and capital plan. The consultees, who include the local Chambers of Commerce as well as a group of the larger ratepayers in the Borough receive on request information and copies of the draft budgets and are invited to make written representations if they deem it appropriate. The deadline given for responses was 16 January 2015. ***Cabinet is advised that no comments have been received.***

1.8 Update of Medium Term Financial Strategy

- 1.8.1 To recap, the Council's Medium Term Financial Strategy covers both revenue and capital budgets over a rolling ten-year period, and it is this Strategy that underpins the budget setting process for the forthcoming year and over the strategy period. The Medium Term Financial Strategy affords the opportunity to take a measured and structured approach to budget issues rather than a "knee jerk" reaction. The aim of the Medium Term Financial Strategy is to give us a realistic and sustainable plan that reflects the Council's priorities.
- 1.8.2 The Strategy also sets out, based on current financial information, not only the projected budgets for the period, but also the levels of council tax that are projected to be required to meet the Council's spending plans. 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.
- 1.8.3 Members are fully aware that the Council continues to face a significant financial challenge as a result of the ongoing budget deficit reduction programme which has resulted in a reduction in the financial support given to local government. We believe our Medium Term Financial Strategy is resilient and the financial pressures likely to confront us can be addressed in a measured and controlled way. Clearly, the absolute size of the 'funding gap' will influence the timescales we afford ourselves to address the problem.

- 1.8.4 As Members are aware, the Management Team have committed to bringing forward a draft Transformation Strategy to assist in delivering the savings needed. As previously outlined, part of that Strategy will involve wider thinking on reforms including shared service delivery, reviewing business processes and, in doing so, learn from others.
- 1.8.5 The Medium Term Financial Strategy sets out the high level objectives the Council wishes to fulfil over the agreed time span and which are:
- To achieve a **balanced revenue budget** that delivers the Council's priorities by the end of the strategy period.
 - To retain a **minimum of £2.0m** in the General Revenue Reserve by the end of the strategy period.
 - Seek to set **future increases in council tax having regard to the guidelines** issued by the Secretary of State.
 - Over the strategy period, **continue to identify efficiency savings and opportunities for new or additional income sources** within the Council's budget to contribute towards the identified 'funding gap'; and, if necessary thereafter, **seek appropriate reductions in service costs** following consultation, as necessary, with taxpayers.
 - Set a **maximum 'annual capital allowance'** each year as part of the budget setting process for all new capital schemes (set at £320,000 from the Council's own resources) and give priority to those schemes that generate income or reduce costs.
- 1.8.6 Bearing in mind the fact that, during the 10-year period of the MTFs, it is expected that the Council will have exhausted its Capital Reserves, Members may wish to adjust the final high level objective set out above to read:

*Subject to there being sufficient resources within the capital reserve, set a **maximum 'annual capital allowance'** each year as part of the budget setting process for all new capital schemes (set at £320,000 from the Council's own resources) and give priority to those schemes that generate income or reduce costs.*

Subject to this suggested amendment, Members are asked to reaffirm the high level objectives of the MTFs set out in paragraph 1.8.5 above.

- 1.8.7 The budget for 2015/16 is, naturally, the starting point for updating the Medium Term Financial Strategy. Referring to paragraph 1.3.2 Members will note that the Summary Total for the 2014/15 Revised Estimates is £12,960,350; and for the 2015/16 Estimates is £11,296,350 (no freeze) and £11,205,300 (freeze) and are used in the budget projections in the Medium Term Financial Strategy at **[Annex 11a]** and **[Annex 11b]** respectively.

1.8.8 When updating the MTFS we need to take into account the following (not exclusive) factors:

- those factors that have contributed towards addressing the ‘funding gap’;
- those factors that have taken matters in the ‘wrong’ direction;
- the announcement on the level of council tax increase for 2015/16 above which the local authority would be required to seek the approval of their electorate via a local referendum and the government’s commitment in partnership with local authorities to freeze council tax in England for a further year;
- the ongoing impact of the Business Rates Retention scheme; and
- award of New Homes Bonus.

1.8.9 Members will recall we set ourselves a savings target this year of £200,000 and I am extremely pleased to report savings in the order of £475,000 have been achieved. However, after taking into account those issues outside our control that either take the ‘funding gap’ in the right or wrong direction, ***net savings in the order of £325,000 have been achieved*** when compiling the Revenue Estimates for 2015/16.

1.8.10 In addition, the council tax base is higher than estimated as a result of better than expected growth, positive improvement in the council tax base in respect of the council tax reduction scheme and changes to discounts and exemptions approved by Council in November 2014. This, in turn, ***making a contribution to the savings target of circa £150,000.***

1.8.11 As a result we have not only met this year’s savings target, but began to make ‘inroads’ into the next savings tranche, although of course a significant financial challenge remains.

1.8.12 We have already alluded, within this report and previous reports, to both the offer of a council tax freeze grant and the ‘trigger point’ for a local referendum.

1.8.13 In respect of the latter, the Localism Act gives local communities the power to veto excessive council tax increases. The Secretary of State will determine a limit for council tax increases which has to be approved by the House of Commons. If an authority proposes to raise council tax above this limit they will have to hold a referendum to get approval for this from local voters who will be asked to approve or to veto the rise.

1.8.14 The Government set the level of council tax increase for 2015/16 at which it intends to require the local authority to seek approval of their electorate via a local referendum at 2.0% or more (including levies).

1.8.15 Members are aware of the Government's proposal to assist councils in freezing council tax in 2015/16. To this end the Government will provide funding equivalent to a **1.0%** increase in council tax in 2015/16 and in the absence of information to the contrary, I am assuming that the **freeze funding due to be handed out in 2015/16 will continue indefinitely**. It remains the case of course that where the proposed council tax increase is more than 1% the Council will be worse off financially if it was to accept the freeze grant.

1.8.16 There are clearly 'pros' and 'cons' of levying a small increase in council tax (option 1) and similarly accepting the freeze grant (option 2). Some of the headline statistics for the two 'options' are as follows:

	Option 1 (Increase 1.99%)	Option 2 (Freeze)
<u>2015/16</u>		
Council Tax Band D	£187.51	£183.85
Increase per annum	£3.66	£0
Increase per week	7 pence	0 pence
Anticipated Council Tax Income	£8,794,000	£8,623,000 excl freeze grant
<u>MTFS</u>		
Total Base budget savings required:	£1.4m	£1.525m
The savings could be broken down into tranches. For example:		
First tranche by 1 April 2016	£200,000	£325,000
Second tranche by 1 April 2017	£700,000	£700,000
Third tranche by 1 April 2018	£500,000	£500,000
Reserve balance at end of period	£3.216m	£3.324m

1.8.17 Based on latest projections it can be seen from the above that:

- If Members were minded to **increase the council tax by 1.99%**, the 'funding gap' (savings target) is circa £1.4m and as in previous iterations of the MTFS we could breakdown the savings target into tranches. For example, the savings target could be broken down into three tranches (tranche one £200,000, tranche two £700,000 and tranche three £500,000) to be achieved by 2016/17, 2017/18 and 2018/19 respectively.
- If Members were minded **to implement the 'freeze'** and accept the grant the 'funding gap' (savings target) is circa £1.525m. The savings target could again be broken down into three tranches (tranche one £325,000,

tranche two £700,000 and tranche three £500,000) to be achieved by 2016/17, 2017/18 and 2018/19 respectively.

- 1.8.18 It can be seen from the above that the implications of accepting the grant to freeze council tax as opposed to a council tax increase of 1.99% adds £125,000 to the overall savings we have to make. **[Annexes 11a and 11b]** set out the picture for the Medium Term Financial Strategy. A graphical representation of the implications is given at **[Annex 11c]**.
- 1.8.19 The sustainability of the New Homes Bonus in its current form remains a significant concern and in arriving at this assessment, we have assumed that there will be a phased withdrawal of the current NHB model from 2016/17 onwards and that the model will be replaced with something else, but with a reduced level of funding. It should be noted that, depending on how any replacement 'model' allocates funding to individual local authorities, there is a real risk that the Council could see its **overall grant funding reduce by more than is presently reflected in the Medium Term Financial Strategy**. It is of course impossible to estimate with any certainty what that might mean for TMBC, but our working assumption is that this could require a **further potential savings tranche of circa £700,000**.
- 1.8.20 In addition, for medium term financial planning purposes we continue to assume that the business rates baseline attributed to TMBC is not notably different to the actual business rates income. If our actual income is less than the baseline set the authority will have to **meet a share of that shortfall up to a maximum of circa £156,700 in 2015/16**. This figure increases each year in line with inflation.
- 1.8.21 Members will appreciate from just these two issues that there is so much uncertainty that financial planning is becoming increasingly difficult with the increased risk of significant variances compared to projections.
- 1.8.22 Indeed, commentators, following the Autumn Statement, have suggested that spending cuts over the three years 2016/17 to 2018/19 will be '**colossal**' if a budget surplus is to be achieved by the end of that period. The question is, what is 'colossal' and what does that mean for TMBC?
- 1.8.23 For medium term financial planning purposes we have assumed over the three years 2016/17 to 2018/19 **our overall government grant funding will decrease by some £2.5m** (from £6.8m to £4.3m) rising by inflation thereafter. The Director of Finance and Transformation is keen to stress (as mentioned at paragraph 1.8.19) that **depending on what happens to NHB, a further savings tranche of £700,000 could be required; and further savings still if NHB was to be withdrawn and not replaced**.
- 1.8.24 For this reason, we will need to return to, and review, the projected funding gap following the Spending Review 2015 due to take place shortly after the General Election which hopefully will, if only generally, tell us more about the financial landscape for local government beyond 2015/16.

1.8.25 Turning back to the specific budget year 2015/16, a Summary of the Revenue Estimates Booklet for both a council tax increase of 1.99% and a council tax freeze are attached at **[Annex 12a]** and **[Annex 12b]** respectively. The budget for 2015/16 includes a contribution **to** the general revenue reserve of £73,550 (council tax increase 1.99%) and a contribution **from** the general revenue reserve of £7,050 (council tax freeze).

1.8.26 Cabinet is **RECOMMENDED** to:

- 1) Reaffirm the high level objectives of the MTFs, taking on board the amendment set out in paragraph 1.8.6 adding the words "*Subject to there being sufficient resources within the capital reserve*" to the final objective.
- 2) Note the updates to the Medium Term Financial Strategy as set out at **[Annexes 11a and 11b]** based on a council tax increase of 1.99% and council tax freeze respectively including the approach adopted in respect of NHB, business rates income and further cuts to government grant funding.
- 3) Give guidance to Full Council as to the best way forward in updating the Medium Term Financial Strategy for the next ten-year period, and setting the council tax for 2015/16.

1.9 Collection Fund Adjustments

1.9.1 As the billing authority for the area, this Council has responsibility for maintaining the 'collection fund' accounts into which business rates and council tax are paid.

1.9.2 Each year before we can finalise our calculations in respect of the tax requirements, we have to:

- estimate the surplus / deficit on the collection fund in respect of council tax and then share this between the major precepting authorities (including ourselves); and
- estimate the surplus / deficit on the collection fund in respect of business rates and then share this between the relevant parties in accordance with the Business Rates Retention scheme.

1.9.3 These are known as collection fund adjustments:

- The **surplus** on the collection fund in respect of council tax is estimated to be £614,377, of which our share is £92,290 **[Annex 13a]**.
- The **deficit** on the collection fund in respect of business rates is estimated to be £2,988,226, of which our share is £1,195,290 **[Annex 13b]**. After taking into account that part of the deficit relating to 2013/14 and other adjustments within the Business Rates Retention scheme the shortfall

against the 2014/15 baseline is in the order of £224,000 of which £153,000 is to be met by the Council.

1.10 Parish Councils

- 1.10.1 For completeness, Cabinet is reminded that the Borough Council's expenditure is inclusive of the payments to Parish Councils under the Borough Council's Scheme of Financial Arrangements. Details of the Financial Arrangements for 2015/16 are set out at **[Annex 14]** for Members' information.
- 1.10.2 Also, the Parish Councils were notified on 5 December of their grant allocation in respect of the council tax support scheme. This funding now forms part of the overall Settlement and is not separately identified. As a result the funding available was increased by 1.3% (from £171,726 to £173,958) representing the increase in the Borough Council's Settlement including New Homes Bonus in the previous year. This is consistent with the approach adopted in respect of allocations under the Scheme of Financial Arrangements with Parish Councils.
- 1.10.3 In addition, the precepts of the Parish Councils are the Special Area expenses of the Borough Council for the purpose of setting the Council Tax. Details of Parish Council precepts notified to the Borough Council are given at **[Annex 15]**.

