

TONBRIDGE & MALLING BOROUGH COUNCIL
FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

07 January 2015

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 CHANCELLOR'S AUTUMN STATEMENT 2014

This report highlights the main issues relevant to us within the Chancellor's Autumn Statement.

1.1 Introduction

1.1.1 The Chancellor presented his Autumn Statement to the House of Commons on 3 December 2014.

1.1.2 Detailed below are some of the specific financial issues relevant to TMBC within the Autumn Statement

1.2 Overview

1.2.1 Public Sector Expenditure is set to fall at the same rate as between 2010/11 and 2014/15 until 2018. It is then forecast to increase by inflation in 2018/19 and beyond.

1.2.2 The Government aims to find a further £10bn of efficiency savings by 2017/18. The programme will be led by the Cabinet Office and key areas of focus will be IT procurement and the digital uptake of public services.

1.2.3 Travel expenses paid to councillors are to become exempt from income tax and employee national insurance contributions from April 2015 on approved mileage allowance payment rates.

1.2.4 Business Rates – a number of announcements were made in respect of business rates (see also the Council Tax and NNDR update report elsewhere on the agenda).

- A cap of 2% will be applied to the Business Rate Multiplier for 2015/16.
- The current doubling of Small Business Rate Relief will continue in 2015/16.

- The discounts applied to small and medium retailers announced in 2013 will be increased from £1,000 to £1,500.
- All of these should be revenue neutral to the authority as we will be compensated for any losses via a section 31 grant as in previous years.
- The government will carry out a review of the future structure of business rates. This will be reported by Budget 2016. It will also publish its interim findings on the review of business rate administration by December 2015. The review is intended to be revenue neutral and “consistent with the government’s financing for local authorities”

1.2.5 Flood Defences - £17m has been earmarked by the Government for flood defences in Tonbridge and the surrounding area.

1.3 Medium Term Financial Strategy

1.3.1 In terms of the Medium Term Financial Strategy, the Autumn Statement only serves to reinforce that the ever increasing pressure on the Council’s finances will continue into the medium term.

1.4 Legal Implications

1.4.1 None.

1.5 Financial and Value for Money Considerations

1.5.1 As set out above.

1.6 Risk Assessment

1.6.1 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.

Background papers:

Nil

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