

## **REVENUE ESTIMATES 2025/26**

### **Item OS 25/5 referred from Overview and Scrutiny Committee of 23 January 2025**

The report of the Director of Finance and Transformation and the Cabinet Member for Finance and Housing referred to the responsibility of the Cabinet under the Constitution for formulating initial draft proposals in respect of the Budget and explained that, under the Budget and Policy Framework, one of the responsibilities for the Overview and Scrutiny Committee was to scrutinise the draft Estimates and, where appropriate, make recommendations to Cabinet.

In preparing the Estimates, due regard had been given to the Corporate Strategy and particular consideration given to the need to address a number of key issues including the provision of cost-effective temporary accommodation, the regeneration of Tonbridge, climate change initiatives, transformation to improve efficiency and effectiveness and delivery of the Local Plan.

Other financial considerations included a Settlement Funding Assessment (SFA) for one year only as a result of the recent announcement of a wider Local Government Finance Review due to start in Spring 2025, no further legacy payments for the New Homes Bonus Scheme, under-indexing of the Business Rates Multiplier and an additional grant (Funding Floor) to balance the core spending needs of the Borough Council. Total grant funding for 2025/26 was £5,530,915 which represented a decrease of 8.5% when compared to that received in 2024/25. However, the announcement of a new 'polluter pays' grant meant that the budget position for 2025/26 was positive and options in respect of contributions to the reserves would be presented to Cabinet when finalising the budget.

Attention was also drawn to the ability for district councils to increase council tax up to 3%, or £5 whichever was greater. However, the future financial position remained uncertain and difficult to determine due to the current economic conditions and the lack of detail in respect of future funding arrangements. It was also anticipated that the Local Government Finance Review would focus on local deprivation factors, as well as need and resources, and Tonbridge and Malling Borough Council were not expected to fair well under this review.

In addition, the recent announcement in respect of 'devolution' and local government reorganisation could bring significant changes in due course. At this point given the relatively uncertainty, financial planning continued in the normal way. The risk would be added to the Strategic Risk Register.

Careful consideration was given to the Revised Estimates for 2023/24 and the draft Estimates for 2025/26 (attached at Annex 1) within the context of the Medium-Term Financial Strategy (MTFS) and the Council's priorities. Variations were detailed in Annex 1 and at 9.2 and 10.2 of the report. Members sought clarification and reassurance on a number of areas including the waste contract, the future of recycling credits from Kent County Council, the provision of leisure facilities and the future of the Anti-Social Behaviour (ASB) Enforcement Team. In response, the Committee noted that the level of service in respect of the waste contract was high, the Borough Council would continue to receive recycling incentives until the end of the current agreement with Kent County Council, the Leisure Trust provided a good service at value for money and a funding model for the continuation of the ASB Enforcement Team was being explored.

Finally, to support scrutiny of the Revenue Estimates information had been provided as to whether a service was mandatory or discretionary (attached at Annex 2) and this was welcomed by Members.

In closing, the Committee recorded appreciation to the Accountancy Team for their significant contribution in preparing the estimates for consideration.

**\*RECOMMENDED:** That the Revenue Estimates as drafted (attached at Annex 1) be endorsed for consideration by Cabinet at its special meeting on 11 February 2025.

**\*Recommended to Cabinet**