

# TONBRIDGE AND MALLING BOROUGH COUNCIL

## CABINET

Thursday, 13th February, 2014

**Present:** Cllr N J Heslop (Chairman), Cllr Mrs J A Anderson,  
Cllr J A L Balcombe, Cllr O C Baldock, Cllr M A Coffin,  
Cllr Mrs M F Heslop, Cllr B J Luker, Cllr Mrs S Murray and  
Cllr M R Rhodes

Councillors P F Bolt, D J Cure, R D Lancaster, Miss A Moloney, A G Sayer, Mrs E A Simpson and A K Sullivan were also present pursuant to Access to Information Rule No 22.

### PART 1 - PUBLIC

#### **CB 14/25 DECLARATIONS OF INTEREST**

There were no declarations of interest made in accordance with the Code of Conduct.

### MATTERS FOR RECOMMENDATION TO THE COUNCIL

#### **CB 14/26 SETTING THE BUDGET FOR 2014/15**

The joint report of the Chief Executive and Director of Finance and Transformation updated the Cabinet on issues relating to the setting of the Budget for 2014/15 together with the outcome of the examination of the draft Revenue Estimates and the Capital Plan review process undertaken by the Finance, Innovation and Property Advisory Board and the Overview and Scrutiny Committee. It was noted that the Revenue Estimates as presented had been endorsed.

A more detailed supplementary report prepared in liaison with the Leader and Cabinet Member for Finance, Innovation and Property was circulated in advance of the meeting. It highlighted adjustments made to the 2013/14 revised estimates in respect of small business rate relief under the Business Rates Retention scheme and to the Capital Plan in respect of the funding of Disabled Facilities Grants and Housing Assistance. The report examined the situation in relation to the Medium Term Financial Strategy (MTFS) and gave details of the necessary procedure to be followed in order to set the budget for 2014/15.

The report explained the components of the funding allocation in the final local government settlement published on 5 February 2014. The Director of Finance and Transformation updated the position arising from the Government's offer of a council tax 'freeze' grant in 2014/15

(equivalent to a 1% increase in council tax) and the way in which the approach appeared to differ from that in previous years by building the funding into the spending review base line.

Members were advised of the Secretary of State's announcement that the referendum threshold had been set at 2% (including levies) for 2014/15 resulting in a 'trigger point' of 1.99%. It was noted that the summary total for the 2014/15 estimates would be affected by the Council's decision on whether or not to accept the 'freeze' grant and thus the level of overall savings needing to be made.

Attention was drawn to recommendations from Advisory Boards regarding the levels of fees and charges to be implemented from 1 April 2014 which had been incorporated in the draft estimates. Members were reminded of the approach to preparation of the Capital Plan, an updated summary of which was set out at Annex 7 to the report.

The report then described the remaining procedure to be followed in setting the budget for 2014/15 and calculating the council tax. Consideration was given to the updated MTFS based on a council tax increase of 1.99% (the upper limit for referendum purposes) and a council tax freeze. The Cabinet also deliberated on the most appropriate guidance to offer the Council as to the way forward for updating the MTFS for the next ten year period and setting the council tax for 2014/15. Finally, the Director of Finance and Transformation explained the basis on which the statement as to the Robustness of the Estimates and Adequacy of the Reserves had been made.

Members recorded their thanks to the Director of Finance and Transformation and colleagues for all their work in bringing forward the budget in the current challenging circumstances and against the backdrop of the flooding emergency.

**RECOMMENDED:** That

(1) the Capital Plan be updated as set out in paragraph 1.5.12 of the report as follows and adopted accordingly:

(i) the position of the existing Capital Plan (List A) as summarised in Annex 3 to the report be approved;

(ii) the schemes detailed in Annex 4 to the report be added to List C or deleted from List C as indicated;

(iii) the selection of those schemes listed in Annex 5 to the report for evaluation over the coming year be approved;

(iv) the transfer to the Capital Plan (List A) of the schemes detailed in Annex 6 to the report be approved and in the case of the river wall, Wouldham scheme a specific earmarked reserve be established in the

sum of £700,000 and this scheme sit outside the annual allowance for £320,000 with an implementation date for capital plan purposes of 2015/16;

(v) in the current year 2013/14 the sum of £60,000 be added to the Disabled Facilities Grant budget and be funded by way of an equivalent decrease in the Housing Assistance budget;

(vi) the updated Capital Plan (List A) as summarised in Annex 7 of the report be approved;

(2) the Capital Strategy as presented to the Finance, Innovation and Property Advisory Board on 8 January and the Overview and Scrutiny Committee on 28 January 2014 be endorsed and adopted by the Council;

(3) the prudential indicators listed in paragraphs 1.6.4 and 1.6.8 of the report be adopted;

(4) for the financial year 2014/15 the Council's Minimum Revenue Provision be endorsed as nil, as set out at paragraph 1.6.11 of the report;

(5) the updates to the Medium Term Financial Strategy, as set out at Annexes 11a and 11b to the report, based on a council tax increase of 1.99% and council tax freeze respectively be noted;

(6) the third objective in the Medium Term Financial Strategy be amended to read: "Seek to set future levels of council tax having regard to the guidelines issued by the Secretary of State";


(7) the Council be recommended to approve a council tax increase of 1.99% as the best way forward in updating the Medium Term Financial Strategy for the next ten-year period and setting the council tax for 2014/15; and

(8) the Statement provided by the Director of Finance and Transformation as to the Robustness of the Estimates and the Adequacy of the Reserves be noted and endorsed.

#### **CB 14/27 SETTING THE COUNCIL TAX FOR 2014/15**

The joint report of the Chief Executive, Director of Finance and Transformation, Leader of the Council and Cabinet Member for Finance, Innovation and Property set out the requirements under the Local Government Finance Act 1992 for a billing authority to set an amount of council tax for each category of dwelling in its area. Members were advised of the position concerning the determination of their respective precepts for 2014/15 by the major precepting authorities.

Consideration was given to a draft resolution identifying the processes to be undertaken in arriving at the levels of council tax applicable to each part of the Borough. Reference was made to the debate that needed to take place regarding the relative merits of a freeze in council tax as opposed to an increase. Accordingly, the resolution and information regarding the precepts of the other authorities would be reported to the full Council on 18 February 2014.

**RECOMMENDED:** That the resolution be noted and the Council be recommended to approve a 1.99% increase in council tax for 2014/15. 

**CB 14/28 EXCLUSION OF PRESS AND PUBLIC**

There were no items considered in private.

The meeting ended at 8.39 pm