1.11 Robustness of Estimates / Adequacy of Reserves

- 1.11.1 The Council is required to have regard to the level of its balances and reserves before determining its council tax requirement. **[Annexes 16a and 16b]** sets out the Council's projected revenue reserve balances based on a council tax increase of 1.99% and council tax freeze respectively.
- 1.11.2 The Local Government Act 2003 requires the Chief Financial Officer (in our case the Director of Finance and Transformation) to report to an authority, when making the statutory calculations required to determine its council tax, on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides.
- 1.11.3 What is required is the professional advice of the Director of Finance and Transformation on these two questions. This responsibility is discharged by way of a certified Statement.
- 1.11.4 The Director of Finance and Transformation has stressed that the absolute detail of the Statement varies depending upon whether the Council opts to take the council tax freeze grant, or alternatively increases council tax and thereby provides a greater source of income for future years.
- 1.11.5 That said, the Director of Finance and Transformation advises that, in both scenarios, she is satisfied as to the Robustness of the Estimates and the Adequacy of Reserves on the understanding that the savings target each scenario would produce is fully honoured and delivered. Clearly, as has been outlined

above, the savings challenge increases should the Council opt to accept the council tax freeze grant.

1.11.6 A Statement covering the points above is appended at **[Annex 17]**.

1.11.7 A schedule of the reserves held by the Council at the 1 April 2014 and proposed utilisation of those reserves to the 31 March 2016 is provided for both a council tax increase of 1.99% and council tax freeze at **[Annex 17]** Table A and B respectively. As this Council's Chief Finance Officer, the Director of Finance and Transformation has undertaken a review of the earmarked reserves held and is satisfied as to the position depicted in the Tables and will revisit the position as part of the closedown process for 2014/15.

1.11.8 Members will note that overall the Director of Finance and Transformation signifies that, in her professional opinion, the estimates are robust and the level of reserves adequate.

1.11.9 Members are **RECOMMENDED** to note and endorse the Statement provided by the Director of Finance and Transformation.

1.12 Calculation of Borough Council's Tax Requirement

1.12.1 The Council is required to calculate:

- Its aggregate expenditure which, for this purpose, includes our share of any Collection Fund deficit and the Parish Council precepts.
- Its aggregate income which, for this purpose, includes our share of any Collection Fund surplus and the Local Government Finance Settlement (see paragraph 1.2).
- The amount by which the aggregate expenditure exceeds the aggregate income is to be its council tax requirement for the year.

1.12.2 Assuming Cabinet's concurrence with the recommendations set out in paragraph 1.8.26, the calculation for both a council tax increase of 1.99% and council tax freeze is set out at **[Annex 18a and 18b]** respectively for information. It should be noted that, for this purpose, the Borough Council's council tax requirement includes the Parish Council precepts.

1.13 Legal Implications

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

1.13.2 The Localism Act gives local communities the power to veto excessive council tax increases. The Secretary of State will determine a limit for council tax increases which has to be approved by the House of Commons. If an authority proposes to

raise council tax above this limit they will have to hold a referendum to get approval for this from local voters who will be asked to approve or veto the rise.

1.14 Financial and Value for Money Considerations

1.14.1 As set out above.

1.15 Risk Assessment

1.15.1 The Local Government Act 2003 requires the Chief Financial Officer, when calculating the 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 various 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 guidance on assumptions obtained where appropriate.

1.15.2 The Medium Term Financial Strategy sets out the high level financial objectives the Council wishes to fulfil and underpins the budget setting process for the forthcoming year and over the Strategy period. As the Council's high level financial planning tool the Strategy needs to be reviewed and updated at least annually and in the current climate regularly reviewed by Management Team. In addition, not identifying and implementing the requisite savings will put at risk the integrity of the Medium Term Financial Strategy.

1.15.3 There is so much uncertainty and volatility particularly in some of our major sources of income that financial planning is becoming increasingly difficult with the increased risk of significant variances compared to projections.

1.15.4 Where a scheme is to be funded, in full or in part, from a pending developer contribution and in the interim from the Council's own resources there is a risk of an unbudgeted commitment if that developer contribution is not forthcoming.

1.15.5 Failure to endorse a satisfactory Capital Strategy may lead to a capital programme which does not fully support the Council's Key Priorities and Improvement Actions.

1.15.6 Any increase in council tax above the relevant threshold, even by a fraction of a percentage point, would require a referendum to be held.

1.16 Equality Impact Assessment

1.16.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.17 Summary of Recommendations

1.17.1 Cabinet is **RECOMMENDED** to:

- 1) Endorse the fees and charges set out in **[Annex 2]** as recommended by the appropriate Advisory Boards.
- 2) Update the Capital Plan as set out in paragraph 1.5.13 and recommend that Council adopt the Capital Plan accordingly.
- 3) Endorse the Capital Strategy as presented to the Finance, Innovation and Property Advisory Board on 7 January and the Overview and Scrutiny Committee on 27 January and recommend to Council it be adopted.
- 4) Endorse the prudential indicators listed in paragraphs 1.6.4 and 1.6.8 and recommend to Council that they be adopted.
- 5) Note that for the financial year 2015/16 the Council's Minimum Revenue Provision as set out at paragraph 1.6.11 is nil and recommend to Council accordingly.
- 6) Reaffirm the high level objectives of the MTFs, taking on board the amendment set out in paragraph 1.8.6 adding the words "*Subject to there being sufficient resources within the capital reserve*" to the final objective.
- 7) Note the updates to the Medium Term Financial Strategy as set out at **[Annexes 11a and 11b]** based on a council tax increase of 1.99% and council tax freeze respectively including the approach adopted in respect of NHB, business rates income and further cuts to government grant funding.
- 8) Give guidance to Full Council as to the best way forward in updating the Medium Term Financial Strategy for the next ten-year period, and setting the council tax for 2015/16.
- 9) Note and endorse the Statement provided by the Director of Finance and Transformation as to the Robustness of the Estimates and the Adequacy of the Reserves.

Background papers:

Nil

contact: Sharon Shelton
Neil Lawley

Julie Beilby
Chief Executive

Sharon Shelton
Director of Finance and Transformation

Nicolas Heslop
Leader of the Council

Martin Coffin
Cabinet Member for Finance, Innovation and Property

LOCAL GOVERNMENT FINANCE SETTLEMENT 2015-16

Authority	Revenue Support Grant						Non-Domestic Rates				Settlement Funding Assessment	
	Base Allocation	Council Tax Freeze (2011/12)	Council Tax Freeze (2013/14)	Homelessness	Other Funding	Total	Base Allocation	Council Tax Freeze (2011/12)	Homelessness	Total	Total	Per Head
	£	£	£	£	£	£	£	£	£	£	£	£
Ashford	1,832,602	91,962	68,656	28,309	15,899	2,037,429	2,524,850	66,190	20,753	2,611,793	4,649,221	39.41
Canterbury	2,920,053	134,383	0	183,518	0	3,237,954	4,023,074	96,722	134,535	4,254,331	7,492,285	49.57
Dartford	1,714,805	81,296	116,478	59,941	0	1,972,521	2,362,556	58,513	43,942	2,465,011	4,437,532	45.58
Dover	2,342,673	92,203	68,761	93,834	0	2,597,470	3,227,594	66,363	68,788	3,362,746	5,960,216	53.37
Gravesham	1,879,236	84,432	0	56,001	0	2,019,669	2,589,099	60,770	41,053	2,690,922	4,710,591	46.31
Maidstone	2,015,940	193,342	0	57,408	0	2,266,690	2,777,442	139,158	42,085	2,958,685	5,225,376	33.68
Sevenoaks	1,420,994	132,621	0	52,060	0	1,605,674	1,957,760	95,454	38,164	2,091,379	3,697,053	32.18
Shepway	2,351,426	140,673	196,862	63,883	0	2,752,844	3,239,654	101,250	46,832	3,387,736	6,140,580	56.87
Swale	2,740,863	110,607	156,831	52,060	0	3,060,361	3,776,197	79,610	38,164	3,893,971	6,954,331	51.20
Thanet	3,216,830	142,291	198,745	71,764	0	3,629,630	4,431,956	102,414	52,610	4,586,979	8,216,610	61.23
Tonbridge and Malling	1,435,664	121,465	0	32,355	0	1,589,484	1,977,972	87,425	23,719	2,089,115	3,678,599	30.45
Tunbridge Wells	1,488,501	94,632	0	49,695	0	1,632,828	2,050,768	68,111	36,431	2,155,310	3,788,138	32.93

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Department for Communities and Local Government

Local Government
Finance (England)

**The Referendums Relating
to Council Tax Increases
(Principles) (England) Report
2015/2016**

Department for Communities and Local Government

Local Government
Finance (England)

The Referendums Relating to Council Tax Increases (Principles) (England) Report 2015/2016

Presented to the House of Commons pursuant to section 52ZD(1) of the
Local Government Finance Act 1992 as inserted by Schedule 5 to the
Localism Act 2011

Ordered by The House of Commons
to be printed on 03 February 2015



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Fry building, 2 Marsham Street
London SW1P 4DF
Telephone: 030 3444 0000

Print ISBN 9781474107754
Web ISBN 9781474107761

ID 26011502 02/15

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

The Referendums Relating to Council Tax Increases (Principles) (England) Report 2015/16

Legislative background

General

1. Under section 52ZBa of the Local Government Finance Act 1992 (“the 1992 Act”) each billing authority and precepting authority must determine whether its relevant basic amount of council tax^b for a financial year (“the year under consideration”) is excessive. If an authority’s relevant basic amount of council tax is excessive a referendum must be held in relation to that amount.
2. Under section 52ZCc of the 1992 Act the question of whether an authority’s relevant basic amount of council tax is excessive must be decided in accordance with a set of principles determined by the Secretary of State. A set of principles —
 - may contain one principle or two or more principles, and
 - must constitute or include a comparison between the authority’s relevant basic amount of council tax for the year under consideration and its relevant basic amount of council tax for the financial year immediately preceding the year under consideration^d.
3. In setting principles for the year under consideration the Secretary of State may determine categories of authority. If the Secretary of State does so the same principles must be determined for all authorities falling within the same category and if an authority does not fall within any of the categories its relevant basic amount of council tax is not capable of being excessive for the year under consideration^e.
4. If the Secretary of State does not determine categories of authority for the year under consideration, any principles determined for the year must be such that the same set is determined for all authorities^f.
5. The principles for a financial year must be set out in a report which must be laid before and approved by the House of Commons. If the report for a financial year is not approved on or before the date on which the local government finance report for the same year is approved by the House of Commons, no principles have effect for that

^a Section 52ZB was inserted into the 1992 Act by Schedule 5 to the Localism Act 2011.

^b The term “relevant basic amount of council tax” is defined in section 52ZX of the 1992 Act (inserted as above and amended by section 41(1) and (9) to (13) of the Local Audit and Accountability Act 2014).

^c Section 52ZC was inserted into the 1992 Act by Schedule 5 to the Localism Act 2011.

^d Section 52ZC(2) and (3) of the 1992 Act.

^e Section 52ZC(4) of the 1992 Act.

^f Section 52ZC(5) of the 1992 Act.

year and accordingly no authority's relevant basic amount of council tax is capable of being excessive for that year^a.

The Greater London Authority

6. The Greater London Authority ("the GLA") calculates two different basic amounts of council tax for a financial year —

- an amount which applies to the City of London and which does not include any amount in respect of the Mayor's Office for Policing and Crime, and
- an amount which applies to all parts of Greater London other than the City of London and which includes an amount in respect of the Mayor's Office for Policing and Crime^b.

7. The GLA's relevant basic amount of council tax is defined by reference to these two amounts. In particular —

the relevant basic amount derived from the first of the amounts mentioned in paragraph 6 above is referred to in the 1992 Act as the GLA's unadjusted relevant basic amount of council tax, and

the relevant basic amount derived from the second of the amounts mentioned in paragraph 6 above is referred to in the 1992 Act as the GLA's adjusted relevant basic amount of council tax^c.

8. A principle that applies to the GLA, and that constitutes or includes a comparison between the GLA's relevant basic amount of council tax for the year under consideration and the financial year immediately preceding that year, may only provide for —

a comparison between unadjusted relevant basic amounts of council tax,

a comparison between adjusted relevant basic amounts of council tax, or

both^d.

