

<b>Council Meeting</b>	
<b>Meeting Date</b>	21 February 2024
<b>Report Title</b>	Budget and Council Tax for 2024/25
<b>EMT Lead</b>	Lisa Fillery, Director of Resources
<b>Head of Service</b>	Claire Stanbury, Head of Finance and Procurement
<b>Lead Officer</b>	Lisa Fillery, Director of Resources Claire Stanbury, Head of Finance and Procurement
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That members note the Director of Resources opinion on the robustness of the budget estimates and the adequacy of reserves.</li> <li>2. That minute number 604 of the Policy and Resources committee on 7 February 2024 on the report on the Medium Term Financial Plan and the 2024/25 revenue and capital budgets be approved.</li> <li>3. That the resolutions contained in Appendix I be approved.</li> <li>4. That in accordance with the proposals contained within SI 2014 No. 165 that a recorded vote be taken on the 2024/25 Budget and Council Tax.</li> </ol>

## 1 Purpose of Report and Executive Summary

- 1.1 At their meeting on 7 February 2024, Policy and Resources Committee recommended the 2024/25 Revenue Budget, the Capital Programme for 2024/25 to 2027/28, and the Medium Term Financial Plan (MTFP) for 2024/25.
- 1.2 The purpose of this report is for the Council to approve the Council Tax Requirement, Revenue Budget and Capital Programme, and Council Tax for the year 2024/25 as set out in the report to the Policy and Resources Committee on 7 February 2024, subject to any amendments, and to approve the Council Tax Resolutions set out in Appendix I.
- 1.3 This report reflects the latest information available for the preceptors at the time of writing (12 February 2024). Should there be any changes to these, members will be informed.

## 2 Background

- 2.1 As part of the 2024/25 budget setting process, the Policy and Resources Committee first received a report on the budget proposals for 2024/25 and an update on the Medium Term Financial Plan on 29 November 2023. The draft budget, following public consultation, was then considered again by Policy and Resources Committee on 7 February 2024.
- 2.2 The final settlement published on 5 February 2024 confirmed the grants from Central Government, and this was verbally communicated to Policy and Resources committee at the February meeting. There is an increase in grants of £179k, being £3k on services grant and £176k on the funding guarantee grant. The impact of this is a reduction in the proposed use of reserves to balance the budget for 2024/25, to £370k.
- 2.3 KCC's proposed budget for 2024/25 was published on 9 February and includes a proposal to end waste enabling payments payable to this council in 2024/25 of £297k. If this position is agreed as part of KCC's budget at their meeting on 19 February this will increase the budget gap for Swale to £667k.
- 2.4 The impact of the increased grant and the proposal included within KCC's budget report is illustrated as follows:

	2024/25 Budget as at P&R 7 Feb 2024	Additional Grant funding	Loss of waste enabling payments	2024/25 Revised budget position
	£'000	£'000	£'000	£'000
Net budget	<b>24,373</b>		<b>297</b>	<b>24,670</b>
Drainage Board	1,000			<b>1,000</b>
Contribution to Reserves	15			<b>15</b>
Use of Business Rates Pool Reserve	(855)			<b>(855)</b>
<b>Budget gap/use of reserves</b>	<b>(549)</b>	179	<b>(297)</b>	<b>(667)</b>
				<b>0</b>
<u>Funding</u>				<b>0</b>
Revenue Support Grant	(338)			<b>(338)</b>
Business Rates - Gross	(11,736)			<b>(11,736)</b>
New Homes Bonus	(674)			<b>(674)</b>
Services Grant	(27)	(3)		<b>(30)</b>
Funding Guarantee Grant	(1,100)	(176)		<b>(1,276)</b>
<b>Council Tax requirement</b>	<b>10,109</b>	<b>0</b>	<b>0</b>	<b>10,109</b>

