

# TONBRIDGE & MALLING BOROUGH COUNCIL

## CABINET

13 February 2024

### Supplementary Report of the Interim Chief Executive, Director of Finance and Transformation, Leader of the Council and Cabinet Member for Finance and Housing

#### Part 1- Public

#### Matters for Recommendation to Council

#### 1 SETTING THE BUDGET 2024/25 (SUPPLEMENTARY)

The substantive report was published prior to receipt of the Final local government finance settlement. This supplementary report advises Members of the funding for TMBC through the final settlement and recommends how the balance should be allocated. In addition, Members are notified of a new requirement to produce a 'productivity plan'.

#### Dashboard/ Key Points

- **FINAL** local government finance settlement 2024/25 received on 5 February 2024. This is more than the provisional settlement (*upon which the substantive report 'Setting the Budget 2024/25' is based*) by some £175,850.
- Final Settlement accompanied by the need for all councils to supply a productivity plan by parliamentary summer recess (July 2024)
- Recommended that the additional £175,850 is transferred to the earmarked 'Transformation Reserve'.

#### 1.1 Introduction

1.1.1 The Final local government finance settlement was released on 5 February 2024, after the publication of the substantive report 'Setting the Budget 2024/25'.

1.1.2 In most years in the past the final settlement has differed only marginally (or not differed at all) from the provisional settlement. On this occasion the difference is more significant and is accompanied by a new requirement for all councils.

## 1.2 Final Settlement 2024/25

- 1.2.1 Total grant funding for the year 2024/25 as shown in the table below is now £5,989,446 compared to £5,813,597 in the provisional settlement (see paragraph 1.1.12 of the substantive report). **This represents an increase of £175,850 (rounded) compared to the provisional settlement.**

	2024/25 Provisional £	2024/25 Final £
Local Share of Business Rates (baseline)	2,509,032	2,509,032
Revenue Support Grant	146,419	146,419
<b>Settlement Funding Assessment</b>	<b>2,655,451</b>	<b>2,655,451</b>
<b>New Homes Bonus</b>	<b>343,373</b>	<b>343,373</b>
<b>Under-indexing of the Business Rates Multiplier</b>	<b>464,291</b>	<b>464,291</b>
<b>Services Grant</b>	<b>14,648</b>	<b>16,071</b>
<b>Funding Guarantee</b>	<b>2,335,834</b>	<b>2,510,260</b>
<b>Total Grant Funding</b>	<b>5,813,597</b>	<b>5,989,446</b>

- 1.2.2 The final settlement was accompanied by a letter from the Secretary of State, Michale Gove MP, which is attached at **[Annex A]** for Members' information.
- 1.2.3 Members will note from the letter that all councils will now be required to prepare and submit a productivity plan. Quoting directly from the letter:

*“As part of our efforts to return the sector to sustainability in the future, we are also asking local authorities to develop and share productivity plans. These plans will set out how local authorities will improve service performance and reduce wasteful expenditure, for example on consultants or discredited equality, diversity and inclusion programmes. The Government will monitor these plans, and funding settlements in future will be informed by performance against these plans.*

*My Department will work with the local government sector on the approach to producing these plans. The plans should be short and draw on work councils have already done, identifying ways to unlock productivity improvements and setting out the key implementation milestones.*

*Plans should be published by July 2024 before the House rises for the summer recess. They must be agreed by Council Leaders and members and published on local authority websites, together with updates on progress”*

- 1.2.4 Members will note from the above that the plans will need to have been prepared, approved and submitted by July 2024.
- 1.2.5 The letter goes on to explain that the plans should include the following:

- 1) transformation of services to make better use of resources;
- 2) opportunities to take advantage of advances in technology and make better use of data to inform decision making and service design;
- 3) ways to reduce wasteful spend within systems, including specific consideration of expenditure on consultants ; and
- 4) Barriers ('red tape') preventing activity that the Government can help to reduce or remove.

1.2.6 Bearing in mind that much of the above revolves around '**transformation**', one of the core Council values set out in the Corporate Strategy, it would seem appropriate to transfer this additional funding of £175,850 to the earmarked Transformation reserve and we therefore **recommend** accordingly.

1.2.7 Assuming this is supported, the 'General Fund Revenue Estimates 2024/25 Summary' listed as Annex 13 on the substantive report will be replaced by that set out at **[Annex B]**.

### **1.3 Legal Implications**

1.3.1 The Council will be required to submit a productivity plan by July 2024.

### **1.4 Financial and Value for Money Considerations**

1.4.1 Additional funding of £175,850 will be transferred to the Transformation Reserve if Members support the recommendation.

### **1.5 Risk Assessment**

1.5.1 Risks are set out in the substantive report.

### **1.6 Equality Impact Assessment**

1.6.1 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.

### **1.7 Recommendations**

1.7.1 Cabinet is **RECOMMENDED** to:

- 1) Note the additional funding of £175,850 allocated through the Final Local Government Finance Settlement;
- 2) Endorse the transfer of this additional funding to the earmarked Transformation Reserve; and
- 3) Note the new requirement to submit a productivity plan by July 2024.

Background papers:

Nil

contact: Sharon Shelton  
Paul Worden

Adrian Stanfield  
Interim Chief Executive

Sharon Shelton  
Director of Finance and Transformation

Matt Boughton  
Leader of the Council

Kim Tanner  
Cabinet Member for Finance and Housing