^a See generally section 52ZD of the 1992 Act, inserted as above.

^b Sections 88(2) and 89(3) of the Greater London Authority Act 1999. Section 88(2) was substituted by section 77(1) and (3) of the Localism Act 2011 and section 89(4) (which is mentioned in section 89(3)) was substituted by section 77(1) and (7) of that Act. The Mayor's Office for Policing and Crime was established by section 3 of the Police Reform and Social Responsibility Act 2011.

^c Section 52ZX(4) of the 1992 Act.

^d Section 52ZC(6) of the 1992 Act.

The Report

9. This Report is made by the Secretary of State for Communities and Local Government and laid before the House of Commons under section 52ZD(1) of the 1992 Act.
10. The Report applies to all billing authorities and all major precepting authorities(a). In relation to 2015-16 the Report specifies principles for those authorities for the purposes of section 52ZC(1) of the 1992 Act.

Principles for the financial year beginning on 1st April 2015

11. The principles which apply for 2015-16 are set out in Annex A to this Report. If this Report is approved by resolution of the House of Commons the principles will have effect for that financial year.

Signed by authority of the Secretary of State for Communities and Local Government

Kris Hopkins
Parliamentary Under Secretary of State
Department for Communities and Local Government
February 2015

(a) “Billing authority” and “major precepting authority” and “local precepting authority” are defined in sections 1(2) and 39(1) of the 1992 Act, respectively.

Annex A

Principles for the financial year beginning on 1st April 2015

The set of principles determined by the Secretary of State under section 52ZC(1) of the Local Government Finance Act 1992 for the financial year beginning on 1st April 2015 is as follows:

Interpretation

1.—(1) In this set of principles—

“2014-15” means the financial year beginning on 1st April 2014;

“2015-16” means the financial year beginning on 1st April 2015;

“the 1992 Act” means the Local Government Finance Act 1992(a);

“the GLA” means the Greater London Authority.

(2) In this set of principles any reference to an authority is a reference to a billing authority or a major precepting authority.

(3) Terms used in this set of principles which are also used in the 1992 Act have the same meanings as in that Act.

Categories of authority for 2015-16

2. For 2015-16, the Secretary of State determines that the following are categories of authority for the purposes of section 52ZC of the 1992 Act—

(a) any authority other than the GLA;

(b) the GLA.

Principles for 2015-16 for authorities belonging to the category mentioned in paragraph 2(a)

3. For 2015-16, the relevant basic amount of council tax of an authority which belongs to the category mentioned in paragraph 2(a) is excessive if the authority’s relevant basic amount of council tax for 2015-16 is 2%, or more than 2%, greater than its relevant basic amount of council tax for 2014-15.

Principles for 2015-16 for the Greater London Authority

4. For 2015-16, the GLA’s relevant basic amount of council tax is excessive if—

(a) the GLA’s unadjusted relevant basic amount of council tax for 2015-16 is 2%, or more than 2%, greater than its unadjusted relevant basic amount of council tax for 2014-15; or

(b) the GLA’s adjusted relevant basic amount of council tax for 2015-16 is 2%, or more than 2%, greater than its adjusted relevant basic amount of council tax for 2014-15.

(a) 1992 c.14.



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**REVIEW OF FEES AND CHARGES – SUMMARY OF
RECOMMENDATIONS FROM ADVISORY BOARDS AND
RESOLUTION OF LICENSING AND APPEALS COMMITTEE**

Item LAA 14/43 referred from Leisure and Arts Advisory Board minutes of 8 December 2014

LAA 14/43 LEISURE SERVICES - REVIEW OF CHARGES 2015/16

The joint report of the Director of Street Scene and Leisure and the Director of Finance and Transformation outlined the charging proposals in respect of Tonbridge Cemetery, Tonbridge Pitch Hire Charges and the Summer Playscheme. Members were advised that the proposed charges took into account a range of factors including the Council's overall financial position, trading patterns and market position, the current rate of inflation, competing facilities and customer feedback. Reference was made to the Council's Leisure Pass Scheme which enabled financially disadvantaged residents to participate in leisure activities at concessionary rates.

It was noted that proposed charges for facilities managed by Tonbridge and Malling Leisure Trust would be considered at the next meeting of the Advisory Board.

RECOMMENDED: That

- (1) the proposed charges for Tonbridge Cemetery as detailed at Annex 2 to the report be agreed and implemented with effect from 1 April 2015;
- (2) pitch hire charges at Tonbridge Sportsgrounds be increased as outlined within the report for implementation from 1 April 2015; and
- (3) the proposed charges for the 2015 Summer Playscheme as detailed at Annex 3 to the report be approved.
***Referred to Cabinet**

Item FIP 15/6 referred from Finance, Innovation and Property Advisory Board minutes of 7 January 2015

FIP 15/6 REVIEW OF FEES AND CHARGES 2015/16

The report of the Management Team brought forward for consideration as part of the Budget setting process for 2015/16 proposals in respect of those fees and charges that were the responsibility of the Cabinet Member for Finance, Innovation and Property or not reported elsewhere.

In considering the car parking charges, Members expressed concern about illegal on-street parking in various parts of the Borough and the adequacy of enforcement resources. Officers undertook to pass the comments to the Director of Planning, Housing and Environmental Health to be addressed in the future review.

RECOMMENDED: That

- (1) in respect of the recovery of legal fees payable by third parties, the Council's fees continue to follow the Supreme Court guideline hourly rates set out at paragraph 1.2.1 of the report with effect from 1 April 2015;
- (2) the proposed unchanged scale of fees for local land charges searches and enquiries set out at paragraph 1.3.5 of the report be adopted with effect from 1 April 2015;
- (3) the current photocopying charges of 10p (inclusive of VAT) for each page of the same document or additional copies of the same page plus postage as appropriate be retained;
- (4) the proposed charges for Tonbridge Castle Gatehouse as outlined in paragraph 1.5.3 of the report be approved for implementation from 1 April 2015 and the charges be reflected in the appropriate tourism marketing material;
- (5) the proposed charges for Tonbridge Castle Chamber as set out in Annex 4 to the report be approved for implementation from 1 April 2015 and the list of concessionary users at Annex 2 to the report be endorsed;
- (6) the proposed charges for weddings at Tonbridge Castle as outlined in paragraph 1.7.3 of the report be approved for implementation from 1 April 2016;
- (7) no changes be made to car parking charges this year and they be reviewed again in 12 months' time;
- (8) building control fees be held at the same level as last year for a further 12 months when they will be reviewed again, the current level of fees remaining competitive with the private sector;
- (9) the scale of charges for condemned food certificates, exported food certificates, contaminated land monitoring, sampling private water supplies, stray dog redemption fees and household bulky refuse collection be approved with effect from 1 April 2015 as detailed in paragraphs 1.10 to 1.16 of the report;
- (10) the introduction of a charge for emptying wheeled bins where the

contractor is not at fault and the customer requests paying for the service be approved with effect from 1 February 2015 for a trial period of six months; and

- (11) the fees schedule for street naming and numbering set out at paragraph 1.18 of the report be adopted with effect from 1 April 2015.

***Referred to Cabinet**

Minute LA 14/101 of Licensing and Appeals Committee of 3 December 2014

**LA
14/101**

REVIEW OF FEES AND CHARGES 2015/16 - LICENSING FEES

The report of the Director of Central Services set out details of the proposed licensing fees and charges for 2015/16. The report focused on the fees to be charged for Hackney Carriage and Private Hire Licensing and other miscellaneous licences/registrations dealt with by Licensing Services. Particular reference was made to the introduction of a fee of £25 for the 'Knowledge Test' undertaken by applicants for a driver's licence which would cover the cost of the administration and materials used to set up and run the tests.

A number of Members sought clarification on the new Home Boarding licences and the registration of the breeding and sale of dogs and it was agreed that a report on this matter would be submitted to the next meeting of the Licensing and Appeals Committee. In response to a comment on the cost of the annual consent for a fixed street trading pitch the Licensing and Community Safety Manager offered to undertake an analysis of costs within the review of street trading to be undertaken in 2015.

RESOLVED: That the proposed scale of fees for licences, consents and registrations, as set out at Annex 1 to the report, be adopted with effect from 1 April 2015.

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Capital Plan Review 2014/15

Recommendations in respect of List C

**Booklet
Annex 3
Page No**

Schemes to be added to List C

Street Scene and Leisure

Country Parks: Installation of Automatic Bollards

CP 52

Corporate

IT Initiatives: Revenues and Benefits Document Management

CP 53

IT Initiatives: Revenues and Benefits Citizen's Access

CP 54

Schemes to be deleted from List C

Corporate

IT Initiatives: Public Access to Online Personal Data

CP 53

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Capital Plan Review 2014/15

Schemes selected for evaluation from List C

**Booklet
Annex 3
Page No**

Street Scene and Leisure

Country Parks: Installation of Automatic Bollards

CP 52

Corporate

IT Initiatives: Revenues and Benefits Document Management (Fast -
Track)

CP 53

IT Initiatives: Revenues and Benefits Citizen's Access

CP 54

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Capital Plan Review 2014/15

Recommendations in respect of evaluated schemes

	Capital Cost £'000	Estimated Annual Revenue/ Renewals Cost £'000		Booklet Annex 4 Page No
Planning, Housing and Environmental Health				
Car Parking Action Plan Phase 9	20	1	Transfer from List C to List B	CP 55
Street Scene and Leisure				
LLC Installation of UV Pool Disinfectant Plant	150	11	Transfer from List C to List B	CP 56
Tonbridge School Athletics Track Improvements	150		Transfer from List C to List B	CP 59
LLC Health Suite Refurbishment	60	3	Existing List A - budget increase	
Corporate				
IT Initiatives: Revenues and Benefits Document Management (Fast Track)	60	5	Transfer from List C to List B	CP 61
Total	440	20		

Taking into account the schemes expected to be funded from developer contributions / external grant sources the sum to be met from the Council's own resources is £230,000 which is within the current annual capital allowance set by Members of £320,000.

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**CAPITAL PLAN: LIST A
ALL SERVICES**

	Expenditure To 31/03/14	2014/15 Estimate inc Prior Year Slippage	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	Total Scheme Estimate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Plan Schemes									
Service									
Planning, Housing & Environmental Health	635	603	525	965	265	265	265	265	3,788
Street Scene & Leisure	543	313	547	112	112	127	112	112	1,978
Corporate	71	64	30	90	30	30	30	30	375
Sub-total	1,249	980	1,102	1,167	407	422	407	407	6,141
Capital Renewals									
Service									
Planning, Housing & Environmental Health	n/a	20	10	165	38	11	26	46	316
Street Scene & Leisure	n/a	329	471	288	521	290	334	415	2,648
Corporate	n/a	462	287	271	365	337	266	288	2,276
Sub-total	n/a	811	768	724	924	638	626	749	5,240
Grand Total	1,249	1,791	1,870	1,891	1,331	1,060	1,033	1,156	11,381

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Capital Plan Review 2014/15 : Funding of the Draft Capital Plan							
	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
Capital Plan Schemes							
Capital Renewals	811	768	724	924	638	626	749
Other Recurring Expenditure (net of grants)	489	397	407	407	407	407	407
One-Off Schemes (net of grants & contributions)	491	705	760		15		
Capital Plan Totals	1,791	1,870	1,891	1,331	1,060	1,033	1,156
Add back grants / contributions	1,670	1,072	520	520	670	520	520
Total to be funded	3,461	2,942	2,411	1,851	1,730	1,553	1,676
Funded from:							
Grants							
Disabled Facilities Grant	424	490	490	490	490	490	490
Environment Agency (Town Lock)		230					
Town Wardens (Town Lock)		2					
Ton Racecourse SG Flood Lighting (LSP)	12						
DEFRA Air Quality	150						
Environment Agency (Castle River Bank)	150						
Voter Registration	30						
Revenues & Benefits Grant		60					
Flood Repair Grant	550						
Developer Contributions							
Town Lock		260					
Tonbridge School Athletics Track					150		
Open Spaces Site Improvements Phase 1	31						
Open Spaces Site Improvements Phase 2	13						
Memorial Garden Improvement including Trust Contrib'n	280						
Capital and Other Receipts							
Housing Assistance Grant Repayments	30	30	30	30	30	30	30
Repayment of Mortgages	1	1	1	1	1	1	1
Sale of Public Conveniences	113						
Parking Action Plan Phase 7 received in 2013/14	1						
Balance met from Revenue Reserve for Capital Schemes	1,676	1,869	1,890	1,330	1,059	1,032	1,155
Total funding	3,461	2,942	2,411	1,851	1,730	1,553	1,676

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Capital Plan Review 2014/15 : Revenue Reserve for Capital Schemes							
	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
Balance at 1st April	7,503	6,217	5,137	4,014	2,651	1,559	1,133
Contribution from Revenue to meet Capital Renewals and other Annually Recurring Expenditure		500	100			606	1,222
Revenue contribution for new Capital Plan Schemes	350	350	350	350	350		
Less assumed spend - New Scheme Capital Allowance			(320)	(320)	(320)		
Other adjustments:							
Recycling Bank Revenue Adjustment	(20)	(21)	(23)	(23)	(23)		
MS Office Licences to Revenue	(36)	(36)	(36)	(36)	(36)		
Revenue element of new IT Storage	(4)	(4)	(4)	(4)	(4)		
Environmental Improvements Earmarked Reserve re Town Lock	100						
Wouldham River Wall Earmarked Reserve			700				
Available for application	7,893	7,006	5,904	3,981	2,618	2,165	2,355
Amount applied to fund capital	1,676	1,869	1,890	1,330	1,059	1,032	1,155
Balance at 31st March	6,217	5,137	4,014	2,651	1,559	1,133	1,200

Borrowing for new Capital Plan schemes is not anticipated before 2019/20.