### 3 Proposals

- 3.1 In accordance with Section 25 of the Local Government Act 2003 the Council's Section 151 Officer is required to report formally to the Council on the robustness of the estimates and the adequacy of the reserves. It should be noted that Section 26 of the Act gives the Secretary of State power to set a minimum level of reserves for which an authority must provide in setting its budget. The Section 151 Officer (the Director of Resources), in accordance with the Local Government Act 2003, hereby has confirmed her opinion that the 2024/25 budget submitted is robust and that the reserves are reasonable given an assessment of risks. The medium term savings requirement will need to be addressed in 2024/25 with a robust savings plan to reduce the reliance on the use of reserves to balance future years' budgets as it is not sustainable to continue to rely on significant transfers from reserves to support the base budget position. The 2023/24 half yearly budget monitoring position that was reported to this committee in November detailed the reduction in the estimated use of reserves for the current year. This reduction in the planned use of reserves for 2023/24 improves the balance of reserves held to support future years, but does not address the underlying need to deliver ongoing savings. The budget report to Policy and Resources committee on 7 February 2024 set out the background to this opinion.
- 3.2 All councils have to provide the Government with a forecast for their business rates to be collected for the forthcoming financial year (NNDR1), which has a statutory deadline of 31 January. For 2024/25 the Council is part of the Kent Business Rate Pool and the NNDR1 forms for the other Pool authorities are being collated and any significant changes will be reported to members as part of the monitoring reports during 2024/25.
- 3.3 The Town and Parish Council Precepts for 2024/25 are detailed in Appendix I and total £1,955,342. The increase in the average Band D Council Tax for parished areas is 11.58% and results in the average Band D Council Tax for parishes of £57.99 for 2024/25.
- 3.4 As well as its own Council Tax, Swale Borough Council collects on behalf of the other 'precepting authorities', i.e. Kent County Council, the Kent and Medway Fire and Rescue Authority, and the Kent Police and Crime Commissioner.
- 3.5 At the time of writing this report, Kent and Medway Fire and Rescue Authority were due to meet on 20 February 2024. This report is based upon a precept of £4,528,573 which results in a Band D Council Tax of £89.91 (2.99% or £2.61 increase).
- 3.6 The Police and Crime Panel met on 6 February 2024 to consider the budget proposals from the Kent Police and Crime Commissioner. The decision was for a precept of £12,901,725 which results in a Band D Council Tax of £256.15 (5.35% or £13.00 increase).

- 3.7 Kent County Council are due to meet on 19 February 2024 and set their precept. This report is based upon a precept of £81,133,540 resulting in a Band D Council Tax of £1,610.82 (4.992% or £76.59 increase including the Adult Social Care precept).
- 3.8 Appendix II provides more detail on the calculation of the Council Tax requirement and a summary of the calculation of Band D Council Tax.
- 3.9 Appendix III is the Budget report submitted to Policy and Resources committee on 7 February 2024.

## 4 Alternative Options Considered and Rejected

- 4.1 Do nothing – this is not recommended as the Council is legally required to set a balanced budget.

## 5 Consultation Undertaken or Proposed

- 5.1 The budget proposals were reported to Policy and Resources Committee on 29 November 2023.
- 5.2 An online budget consultation exercise took place from 30 November 2023 to 3 January 2024, the results of which were reported to Policy and Resources committee on 7 February 2024.

## 6 Implications

Issue	Implications
Corporate Plan	The budget proposals support the achievement of the Council’s corporate priorities.
Financial, Resource and Property	The report sets out the Council’s resourcing position.
Legal, Statutory and Procurement	The Council is required to set a Council Tax and a balanced budget.
Crime and Disorder	Any potential implications will be addressed by service managers in their budget proposals.
Environment and Climate/Ecological Emergency	The proposals support the Climate Change and Ecological motion previously agreed.
Health and Wellbeing	Any potential implications will be addressed by service managers in their budget proposals.

Safeguarding of Children, Young People and Vulnerable Adults	Any potential implications will be addressed by service managers in their budget proposals.
Risk Management and Health and Safety	Any potential implications will be addressed by service managers in their budget proposals.
Equality and Diversity	Any potential implications will be addressed by service managers in their budget proposals.
Privacy and Data Protection	Any potential implications will be addressed by service managers in their budget proposals.

## **7 Appendices**

- 7.1 The following documents are to be published with this report and form part of the report:
- Appendix I: Council Tax Resolutions
  - Appendix II: (i) Council Tax Requirement 2024/25  
(ii) Calculation of Band D Council Tax 2024/25
  - Appendix III: Budget report to Policy and Resources Committee 7 February 2024

## **8 Background Papers**

- 8.1 As detailed in the budget report to the Policy and Resources committee on 7 February 2024.