

TONBRIDGE & MALLING BOROUGH COUNCIL

PARISH PARTNERSHIP PANEL

15 February 2018

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 BOROUGH COUNCIL BUDGET 2018/19

Information on the Borough Council's budget preparations for 2018/19.

1.1 Introduction

1.1.1 The Cabinet is due to meet on 8 February 2018 to discuss the Budget for 2018/19, and the level of Council Tax. The report can be found at item 8 on the Cabinet agenda published online [here](#) .

1.1.2 The report not only looks at the 2018/19 Budget, but sets it within a 10 year context of our Medium Term Financial Strategy. Aligned to this is the Council's Savings and Transformation Strategy which sets a framework for delivering savings.

1.2 2018/19 Budget and Council Tax

1.2.1 In terms of 2018/19, the Council is due to see a further reduction in its Settlement Funding Assessment (the core funding from Government) cumulating into a decrease, by 2018/19, of some 23% since the start of the 4 year settlement. Fortunately, the Council's New Homes Bonus Allocation for the year will be better than expected due to exceptional delivery of new homes, so the additional funding over expectation will negate some of the loss in the Settlement Funding Assessment.

1.2.2 The Secretary of State announced that for shire district councils, a referendum will be triggered when council tax is increased by 3%, or more than 3% and more than £5. The Secretary of State advised that he was increasing the threshold in 2018/19 in order to recognise the current levels of inflation.

1.2.3 The Budget papers prepared for Cabinet assume that the option to levy a council tax with an increase of up to 3% will be taken up. If this is the case and Cabinet agree to recommend this to Full Council, the Borough Council's published (notional) level of council tax will be £203.42 at Band D; an increase of £5.91 per annum on last year's council tax (which is actually a 2.99% increase).

- 1.2.4 It should be noted that the published council tax figure is made up of both general expenses and special expenses, and as previously explained at the Panel meetings, the special expenses will vary from area to area (see table at **Annex 1**).
- 1.2.5 Some parished areas have no special expenses levy at all. The 'average' special expenses figure at Band D is £15.69, but this is heavily skewed towards the Tonbridge area.
- 1.2.6 Every resident in the borough will pay the **general expenses levy**, which at Band D will be **£187.73** (assuming that this amount is recommended by Cabinet and then adopted by Council). The Borough Council's council tax levy would (if approved) therefore look like this:

General Expenses at Band D	£187.73
Special Expenses at Band D (average)	<u>£15.69</u>
Total published (notional) Band D	<u>£203.42</u>

1.3 Continued Need to deliver Savings

- 1.3.1 The Budget for 2018/19 is set in the context of a 10 year plan, and in order to deliver the objectives of that plan we calculate that savings of circa £1.0m are still required to be found. Since the Savings and Transformation Strategy was adopted in 2016 we have already found £1.8m (details are in the budget report referenced earlier).
- 1.3.2 The plan assumes that we will break the target of £1.0m down into three parts ('tranches') of broadly £350k in each of the next 3 years.
- 1.3.3 The Savings and Transformation Strategy sets out the broad areas where the Council anticipates savings might be found. The Strategy is structured around themes which are:
- Income Generation & Cost Recovery
 - In-Service Efficiencies
 - Service Change & Reduction
 - Contracts
 - Organisation Structure Change
 - Partnership Funding
 - Asset Management

1.3.4 Looking ahead, and reflecting on where the bulk of savings have been made so far, the Cabinet is now being recommended to focus more heavily on the themes of 'Contracts' and 'Service Change and Reduction' as we move forward.

1.4 2018/19 Council Tax Bills

1.4.1 Full Council is due to meet on 20 February to set the Borough Council's budget and council tax.

1.4.2 It is intended to start the despatch of bills around 14th March. Bills are posted in batches so residents can receive them at different times.

Background papers:

contact: Sharon Shelton

Nil

Sharon Shelton
Director of Finance & Transformation

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