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<u>Estimates of the incremental impact of capital investment on Band D equivalent Council Tax</u>	2015/16 est. £	2016/17 est. £	2017/18 est. £	2018/19 est. £	2019/20 est. £	2020/21 est. £
Car Parking Action Plan Phase 9	0.02					
LLC Installation of UV Pool Disinfectant Plant	0.16	0.07				
Tonbridge School Athletics Track Improvements				0.00		
LLC Health Suite Refurbishment	0.06					
IT Initiatives: Revenues and Benefits Document Management	0.00	0.11				
Total: (Increase in Band D equivalent Council Tax attributable to new capital schemes)	0.24	0.18		0.00		

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Medium Term Financial Strategy
(Council tax increase 1.99%)

	Estimate	Projection								
	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
EXPENDITURE										
Employees	11,068	11,214	11,433	11,708	11,930	12,210	12,495	12,788	13,085	13,392
Transfer Payments	36,144	36,866	37,602	38,355	20,156	20,559	20,970	21,389	21,817	22,253
Other Expenditure	11,370	11,508	11,570	11,820	12,169	12,438	12,709	12,988	13,273	13,563
Capital Charges	2,987	3,047	3,108	3,170	3,233	3,298	3,364	3,431	3,500	3,570
Total Expenditure	61,569	62,635	63,713	65,053	47,488	48,505	49,538	50,596	51,675	52,778
INCOME										
Fees & Charges	(6,733)	(6,936)	(7,032)	(7,270)	(7,370)	(7,612)	(7,716)	(7,962)	(8,070)	(8,320)
Other Specific Grants & Misc	(36,882)	(37,509)	(38,210)	(38,974)	(20,772)	(21,188)	(21,612)	(22,045)	(22,486)	(22,936)
Investment Income	(176)	(277)	(337)	(439)	(571)	(604)	(587)	(579)	(575)	(558)
Total Income	(43,791)	(44,722)	(45,579)	(46,683)	(28,713)	(29,404)	(29,915)	(30,586)	(31,131)	(31,814)
Appropriations										
Capital Renewals	500	100	0	0	606	1,222	1,239	1,255	1,272	1,290
Provision for new Capital Schemes	289	287	287	287	0	0	0	0	0	0
Other Appropriations	(4,170)	(3,074)	(2,953)	(3,012)	(3,164)	(3,233)	(3,299)	(3,366)	(3,435)	(3,505)
SAVINGS TARGET	0	(200)	(204)	(208)	(212)	(216)	(220)	(224)	(228)	(233)
SAVINGS TARGET	0	0	(700)	(714)	(728)	(743)	(758)	(773)	(788)	(804)
SAVINGS TARGET	0	0	0	(500)	(510)	(520)	(530)	(541)	(552)	(563)
NET BUDGETED SPEND	14,397	15,026	14,564	14,223	14,767	15,611	16,055	16,361	16,813	17,149
FUNDING										
Revenue Reserves	(74)	(52)	(40)	89	157	519	476	267	200	(1)
Government Grant	6,780	5,942	5,105	4,268	4,353	4,440	4,529	4,620	4,712	4,806
Council Tax	8,794	9,136	9,499	9,866	10,257	10,652	11,050	11,474	11,901	12,344
Collection Fund Adjustment	(1,103)	0	0	0	0	0	0	0	0	0
Total Funding	14,397	15,026	14,564	14,223	14,767	15,611	16,055	16,361	16,813	17,149
Council Tax Level at Band D	£187.51	£193.14	£198.93	£204.90	£211.05	£217.38	£223.90	£230.62	£237.54	£244.67
Increase on Previous Year	1.99%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
RESERVES BALANCE CARRIED FORWARD	4,831	4,883	4,923	4,834	4,677	4,158	3,682	3,415	3,215	3,216

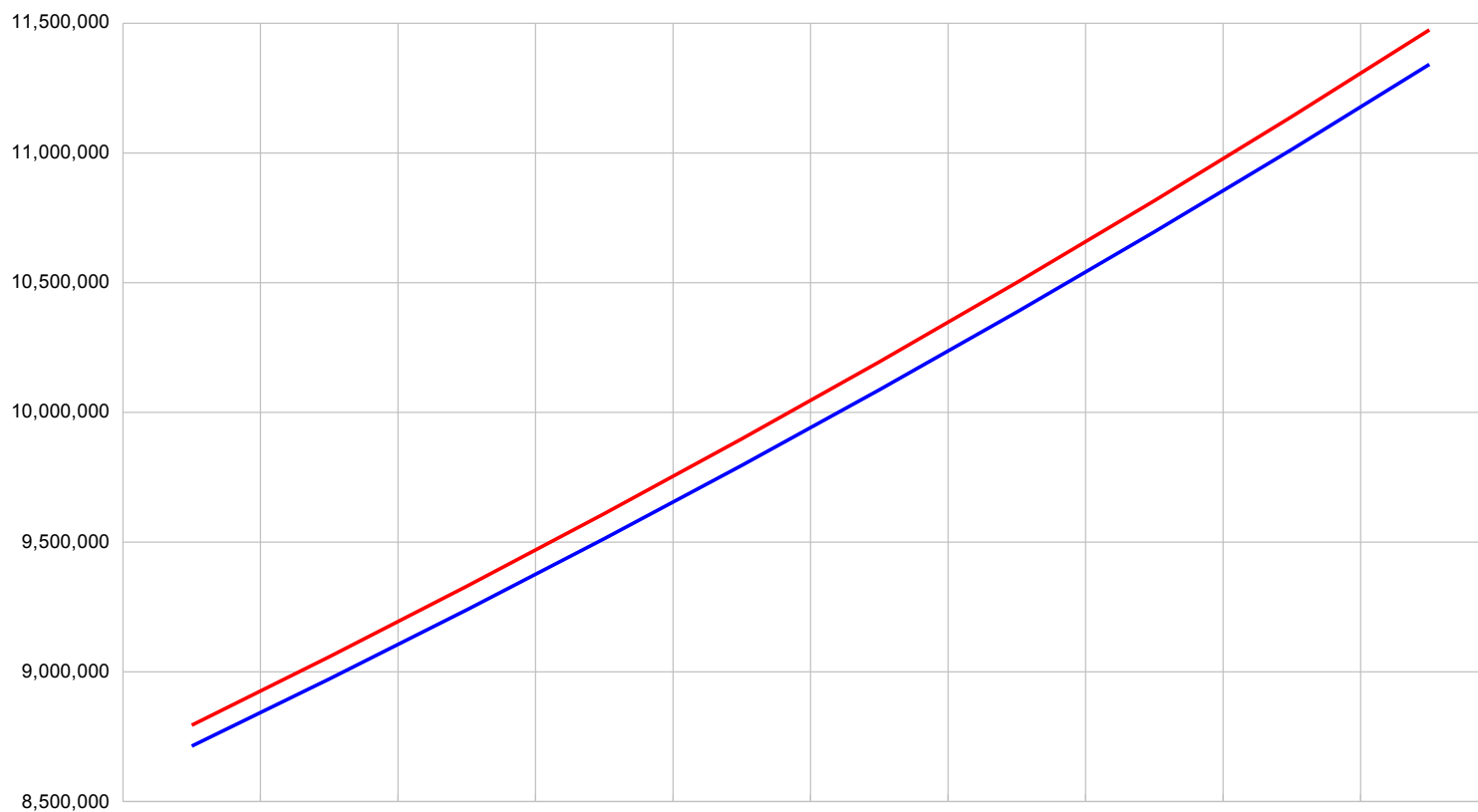
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**Medium Term Financial Strategy
(Council tax freeze)**

	Estimate	Projection								
	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
EXPENDITURE										
Employees	11,068	11,214	11,433	11,708	11,930	12,210	12,495	12,788	13,085	13,392
Transfer Payments	36,144	36,866	37,602	38,355	20,156	20,559	20,970	21,389	21,817	22,253
Other Expenditure	11,370	11,508	11,570	11,820	12,169	12,438	12,709	12,988	13,273	13,563
Capital Charges	2,987	3,047	3,108	3,170	3,233	3,298	3,364	3,431	3,500	3,570
Total Expenditure	61,569	62,635	63,713	65,053	47,488	48,505	49,538	50,596	51,675	52,778
INCOME										
Fees & Charges	(6,733)	(6,936)	(7,032)	(7,270)	(7,370)	(7,612)	(7,716)	(7,962)	(8,070)	(8,320)
Other Specific Grants & Misc	(36,882)	(37,509)	(38,210)	(38,974)	(20,772)	(21,188)	(21,612)	(22,045)	(22,486)	(22,936)
Investment Income	(176)	(275)	(335)	(439)	(572)	(606)	(590)	(583)	(579)	(563)
Total Income	(43,791)	(44,720)	(45,577)	(46,683)	(28,714)	(29,406)	(29,918)	(30,590)	(31,135)	(31,819)
Appropriations										
Capital Renewals	500	100	0	0	606	1,222	1,239	1,255	1,272	1,290
Provision for new Capital Schemes	289	287	287	287	0	0	0	0	0	0
Other Appropriations	(4,170)	(3,074)	(2,953)	(3,012)	(3,164)	(3,233)	(3,299)	(3,366)	(3,435)	(3,505)
SAVINGS TARGET	0	(325)	(332)	(339)	(346)	(353)	(360)	(367)	(374)	(381)
SAVINGS TARGET	0	0	(700)	(714)	(728)	(743)	(758)	(773)	(788)	(804)
SAVINGS TARGET	0	0	0	(500)	(510)	(520)	(530)	(541)	(552)	(563)
NET BUDGETED SPEND	14,397	14,903	14,438	14,092	14,632	15,472	15,912	16,214	16,663	16,996
FUNDING										
Revenue Reserves	7	(87)	(72)	59	131	497	458	253	191	(4)
Government Grant	6,870	6,033	5,196	4,359	4,444	4,531	4,620	4,711	4,803	4,897
Council Tax	8,623	8,957	9,314	9,674	10,057	10,444	10,834	11,250	11,669	12,103
Collection Fund Adjustment	(1,103)	0	0	0	0	0	0	0	0	0
Total Funding	14,397	14,903	14,438	14,092	14,632	15,472	15,912	16,214	16,663	16,996
Council Tax Level at Band D	£183.85	£189.37	£195.05	£200.90	£206.93	£213.14	£219.53	£226.12	£232.90	£239.89
Increase on Previous Year	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
RESERVES BALANCE CARRIED FORWARD	4,750	4,837	4,909	4,850	4,719	4,222	3,764	3,511	3,320	3,324

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Council Tax Income Projections 2015/16 to 2024/25 (10 Years) - Impact of Council Tax Freeze vs Increase of 1.99% in 2015/16



Increase for 2015/16	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Total
Freeze	8,713,701	8,972,381	9,238,821	9,513,254	9,795,920	10,087,066	10,386,946	10,695,823	11,013,966	11,341,653	99,759,531
1.99%	8,794,301	9,058,130	9,329,874	9,609,770	9,898,063	10,195,005	10,500,855	10,815,881	11,140,357	11,474,568	100,816,804
Shortfall	(80,600)	(85,749)	(91,053)	(96,516)	(102,143)	(107,939)	(113,909)	(120,058)	(126,391)	(132,915)	(1,057,273)

— Council Tax Income (with freeze)
 — Council Tax Income (1.99% Increase)

The above graph shows the difference in Council Tax income receivable over the next ten years by accepting the government's offer of a grant to freeze council tax in 2015/16 (Blue Line), compared to the implementation of a 1.99% increase in Council Tax for 2015/16 (Red Line). Increases in Council Tax of 3% per annum for each year thereafter are assumed.

The 'Freeze' income includes the grant from the government of circa £91,000 from 2015/16 to 2024/25

For simplicity, the graph assumes that the taxbase over the period of the MTFS will remain static. In reality, the taxbase is likely to increase, further increasing the shortfall.

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General Fund Revenue Estimates 2015/16

SUMMARY

(Council tax increase 1.99%)

	2014/15 ESTIMATE		2015/16
	ORIGINAL £	REVISED £	ESTIMATE £
Corporate Services	2,915,350	3,006,000	3,072,200
Chief Executive	763,100	1,209,600	825,700
Director of Central Services	236,650	45,950	24,650
Director of Finance & Transformation	1,972,250	2,172,300	2,052,300
Director of Planning, Housing & Environmental Health	4,069,750	3,903,950	3,630,350
Director of Street Scene & Leisure	8,327,450	8,348,900	8,288,500
Sub Total	18,284,550	18,686,700	17,893,700
Capital Accounting Reversals			
Non-Current Asset Depreciation	(2,502,550)	(2,533,700)	(2,508,750)
Contributions to / (from) Reserves			
Building Repairs Reserve			
Withdrawals to fund expenditure	(646,800)	(715,450)	(459,700)
Contribution to Reserve	650,000	750,000	500,000
Earmarked Reserves (see next page)			
Contributions from Reserves	(353,500)	(1,167,900)	(1,287,500)
Contributions to Reserves	765,000	765,000	65,000
Revenue Reserve for Capital Schemes			
Withdrawals to fund expenditure			
Non-Current Assets	(1,507,750)	(1,081,000)	(1,391,000)
Revenue Expenditure Funded from Capital	(693,250)	(595,000)	(478,000)
Other contributions to / (from) Reserve (net)	450,000	390,000	789,000
Capital Expenditure Charged to General Fund	1,507,750	1,081,000	1,391,000
International Accounting Standard 19			
Retirement Benefit Costs	3,778,000	4,035,000	4,148,000
Employers Pension Contributions	(2,359,200)	(2,411,000)	(2,507,000)
Contribution to / (from) Pensions Reserve	(1,418,800)	(1,624,000)	(1,641,000)
Government Grants			
New Homes Bonus	(2,395,850)	(2,395,850)	(3,101,150)
Community Right to Challenge New Burden Grant	(8,550)	(8,550)	-
Community Right to Bid New Burden Grant	(7,850)	(7,850)	-
New Homes Bonus Returned In-Year	-	(6,850)	-
Contributions from KCC	(122,000)	(116,250)	(116,250)
VAT Refund	-	(63,950)	-
Release of Provision	-	(20,000)	-
Sub Total	13,419,200	12,960,350	11,296,350
National Non-Domestic Rates			
Share of National Non-Domestic Rates	(21,822,349)	(21,139,149)	(21,454,885)
Tariff / (Top Up)	19,772,404	19,772,404	20,150,220
Levy / (Safety Net)	-	(70,550)	-
Flood Relief Grant	-	(34,950)	-
Small Business Rate Relief Grant	-	(364,050)	(371,000)
Empty Property Re-occupation Relief Grant	-	(10,100)	(143,350)
Retail Relief Grant	-	(178,150)	(270,100)
2013/14 Adjustment	-	513,600	-
Revenue Support Grant	(2,307,173)	(2,307,173)	(1,589,484)
Collection Fund Adjustments			
Council Tax (Surplus) / Deficit	(96,803)	(96,803)	(92,290)
National Non-Domestic Rates (Surplus) / Deficit	532,727	532,727	1,195,290
Sub Total	9,498,006	9,578,156	8,720,751
Contribution to / (from) General Revenue Reserve	(1,076,850)	(1,157,000)	73,550
Balance to be met from Council Tax Payers	8,421,156	8,421,156	8,794,301

General Fund Revenue Estimates 2015/16

EARMARKED RESERVES
(Council tax increase 1.99%)

	2014/15 ESTIMATE		2015/16
	ORIGINAL £	REVISED £	ESTIMATE £
Contributions from Earmarked Reserves			
Borough Signage Reserve	-	(1,200)	-
Business Rates Retention Scheme Reserve	-	(400,000)	(1,100,000)
Business Support Scheme Reserve	-	(222,000)	-
Community Enhancement Fund Reserve	(100,000)	(230,000)	-
Democratic Representation Reserve	-	(5,000)	-
Election Expenses Reserve	-	(2,200)	(133,000)
Environmental Health Initiatives Reserve	-	(5,000)	-
Flood Recovery & Defence Reserve	-	(65,550)	-
High Street Innovation Fund Reserve	-	(27,350)	-
Housing & Welfare Reform Reserve	-	(9,450)	-
Housing Survey Reserve	(3,000)	-	-
Invest to Save Reserve	-	(1,900)	-
Local Development Framework Reserve	(30,000)	(30,000)	(30,000)
Local Strategic Partnership Reserve	-	(4,500)	-
Planning Inquiries Reserve	(35,000)	(35,000)	(18,600)
Repossessions Prevention Fund Reserve	(5,500)	(4,000)	(4,000)
Social Housing Fraud Initiative Reserve	-	(1,900)	(1,900)
Tonbridge Environmental Schemes Reserve	(100,000)	(100,000)	-
Tonbridge Town Centre Reserve	(80,000)	(22,850)	-
	(353,500)	(1,167,900)	(1,287,500)
Contributions to Earmarked Reserves			
Election Expenses Reserve	25,000	25,000	25,000
Local Development Framework Reserve	40,000	40,000	40,000
River Wall at Wouldham Reserve	700,000	700,000	-
	765,000	765,000	65,000

General Fund Revenue Estimates 2015/16

SUMMARY
(Council tax freeze)

	2014/15 ESTIMATE		2015/16
	ORIGINAL £	REVISED £	ESTIMATE £
Corporate Services	2,915,350	3,006,000	3,072,200
Chief Executive	763,100	1,209,600	825,700
Director of Central Services	236,650	45,950	24,650
Director of Finance & Transformation	1,972,250	2,172,300	2,052,300
Director of Planning, Housing & Environmental Health	4,069,750	3,903,950	3,630,350
Director of Street Scene & Leisure	8,327,450	8,348,900	8,288,500
Sub Total	18,284,550	18,686,700	17,893,700
Capital Accounting Reversals			
Non-Current Asset Depreciation	(2,502,550)	(2,533,700)	(2,508,750)
Contributions to / (from) Reserves			
Building Repairs Reserve			
Withdrawals to fund expenditure	(646,800)	(715,450)	(459,700)
Contribution to Reserve	650,000	750,000	500,000
Earmarked Reserves (see next page)			
Contributions from Reserves	(353,500)	(1,167,900)	(1,287,500)
Contributions to Reserves	765,000	765,000	65,000
Revenue Reserve for Capital Schemes			
Withdrawals to fund expenditure			
Non-Current Assets	(1,507,750)	(1,081,000)	(1,391,000)
Revenue Expenditure Funded from Capital	(693,250)	(595,000)	(478,000)
Other contributions to / (from) Reserve (net)	450,000	390,000	789,000
Capital Expenditure Charged to General Fund	1,507,750	1,081,000	1,391,000
International Accounting Standard 19			
Retirement Benefit Costs	3,778,000	4,035,000	4,148,000
Employers Pension Contributions	(2,359,200)	(2,411,000)	(2,507,000)
Contribution to / (from) Pensions Reserve	(1,418,800)	(1,624,000)	(1,641,000)
Government Grants			
New Homes Bonus	(2,395,850)	(2,395,850)	(3,101,150)
Community Right to Challenge New Burden Grant	(8,550)	(8,550)	-
Community Right to Bid New Burden Grant	(7,850)	(7,850)	-
New Homes Bonus Returned In-Year	-	(6,850)	-
Council Tax Freeze Grant	-	-	(91,050)
Contributions from KCC	(122,000)	(116,250)	(116,250)
VAT Refund	-	(63,950)	-
Release of Provision	-	(20,000)	-
Sub Total	13,419,200	12,960,350	11,205,300
National Non-Domestic Rates			
Share of National Non-Domestic Rates	(21,822,349)	(21,139,149)	(21,454,885)
Tariff / (Top Up)	19,772,404	19,772,404	20,150,220
Levy / (Safety Net)	-	(70,550)	-
Flood Relief Grant	-	(34,950)	-
Small Business Rate Relief Grant	-	(364,050)	(371,000)
Empty Property Re-occupation Relief Grant	-	(10,100)	(143,350)
Retail Relief Grant	-	(178,150)	(270,100)
2013/14 Adjustment	-	513,600	-
Revenue Support Grant	(2,307,173)	(2,307,173)	(1,589,484)
Collection Fund Adjustments			
Council Tax (Surplus) / Deficit	(96,803)	(96,803)	(92,290)
National Non-Domestic Rates (Surplus) / Deficit	532,727	532,727	1,195,290
Sub Total	9,498,006	9,578,156	8,629,701
Contribution to / (from) General Revenue Reserve	(1,076,850)	(1,157,000)	(7,050)
Balance to be met from Council Tax Payers	8,421,156	8,421,156	8,622,651

General Fund Revenue Estimates 2015/16EARMARKED RESERVES(Council tax freeze)

	2014/15 ESTIMATE		2015/16
	ORIGINAL £	REVISED £	ESTIMATE £
Contributions from Earmarked Reserves			
Borough Signage Reserve	-	(1,200)	-
Business Rates Retention Scheme Reserve	-	(400,000)	(1,100,000)
Business Support Scheme Reserve	-	(222,000)	-
Community Enhancement Fund Reserve	(100,000)	(230,000)	-
Democratic Representation Reserve	-	(5,000)	-
Election Expenses Reserve	-	(2,200)	(133,000)
Environmental Health Initiatives Reserve	-	(5,000)	-
Flood Recovery & Defence Reserve	-	(65,550)	-
High Street Innovation Fund Reserve	-	(27,350)	-
Housing & Welfare Reform Reserve	-	(9,450)	-
Housing Survey Reserve	(3,000)	-	-
Invest to Save Reserve	-	(1,900)	-
Local Development Framework Reserve	(30,000)	(30,000)	(30,000)
Local Strategic Partnership Reserve	-	(4,500)	-
Planning Inquiries Reserve	(35,000)	(35,000)	(18,600)
Repossessions Prevention Fund Reserve	(5,500)	(4,000)	(4,000)
Social Housing Fraud Initiative Reserve	-	(1,900)	(1,900)
Tonbridge Environmental Schemes Reserve	(100,000)	(100,000)	-
Tonbridge Town Centre Reserve	(80,000)	(22,850)	-
	(353,500)	(1,167,900)	(1,287,500)
Contributions to Earmarked Reserves			
Election Expenses Reserve	25,000	25,000	25,000
Local Development Framework Reserve	40,000	40,000	40,000
River Wall at Wouldham Reserve	700,000	700,000	-
	765,000	765,000	65,000

Tonbridge and Malling Borough Council
Estimate Of Collection Fund Surplus/(Deficit) 2014/15 - Council Tax

	Estimate	
	£	£
<u>Income</u>		
Surplus / (Deficit) Brought Forward		708,556
Council Tax		
Income from Council Tax (Net of Discounts, CTR and Exemptions)		70,134,277
Total Income for the Year		70,842,833
<u>Expenditure</u>		
Precepts and Demands 2014/15		
Kent County Council	48,949,458	
Kent Police Authority	6,608,676	
Kent & Medway Towns Fire Authority	3,174,253	
Parishes	1,961,046	
Tonbridge and Malling Borough Council	8,421,156	69,114,589
Provision for Council Tax Non-Collection		469,000
Payments / (receipts) in respect of estimated surplus / (deficit) for 2013/14		
Kent County Council	456,769	
Kent Police Authority	61,673	
Kent & Medway Towns Fire Authority	29,622	
Tonbridge and Malling Borough Council	96,803	644,867
Total Expenditure for the Year		70,228,456
Estimated Surplus/(Deficit) for 2014/15		614,377

Allocation Of Estimated Surplus / (Deficit) 2014/15

	Precepts 2014/15		Surplus / (Deficit)
	£	%	£
Kent County Council	48,949,458	70.8236	435,124
Kent Police Authority	6,608,676	9.5619	58,746
Kent & Medway Towns Fire Authority	3,174,253	4.5928	28,217
Tonbridge & Malling Borough Council	10,382,202	15.0217	92,290
Total	69,114,589	100.0000	614,377

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Tonbridge and Malling Borough Council		
<u>Estimate Of Collection Fund Surplus/(Deficit) 2014/15 - Business Rates</u>		
	Estimate	
	£	£
<u>Income</u>		
Surplus / (Deficit) Brought Forward		(4,766,572)
Income from Business Rate Payers		53,978,662
Recovery of Prior Years Estimated Deficit		1,331,818
Total Income for the Year		50,543,908
<u>Expenditure</u>		
Demands for 2014/15 based upon NNDR 1 2014/15		
Kent County Council	4,771,199	
Kent & Medway Fire & Rescue Authority	530,133	
Tonbridge and Malling Borough Council	21,205,328	
Central Government	26,506,660	53,013,320
Allowance for Losses - Bad Debts		700,000
Allowance for Losses - Appeals		(352,000)
Cost of Collection Allowance		167,622
Transitional Protection Payments		3,192
Total Expenditure for the Year		53,532,134
Estimated Surplus/(Deficit) for 2014/15		(2,988,226)
<u>Allocation Of Estimated Surplus / (Deficit) 2014/15</u>		
	Allocation	Surplus / (Deficit)
	%	£
Kent County Council	9	(268,940)
Kent & Medway Fire & Rescue Authority	1	(29,882)
Tonbridge and Malling Borough Council	40	(1,195,290)
Central Government	50	(1,494,114)
Total	100	(2,988,226)

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Financial arrangements with Parish councils 2015/16

Parish council	Basic allocation £	Cemeteries & churchyards £	Footway lighting £	Total £
Addington	2,355	921	-	3,276
Aylesford	15,920	8,317	2,670	26,907
Birling	2,355	1,720	140	4,215
Borough Green	5,317	-	1,344	6,661
Burham	2,355	1,437	192	3,984
Ditton	7,138	1,065	-	8,203
East Malling & Larkfield	19,899	2,564	611	23,074
East Peckham	4,989	3,426	1,152	9,567
Hadlow	5,889	7,382	35	13,306
Hildenborough	7,356	2,198	105	9,659
Ightham	2,958	2,714	-	5,672
Kings Hill	9,587	-	-	9,587
Leybourne	5,006	766	332	6,104
Mereworth	2,355	2,156	-	4,511
Offham	2,355	771	-	3,126
Platt	2,461	2,102	367	4,930
Plaxtol	2,355	2,068	244	4,667
Ryarsh	2,355	838	419	3,612
Shipbourne	2,355	1,337	-	3,692
Snodland	14,797	12,033	2,426	29,256
Stansted	2,355	1,036	-	3,391
Trottscliffe	2,355	450	-	2,805
Wateringbury	2,982	4,685	698	8,365
West Malling	3,817	3,667	1,641	9,125
West Peckham	2,355	1,096	-	3,451
Wouldham	2,355	665	140	3,160
Wrotham	2,583	4,282	943	7,808
Total	138,959	69,696	13,459	222,114

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Parish council precepts

Precept for 2014/15 £	Parish council	Precept for 2015/16 £	Tax base	Amount per band D property £	Per band D variation %
18,595.67	Addington	18,594.68	376.03	49.45	0.0
166,714.20	Aylesford	166,525.96	3,903.65	42.66	(2.7)
7,200.00	Birling	8,772.00	197.70	44.37	18.5
139,355.00	Borough Green	143,334.00	1,460.74	98.12	1.0
18,242.37	Burham	18,516.02	441.40	41.95	(1.0)
195,081.40	Ditton	202,450.58	1,719.65	117.73	1.2
217,353.52	E. Malling & Larkfield	223,560.93	4,792.64	46.65	1.9
109,110.00	East Peckham	110,274.00	1,242.70	88.74	0.4
75,639.00	Hadlow	76,764.00	1,485.86	51.66	(0.8)
29,358.62	Hildenborough	32,178.55	2,145.25	15.00	9.2
94,866.00	Ightham	95,784.00	1,088.35	88.01	(0.1)
190,127.00	Kings Hill	215,938.00	3,739.48	57.75	9.0
103,328.00	Leybourne	112,139.00	1,475.71	75.99	0.0
10,775.19	Mereworth	10,861.11	409.29	26.54	0.4
16,408.98	Offham	16,408.98	370.97	44.23	1.9
48,600.00	Platt	51,100.00	846.06	60.40	5.3
23,490.00	Plaxtol	23,490.00	570.45	41.18	(0.5)
15,647.00	Ryarsh	14,287.60	266.51	53.61	0.0
8,481.00	Shipbourne	8,556.83	248.24	34.47	0.0
226,224.00	Snodland	235,677.00	3,352.46	70.30	1.5
15,223.00	Stansted	15,600.00	235.98	66.11	3.7
11,500.00	Trottiscliffe	11,500.00	262.72	43.77	0.2
64,214.77	Wateringbury	68,844.24	884.84	77.80	6.0
70,373.00	West Malling	71,780.00	1,088.72	65.93	(2.0)
2,987.00	West Peckham	2,998.00	173.93	17.24	(3.5)
24,981.00	Wouldham	27,381.00	485.54	56.39	0.2
57,170.06	Wrotham	59,813.00	794.87	75.25	2.4
1,961,045.78	Total	2,043,129.48	34,059.74		

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GENERAL FUND WORKING BALANCE
(Council tax increase 1.99%)

Balance at 1.4.2014	£1,250,000
	£1,250,000
Balance at 1.4.2016	£1,250,000

GENERAL REVENUE RESERVE

	£	£
Balance 1.4.2014		5,913,612
Less:-		
Budgeted to be met from Reserves	(1,076,850)	
Increase on Original Estimate	(80,150)	
		(1,157,000)
Estimated Balance at 1.4.2015		4,756,612
Contribution to Revenue Reserves 2015/16		73,550
		4,830,162
Estimated Balance at 31.3.2016		4,830,162

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GENERAL FUND WORKING BALANCE
(Council tax freeze)

Balance at 1.4.2014	£1,250,000
	<hr/>
Balance at 1.4.2016	£1,250,000
	<hr/>

GENERAL REVENUE RESERVE

	£	£
Balance 1.4.2014		5,913,612
Less:-		
Budgeted to be met from Reserves	(1,076,850)	
Increase on Original Estimate	(80,150)	
	<hr/>	(1,157,000)
		<hr/>
Estimated Balance at 1.4.2015		4,756,612
Contribution from Revenue Reserves 2015/16		(7,050)
		<hr/>
Estimated Balance at 31.3.2016		4,749,562
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**STATEMENT ON THE ROBUSTNESS OF THE ESTIMATES
AND THE ADEQUACY OF THE RESERVES**

Introduction

This statement is given in respect of the 2015/16 Budget Setting Process for Tonbridge and Malling Borough Council. I acknowledge my responsibility for ensuring the robustness of the estimates and the adequacy of the reserves as part of this process. The budget has been prepared within the context of a Medium Term Financial Strategy spanning a ten-year period.

The Strategy sets out the high level financial objectives the Council wishes to fulfil over the agreed time span. This includes achieving a balanced revenue budget by the end of the strategy period and to retain a minimum of £2m in the General Revenue Reserve by the end of the strategy period. The Strategy also sets out, based on current financial information, not only the projected budgets for the period, but also the levels of council tax that are projected to be required to meet the Council's spending plans.

By way of context, the Council has seen its general government grant, the Settlement Funding Assessment, fall by more than £3.3m or 50% over the five-year period 2011/12 to 2015/16 with further cuts expected in future years. To date, this has to a large extent been negated by the grant award under the New Homes Bonus scheme which in 2015/16 was around £3.1m.

Our concern has always been what happens when the New Homes Bonus scheme in its current form ceases or is replaced by something else, and the potential impact on the Council's finances.

For medium term financial planning purposes, it is assumed that there will be a phased withdrawal of the current New Homes Bonus scheme from 2016/17 onwards and that the model will be replaced with something else at a reduced level of funding for TMBC. Based on the above and an assumption about further cuts in grant funding in future years (amongst other things), latest projections point to a 'funding gap' between expenditure and income of circa £1.4m (council tax increase 1.99%) or £1.525m (council tax freeze) to be addressed over the medium term.

We believe our Medium Term Financial Strategy is resilient and the financial pressures likely to confront us can be addressed in a measured and controlled way. Clearly, the absolute size of the 'funding gap' will influence the timescales we afford ourselves to address the problem.

It can be seen the Council continues to face a significant financial challenge, but remains determined that the negative impact on service delivery and council tax increases are minimised, albeit some difficult choices will have to

be made. Management Team have committed to bringing forward a transformation strategy to assist in delivering the savings needed.

Robustness of Estimates

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 sits detailed estimates formulated in conjunction with Services taking into account past outturn, current spending plans and likely future demand levels / pressures.

Factors taken into account for the 2015/16 Budget Setting Process and in developing the Strategy are:

The Council's Aims and Priorities	The current set of seven Key priorities apply to 2012/15 and the Council is in the process of preparing a new Corporate Performance Plan which will be shaped by the continuing financial pressure faced by the Council.
Consultation with Non-Domestic Ratepayers	The Council consults representatives of its non-domestic ratepayers about its expenditure proposals who may make written representations if they deem it appropriate. No such representations have been received.
The level of funding likely from Central Government towards the costs of local services	Our Settlement Funding Assessment for 2015/16 is £3,678,599. This represents a cash decrease of £678,519 or 15.6% when compared to the equivalent figure of £4,357,118 in 2014/15. Included in the Settlement Funding Assessment is the parish councils' indicative allocation in respect of the council tax support scheme, however, it is not separately identified. We have assumed over the three years 2016/17 to 2018/19 that our overall government grant funding including New Homes Bonus will decrease by some £2.5m before rising by 2% each year thereafter.
New Homes Bonus	In 2011/12 the Government introduced a New Homes Bonus (NHB) scheme which would see councils receiving financial rewards for the delivery of new homes in their areas. For medium term financial planning purposes it is assumed that there will be a phased withdrawal of the current NHB scheme from 2016/17 and that the model will be replaced with something else at a reduced level of funding. Depending on how any replacement model allocates funding to individual local authorities there is a real risk that the Council could see its overall grant funding reduce by more than that currently forecast and reflected in the Medium Term Financial Strategy.
Business Rates	For medium term financial planning purposes we have assumed that the business rates baseline attributed to

	<p>TMBC is not notably different to the actual business rates income. If our actual income is less than the baseline set the authority will have to meet a share of that shortfall up to a maximum of circa £156,700 in 2015/16. This figure increases each year in line with inflation.</p>
Council Tax Base	<p>The recommended Council Tax Base for 2015/16 is 46,900.52 band D equivalents with an expectation that this will increase by 3,550 over the strategy period, averaging slightly fewer than 400 per year.</p>
Local Referendums to Veto Excessive Council Tax Increases	<p>The Secretary of State will determine a limit for council tax increases which for 2015/16 has been set at 2.0% or more including levies. If an authority proposes to raise council tax above this limit they will have to hold a referendum to get approval for this from local voters who will be asked to approve or veto the rise. Due regard has been taken of the guidelines issued by the Secretary of State. The latest iterations of the Medium Term Financial Strategy assume for 2015/16 a 1.99% increase in council tax or council tax freeze and thereafter a 3% increase year on year.</p>
The Prudential Code and its impact on Capital Planning	<p>Tonbridge and Malling is a debt-free authority and projections suggest that recourse to borrowing to fund capital expenditure is unlikely before 2019/20. A key objective of the Prudential Code is to ensure, within a clear framework, the capital investment plans of local authorities are affordable, prudent and sustainable.</p>
The Council's Capital Strategy and Capital Plan	<p>Other than funding for the replacement of our assets which deliver services as well as recurring capital expenditure, there is now an annual capital allowance for all other capital expenditure. That allowance is set at £320,000 (maximum) whilst the Council has sufficient funding in its capital reserves.</p>
Treasury Management	<p>A Treasury Management Strategy Statement and Investment Strategy is adopted by the Council each year as required by the Local Government Act 2003 as part of the budget setting process. The Strategy sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. Council adopted the December 2009 edition of the CIPFA Treasury Management Code of Practice and Cross-Sectoral Guidance Notes on 18 February 2010 and due regard has also been given to subsequent revisions in preparing the Treasury Management Strategy Statement and Annual Investment Strategy for 2015/16.</p>
Interest Rates	<p>Interest returns on the Council's 'core funds' have been set at 1.0% in 2015/16 rising gradually to 4.5% over the medium term. In setting these rates due regard has been taken of the interest rate forecasts of the Council's</p>

	<p>independent Treasury Adviser, Capita Services. To put this into context, 0.25 of a percentage point would currently generate investment income on our 'core funds' of about £38,500. Conversely, a dip in investment returns would have a negative impact on the Council's budget. The Council has chosen to retain a minimum of £2m in its General Revenue Reserve in order to deal with, amongst other things, interest rate volatility.</p>
Adequacy of Reserves	<p>At the beginning of 2015/16, we anticipate that the General Revenue Reserve balance will be £4.8m. The Adequacy of Reserves is discussed in more detail below.</p>
Pay and Price Inflation	<p>The estimates provide for a 1% pay award in 2015/16 and 1.5 % in 2016/17 and 2017/18 and 2% in subsequent years. Estimates reflect price inflation of 2.5% on contractual commitments in 2015/16 and a general uplift of 2% year on year in subsequent years.</p>
Fees and Charges	<p>As has been the practice for a number of years now the objective has been to maximise income, subject to market conditions, opportunities and comparable charges elsewhere.</p>
Emerging Growth Pressures and Priorities	<p>The projections within the Medium Term Financial Strategy include all known and quantified priorities and growth pressures that we are aware of at the present time. New priorities and growth pressures will undoubtedly emerge over the period and in consequence, the Strategy will be updated at least annually.</p>
Financial Management	<p>The Council's financial information and reporting arrangements are sound and its end of year procedures in relation to budget under / overspends clear. Collection rates for council tax and NNDR remain good. Our external auditor (Grant Thornton UK LLP) following the 2014 audit concluded that the Council continues to have a strong focus on effective financial management, with a robust medium term planning framework and well established processes for budget monitoring; and there is an effective framework to address financial pressures and to deliver planned savings.</p>
Insurance Arrangements and Business Continuity	<p>Risks identified via the preparation of Service / Section Risk Registers have wherever possible been reduced to an acceptable level. Any remaining risk has been transferred to an external insurance provider. In addition, specific arrangements are in place to ensure the continuity of business in the event of both major and minor disruptions to services. As insurance premiums are reactive to the external perception of the risks faced by local authorities and to market pressures, both risks and excess levels are kept under constant review. The Council recognises that not all risks are financial; and takes into account all risks when making decisions.</p>

Corporate Governance and Risk Management	The Council has adopted a Corporate Governance Code based upon the requirements of the CIPFA/SOLACE Corporate Governance framework. This incorporates Risk Management and the Council has committed itself to a Risk Management Strategy involving the preparation of Risk Registers for each Service area at operational and strategic levels.
Equality Impact Assessments	Adjustments to revenue budgets where there are deemed to be equality issues a separate equality impact assessment has or will be undertaken at the appropriate time. In addition, an equality impact assessment is undertaken and reported to Members prior to commencement of a new capital plan scheme.
Partnership Working	The Council is working in partnership with its neighbouring councils with the aim of not only delivering savings through joint working, but also to improve resilience and performance.
Government Led Initiatives / Proposals	Continued public sector finance cuts; Welfare Reform and cessation of the administration of housing benefits over a transitional period in the lead up to the introduction of Universal Credit; the sustainability of the NHB scheme and what will follow; the ongoing impact of the localisation of council tax support; the business rates retention scheme; and proposals to transfer the Land Charges function to HM Land Registry and to devolve the setting of planning fees will impact on the Council's finances in-year and over the medium to longer term. The increased volatility and uncertainty attached to a number of these issues is such that financial planning is becoming increasingly difficult with the increased risk of significant variances compared to projections. As a result we will need to closely monitor the impact of these issues on the Council's finances at regular intervals.
Savings Initiatives	The Council has a significant challenge ahead in respect of delivering savings over the medium term. Projected savings of circa £1.4m will be needed should a council tax increase for 2015/16 of 1.99% be approved. Those savings will increase to £1.525m should the council tax freeze grant be accepted. It should also be noted depending on what happens to NHB a further savings tranche/s could be required. The Council is able to break these savings down into "tranches" to enable more measured steps to be taken in securing these savings. In the coming months, options to deliver a further tranche/s of the required savings will need to be considered, agreed and actioned. In addition, the Management Team will continue to seek efficiency savings in the delivery of existing services.

These assumptions and changing circumstances will require the Strategy to be reviewed and updated at least annually.

Adequacy of Reserves

The minimum prudent level of reserves that the Council should maintain is a matter of judgement. It is the Council's safety net for unseen or other circumstances. The minimum level cannot be judged merely against the current risks facing the Council as these can and will change over time. The objective is to retain a minimum of £2 million in the General Revenue Reserve by the end of the strategy period and given below are areas of operational and financial risk (not exhaustive) considered in determining the appropriate minimum level.

- Interest Rate volatility
- Income volatility
- Change to Government Grant including New Homes Bonus
- Localisation of council tax support
- Business rates retention scheme and associated volatility of income
- Planning Inquiries
- Partnership Working
- Emergencies
- Economic and world recession
- Poor performance on Superannuation Fund
- Bankruptcy / liquidation of a major service partner
- Closure of a major trading area, e.g. leisure centre for uninsured works
- Problems with computer systems causing shortfall or halt in collection performance
- Government Legislation
- Ability to take advantage of opportunities
- Uninsured risks

Clearly, the minimum General Revenue Reserve balance needs to and will be kept under regular review. The General Revenue Reserve balance at 31 March 2025 is estimated to be £3.216m (council tax increase 1.99%) or £3.324m (council tax freeze) with the Council working to a balanced budget.

In addition, a number of Earmarked Reserves exist to cover items that will require short-term revenue expenditure in the near future.

The Revenue Reserve for Capital Schemes is established to finance future capital expenditure. A funding statement illustrates that recourse to borrowing to fund capital expenditure is unlikely before 2019/20. The Revenue Reserve for Capital Schemes balance at 31 March 2021 is estimated to be £1.2m.

A schedule of the reserves held by the Council at 1 April 2014 and proposed utilisation of those reserves to 31 March 2016 is provided in Annex 17 Table A (council tax increase 1.99%) and Annex 17 Table B (council tax freeze).

Balances held generate interest receipts which support, underpin and contribute towards meeting the objectives of the Strategy.

Opinion

I am of the opinion that the approach taken in developing the 2015/16 budget meets the requirements contained in the Local Government Act 2003 to ensure the robustness of the estimates and the adequacy of the reserves.

Signed: 

Date: 12 February 2015

Director of Finance and Transformation, BSc (Hons) CPFA

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RESERVES ESTIMATE 2015/16

(Council tax increase 1.99%)

Annex 17 - Table A

Description	Balance as at	Estimated Contribution		Estimated	Estimated Contribution		Estimated
	1 April 2014	From	To	Balance as at	From	To	Balance as at
	£	£	£	£	£	£	£
General Revenue Reserve	5,913,612	1,157,000		4,756,612		73,550	4,830,162
Revenue Reserve for Capital Schemes	7,502,883	1,676,000	390,000	6,216,883	1,869,000	789,000	5,136,883
Building Repairs Reserve	17,278	715,450	750,000	51,828	459,700	500,000	92,128
Earmarked Reserves							
Democratic Representation	28,901	5,000		23,901			23,901
Special Projects	378,153	116,600	700,000	961,553	5,900		955,653
Local Development Framework	106,066	30,000	40,000	116,066	30,000	40,000	126,066
Election Expenses	106,513	2,200	25,000	129,313	133,000	25,000	21,313
Planning Inquiries	53,623	35,000		18,623	18,600		23
Tonbridge Town Centre	149,314	22,850		126,464			126,464
Training & IiP Accreditation	30,000			30,000			30,000
Road Closures	10,000			10,000			10,000
Supporting People	54,300			54,300			54,300
Community Enhancement Fund	260,976	230,000		30,976			30,976
Invest to Save	104,353	1,900		102,453			102,453
High Street Innovation Fund	100,000	27,350		72,650			72,650
Housing & Welfare Reform	26,255	9,450		16,805			16,805
Tonbridge and Malling Leisure Trust	200,000			200,000			200,000
Housing Assistance	150,000			150,000			150,000
Business Support Scheme	250,000	222,000		28,000			28,000
Flood Recovery & Defence	176,000	65,550		110,450			110,450
Business Rates Retention Scheme	1,500,000	400,000		1,100,000	1,100,000		0
Public Health	17,093			17,093			17,093
	3,701,547	1,167,900	765,000	3,298,647	1,287,500	65,000	2,076,147
Total	17,135,321	4,716,350	1,905,000	14,323,971	3,616,200	1,427,550	12,135,321

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RESERVES ESTIMATE 2015/16

Annex 17 - Table B

(Council tax freeze)

Description	Balance as at	Estimated Contribution		Estimated	Estimated Contribution		Estimated
	1 April 2014	From	To	Balance as at	From	To	Balance as at
	£	£	£	£	£	£	£
General Revenue Reserve	5,913,612	1,157,000		4,756,612	7,050		4,749,562
Revenue Reserve for Capital Schemes	7,502,883	1,676,000	390,000	6,216,883	1,869,000	789,000	5,136,883
Building Repairs Reserve	17,278	715,450	750,000	51,828	459,700	500,000	92,128
Earmarked Reserves							
Democratic Representation	28,901	5,000		23,901			23,901
Special Projects	378,153	116,600	700,000	961,553	5,900		955,653
Local Development Framework	106,066	30,000	40,000	116,066	30,000	40,000	126,066
Election Expenses	106,513	2,200	25,000	129,313	133,000	25,000	21,313
Planning Inquiries	53,623	35,000		18,623	18,600		23
Tonbridge Town Centre	149,314	22,850		126,464			126,464
Training & IiP Accreditation	30,000			30,000			30,000
Road Closures	10,000			10,000			10,000
Supporting People	54,300			54,300			54,300
Community Enhancement Fund	260,976	230,000		30,976			30,976
Invest to Save	104,353	1,900		102,453			102,453
High Street Innovation Fund	100,000	27,350		72,650			72,650
Housing & Welfare Reform	26,255	9,450		16,805			16,805
Tonbridge and Malling Leisure Trust	200,000			200,000			200,000
Housing Assistance	150,000			150,000			150,000
Business Support Scheme	250,000	222,000		28,000			28,000
Flood Recovery & Defence	176,000	65,550		110,450			110,450
Business Rates Retention Scheme	1,500,000	400,000		1,100,000	1,100,000		0
Public Health	17,093			17,093			17,093
	3,701,547	1,167,900	765,000	3,298,647	1,287,500	65,000	2,076,147
Total	17,135,321	4,716,350	1,905,000	14,323,971	3,623,250	1,354,000	12,054,721

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Tonbridge & Malling Borough Council
(Council tax increase 1.99%)

**Calculation of Council Tax Requirement for the year 2015/16
which includes sums required to meet Parish Council Precepts**

Draft Resolution

That the following amounts be now calculated by the Council for the year 2015/16 in accordance with Section 31A of the Local Government Finance Act 1992:-

		£	
(a)	Aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) N.B. This includes Parish Precepts	86,790,639	
(b)	Aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) N.B. This includes Local Government Finance Settlement	75,953,209	
(c)	Calculation under Section 31A (4), being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above	----- 10,837,430 -----	

Memorandum:-

	£	
Borough Council	8,794,301	
Parish Council Precepts	2,043,129	
Total	----- 10,837,430 -----	

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Tonbridge & Malling Borough Council
(Council tax freeze)

**Calculation of Council Tax Requirement for the year 2015/16
which includes sums required to meet Parish Council Precepts**

Draft Resolution

That the following amounts be now calculated by the Council for the year 2015/16 in accordance with Section 31A of the Local Government Finance Act 1992:-

		£	
(a)	Aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) N.B. This includes Parish Precepts	86,717,089	
(b)	Aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) N.B. This includes Local Government Finance Settlement	76,051,309	
(c)	Calculation under Section 31A (4), being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above	----- 10,665,780 -----	

<u>Memorandum:-</u>	
	£
Borough Council	8,622,651
Parish Council Precepts	2,043,129

Total	10,665,780 -----

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TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

12 February 2015

Report of the Chief Executive, Director of Finance and Transformation, Leader of the Council and Cabinet Member for Finance, Innovation and Property

Part 1- Public

Matters for Recommendation to Council

1 SETTING THE COUNCIL TAX 2015/16

This report takes Cabinet through the process of setting the level of Council Tax for the financial year 2015/16 and seeks Cabinet's recommendations.

1.1 Introduction

1.1.1 The legislative framework for the setting of Council Tax is Chapter III of the Local Government Finance Act 1992. Section 30 requires that for each financial year and for each category of dwelling in its area, a billing authority shall set an amount of Council Tax.

1.1.2 The amount set will be the aggregate of the amount set by the billing authority under Sections 31A and 36 of the Act and the amounts set by major precepting authorities under Sections 42A, 42B and 45 to 47 of the Act.

1.2 Amounts of Council Tax to be set by the Billing Authority

1.2.1 The process is that, having determined the billing authority's tax requirement, this sum is initially divided by the tax base to determine the overall level of tax, inclusive of Parish Precepts for the billing authority. The tax base for 2015/16 is set out at **[Annex 1]** for information.

1.2.2 The resultant figure represents an average charge within the Borough for both Borough and Parish Council requirements. As part of the statutory process, this average is recorded on the Council's council tax resolution, which we refer to later. As Cabinet is aware, however, the average charge does not apply to any of the areas within the Borough other than by coincidence. In order to calculate the levels of tax for each of the areas within the Borough, it is necessary to determine the basic level of Council Tax that will apply to the whole of the Borough, and then calculate the additional charges relating to particular areas (i.e. parishes). This process determines the tax for Band D properties in each of those areas.

- 1.2.3 The tax for the full range of Band A to H properties is then established by using the ratios for each of the Bands as they relate to Band D. The relevant statutory ratios are as follows:

Table 1 - Band Ratio Relative to Band D

Band	Ratio to Band D
A	6/9
B	7/9
C	8/9
D	9/9
E	11/9
F	13/9
G	15/9
H	18/9

- 1.2.4 The level of tax set by the major precepting authorities, Kent County Council, The Police & Crime Commissioner for Kent and the Kent & Medway Fire & Rescue Authority, is then added to establish the overall tax for each band in each part of the area.

1.3 Kent County Council / The Police & Crime Commissioner for Kent / Kent & Medway Fire & Rescue Precepts

- 1.3.1 At the time of writing, none of the major precepting authorities has determined its respective precept for 2015/16.
- 1.3.2 The Police & Crime Commissioner for Kent precept and level of Council Tax was considered at a meeting on 3 February and await confirmation of the outcome.
- 1.3.3 Kent County Council's Cabinet meeting took place on 28 January, at which a recommendation concerning its precept was made. The County Council's full Council meeting to confirm the precept is to be held on 12 February.
- 1.3.4 The Kent & Medway Fire & Rescue Authority's precept and level of Council Tax is due to be agreed on 13 February.

1.4 Draft Resolution

- 1.4.1 Attached at **[Annex 2]** is a draft resolution which seeks to identify for Cabinet the processes which have to be undertaken to arrive at the levels of Council Tax applicable to each part of the Borough. The parts in bold type seek to explain each calculation.
- 1.4.2 Members will be aware that it is usual for us to prepare, at this point, a draft resolution incorporating the anticipated council tax figures for the borough council and the parishes. However, this year, given the debate that needs to take place regarding the merits (or otherwise) of a freeze in council tax as opposed to an increase, we have agreed that it would not be appropriate to replicate this.
- 1.4.3 Instead, the resolution itself incorporating the Borough Council's budget and Parish Council precept information and council tax levels for all major precepting authorities will be presented to the meeting of the Council on 17 February 2015.

1.5 Legal Implications

- 1.5.1 There are a number of legislative requirements to consider in setting the Budget which will be addressed as we move through the budget cycle.
- 1.5.2 The Localism Act introduced a requirement for council tax referendums to be held if an authority increases its relevant basic amount of council tax in excess of principles determined by the Secretary of State and approved by the House of Commons.

1.6 Financial and Value for Money Considerations

- 1.6.1 As set out above.

1.7 Risk Assessment

- 1.7.1 The Local Government Act 2003 requires the Chief Financial Officer, when calculating the 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 various 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 guidance on assumptions obtained where appropriate.
- 1.7.2 Under the provisions of the Localism Act, any increase in the relevant basic amount of council tax above the principles, however small, will require a referendum to be held which is a risk in itself.

1.8 Equality Impact Assessment

1.8.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.9 Recommendations

1.9.1 Cabinet is asked to **note** the resolution, and **make recommendations to** full Council as appropriate.

Background papers:

contact: Sharon Shelton
Neil Lawley

Nil

Julie Beilby
Chief Executive

Sharon Shelton
Director of Finance and Transformation

Nicolas Heslop
Leader of the Council

Martin Coffin
Cabinet Member for Finance, Innovation and Property

COUNCIL TAX - TAX BASE FOR 2015/16

Parish	Tax Base
	Band D Equivalents
ADDINGTON	376.03
AYLESFORD	3,903.65
BIRLING	197.70
BOROUGH GREEN	1,460.74
BURHAM	441.40
DITTON	1,719.65
EAST MALLING & LARKFIELD	4,792.64
EAST PECKHAM	1,242.70
HADLOW	1,485.86
HILDENBOROUGH	2,145.25
IGHTHAM	1,088.35
KINGS HILL	3,739.48
LEYBOURNE	1,475.71
MEREWORTH	409.29
OFFHAM	370.97
PLATT	846.06
PLAXTOL	570.45
RYARSH	266.51
SHIPBOURNE	248.24
SNODLAND	3,352.46
STANSTED	235.98
TROTTISCLIFFE	262.72
WATERINGBURY	884.84
WEST MALLING	1,088.72
WEST PECKHAM	173.93
WOULDHAM	485.54
WROTHAM	794.87
TONBRIDGE	12,840.78
TOTAL	46,900.52

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COUNCIL TAX**DRAFT RESOLUTION**

Blank version of the Council Tax Resolution (except for Band D equivalents). Explanatory text is provided in Bold Italics.

1. It be noted that on 17th February 2015 the Council calculated:
- (a) the Council Tax Base 2015/16 for the whole Council area as 46,900.52 [Item T in the formula in Section 31B(1) of the Local Government Finance Act 1992, as amended (the "Act")] and,
- (b) for dwellings in those parts of its area to which a Parish precept relates as follows:

Addington	376.03
Aylesford	3,903.65
Birling	197.70
Borough Green	1,460.74
Burham	441.40
Ditton	1,719.65
East Malling & Larkfield	4,792.64
East Peckham	1,242.70
Hadlow	1,485.86
Hildenborough	2,145.25
Ightham	1,088.35
Kings Hill	3,739.48
Leybourne	1,475.71
Mereworth	409.29
Offham	370.97
Platt	846.06
Plaxtol	570.45
Ryarsh	266.51
Shipbourne	248.24
Snodland	3,352.46
Stansted	235.98
Trottscliffe	262.72
Wateringbury	884.84
West Malling	1,088.72
West Peckham	173.93
Wouldham	485.54
Wrotham	794.87

2. £ X,XXX,XXX being the Council Tax requirement for the Council's own purposes for 2015/16 (excluding Parish Precepts). [Item R in the formula in Section 31B(1) of the Local Government Finance Act 1992 (as amended)].

Explanatory Notes

1(a) This figure represents the council tax base expressed in Band D equivalents for the whole Tonbridge and Malling area.

1(b) These figures represent the tax base expressed in Band D equivalents for each parish.

The tax base for the whole borough and for each area (Parish) as determined by the Council's Chief Financial Officer.

2 This figure represents the amount of council tax required to support the Council's revenue budget for the year.

3. That the following amounts be calculated for the year 2015/16 in accordance with Sections 31 to 36 of the Act:

- (a) £ XX,XXX,XXX being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
- (b) £ XX,XXX,XXX being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £ XX,XXX,XXX being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B(1) of the Act).
- (d) £ XXX.XX being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £ X,XXX,XXX being the aggregate amount of all special items (Parish precepts). [Item S in Section 34(3) of the Act].
- (f) £ XXX.XX being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

(g) <u>Part of the Council's area</u>	£
Addington	XX.XX
Aylesford	XX.XX
Birling	XX.XX
Borough Green	XX.XX
Burham	XX.XX
Ditton	XX.XX
East Malling & Larkfield	XX.XX
East Peckham	XX.XX
Hadlow	XX.XX
Hildenborough	XX.XX
Ightham	XX.XX
Kings Hill	XX.XX
Leybourne	XX.XX
Mereworth	XX.XX
Offham	XX.XX
Platt	XX.XX
Plaxtol	XX.XX
Ryarsh	XX.XX
Shipbourne	XX.XX
Snodland	XX.XX
Stansted	XX.XX
Trottscliffe	XX.XX
Wateringbury	XX.XX
West Malling	XX.XX
West Peckham	XX.XX
Wouldham	XX.XX
Wrotham	XX.XX

being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

Explanatory Notes

- 3(a) The Council's gross expenditure including parish precepts and any deficit on the Collection Fund brought forward.**
- 3(b) The Council's gross income including the amount of NNDR and Revenue Support Grant the Council will receive, plus any surplus on the Collection Fund brought forward.**
- 3(c) The council tax requirement including parish precepts.**
- 3(d) The council tax requirement including parish precepts divided by the tax base from 1(a) to give the basic amount of Council Tax. (N.B. This is an average inclusive of parish precepts for the area).**
- 3(e) The total amount of all parish precepts.**
- 3(f) The basic Council Tax excluding parish precepts, i.e. the basic Council Tax in the unparished area.**
- 3(g) The amounts of Council Tax which are set for the parished parts of the borough to meet both borough and parish requirements.**

(h)

Valuation Bands

<u>Part of the</u>	A	B	C	D	E	F	G	H
<u>Council's area</u>	£	£	£	£	£	£	£	£
Tonbridge	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Addington	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Aylesford	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Birling	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Borough Green	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Burham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Ditton	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
East Malling & Larkfield	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
East Peckham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Hadlow	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Hildenborough	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Ightham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Kings Hill	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Leybourne	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Mereworth	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Offham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Platt	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Plaxtol	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Ryarsh	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Shipbourne	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Snodland	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Stansted	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Trottscliffe	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Wateringbury	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
West Malling	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
West Peckham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Wouldham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Wrotham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX

being the amounts given by multiplying the amounts at 3(f) and 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

Explanatory Notes

3(h) The amounts of Council Tax set for each part of the borough, to meet both borough and parish requirements.

4. That it be noted that for the year 2015/16 The Police & Crime Commissioner for Kent, the Kent & Medway Fire & Rescue Authority and the Kent County Council have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

<u>Precepting Authority</u>	<u>Valuation Bands</u>							
	A £	B £	C £	D £	E £	F £	G £	H £
The Police & Crime Commissioner for Kent	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Kent & Medway Fire & Rescue Authority	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Kent County Council	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX

5. That, having calculated the aggregate in each case of the amounts at 3(h) and 4. above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2015/16, for each of the categories of dwellings shown below:

<u>Part of the Council's area</u>	<u>Valuation Bands</u>							
	A £	B £	C £	D £	E £	F £	G £	H £
Tonbridge	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Addington	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Aylesford	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Birling	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Borough Green	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Burham	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Ditton	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
East Malling & Larkfield	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
East Peckham	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Hadlow	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Hildenborough	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Ightham	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Kings Hill	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Leybourne	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Mereworth	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Offham	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Platt	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Plaxtol	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Ryarsh	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Shipbourne	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Snodland	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Stansted	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Trottscliffe	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Wateringbury	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
West Malling	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
West Peckham	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Wouldham	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Wrotham	XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX

Explanatory Notes

4 The Council Tax set by The Police & Crime Commissioner for Kent, Fire Authority and KCC for each band.

5 The total Council Tax the Borough Council sets for each band in each part of the borough, inclusive of the KCC, KMFRA, The Police & Crime Commissioner for Kent, borough and parish requirement.