

13 February 2025 at 7.00 pm

Council Chamber, Argyle Road, Sevenoaks

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Cabinet

Supplementary Agenda

	Pages	Contact
10. Budget and Council Tax Setting - Updated Appendices C, E and F	(Pages 1 - 8)	Adrian Rowbotham Tel: 01732 227153



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	Budget 2024/25	Plan 2025/26	Plan 2026/27	Plan 2027/28	Plan 2028/29	Plan 2029/30	Plan 2030/31	Plan 2031/32	Plan 2032/33	Plan 2033/34	Plan 2034/35
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net Service Expenditure											
Net Service Expenditure c/f	18,533	19,445	20,257	19,916	20,431	20,741	21,199	21,664	22,159	22,896	23,571
Inflation	1,679	497	575	584	595	606	615	625	638	648	658
Superannuation Fund deficit	0	0	50	0	0	0	0	0	0	0	0
Net growth/(savings) (approved in previous yrs)	(768)	(1,511)	(294)	2	(93)	(150)	75	(111)	90	18	0
New growth	0	2,182	(572)	29	(92)	102	(125)	81	109	109	109
New savings/Income	0	(356)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Net Service Expenditure b/f	19,445	20,257	19,916	20,431	20,741	21,199	21,664	22,159	22,896	23,571	24,238
Financing Sources											
Govt Support: Rolled in grants	(198)	(220)	0	0	0	0	0	0	0	0	0
: Funding Guarantee	(1,548)	0	0	0	0	0	0	0	0	0	0
: Funding Floor		(1,047)	0	0	0	0	0	0	0	0	0
: Lower Tier Services Grant	0	0	0	0	0	0	0	0	0	0	0
: Services Grant	(16)	0	0	0	0	0	0	0	0	0	0
: Employers NI increase	0	(171)	(412)	(420)	(428)	(437)	(446)	(455)	(464)	(473)	(482)
New Homes Bonus	0	0	0	0	0	0	0	0	0	0	0
Council Tax	(12,768)	(13,304)	(13,890)	(14,500)	(14,988)	(15,489)	(16,006)	(16,535)	(17,079)	(17,564)	(18,061)
Business Rates Retention	(3,228)	(3,609)	H	(3,282)	(2,598)	(2,629)	(2,660)	(2,714)	(2,769)	(2,825)	(2,882)
Collection Fund Deficit/(Surplus)	0	(353)	0	0	0	0	0	0	0	0	0
Interest Receipts	(532)	(532)	(500)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)
Property Investment Strategy Income	(1,724)	(1,711)	(1,736)	(1,736)	(1,736)	(1,736)	(1,736)	(1,736)	(1,736)	(1,736)	(1,779)
Contributions to/(from) Reserves	(712)	524	398	398	398	398	398	398	370	331	148
Total Financing	(20,726)	(20,423)	(19,393)	(19,940)	(19,752)	(20,293)	(20,850)	(21,442)	(22,078)	(22,667)	(23,456)
Budget Gap (surplus)/deficit	(1,281)	(167)	523	491	989	906	814	717	818	904	782
Cont. to/(from) Stabilisation Reserve (in 24/25 budget)	1,281	(317)	(581)	(777)	(773)	(710)	(866)	(811)	(926)	(1,025)	0
Cont. to/(from) Stabilisation Reserve (25/26 budget changes)	0	483	58	286	(216)	(196)	52	94	108	121	(782)
Cumulative 25/26 budget changes: surplus/(deficit)											8

Assumptions	
Business Rates Retention:	Baseline Funding Level' is the main basis. Also 'Updated safety net and underindexing compensation' is included until 27/28. Business Rates Retention Pool income is included for 25/26 only.
Council Tax:	2.99% in 25/26 to 27/28, 2% in later years
Council Tax Base:	Increase of 617 Band D equivalent properties in 2025/26 (including 400 for premiums already included) and 730 per annum in later years
Interest Receipts:	£532,000 in 25/26, £500,000 in 26/27 and £400,000 in later years. Based on reducing interest rates and available balances.
Property Investment Strategy:	£1.711m in 25/26, £1.736m from 26/27 to 33/34, £1.779m from 34/35
Pay award:	2% in all years
Other costs:	2.25% in all years
Income:	2.5% in all years.

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Changes		2025/26 Impact £000	10-year Budget Total Impact £000	10-year Budget Per Annum Impact £000	Comments
Growth/Additional Expenditure					
10-year budget rolled on to 2034/35		0	916	91	Year 11 in the last 10-year budget becomes year 10 in the current 10-year budget.
Savings target built into budget		100	1,000	100	Annual savings assumption included in the 10-year budget.
2023/24 outturn: unfunded overspend		126	126	13	2023/24 overspend funded from Budget Stabilisation Reserve which now needs to be reimbursed.
Business Rates increase for council owned properties		36	360	36	Impact of re-rating of council owned properties.
Members Allowances		17	170	17	Increase in the number of members receiving Special Responsibility Allowances.
Asset maintenance of council properties		40	400	40	Additional asset maintenance is required on council properties.
FINANCIAL PROSPECTS REPORT: NET TOTAL		319	2,972	297	
Service Change Impact Assessments (SCIA) - presented to Advisory Committees					
	SCIA No.				
Economic Dev. - Swanley Meeting Point	R1	90	90	9	Reduction in income targets
Dev. Mgt. - Income	R4	200	200	20	Reduction in income achieved through Planning Application Fee Income
Dev. Mgt. - Ecology impact work	R4	26	260	26	Increase in the cost of advice from KCC
Dev. Mgt. - Local Development Plan	R5	180	540	54	Additional work now likely to be required on the Local Plan.
Dev. Mgt. - Increased software costs	R6	60	600	60	Increased Software Costs used to supply the service
Env. Health - Kennel contract	R7	15	150	15	New contract due in August 2025 and associated fees
Housing - Homelessness/Temporary Accommodation	R10	200	200	20	Demands on the homelessness service can vary depending on customer need, Government funding and Government policy change
Finance - Financial management system	R11	148	1,228	123	Upgrade to a cloud version of the finance system
Finance - External audit fees	R12	100	1,000	100	Following a national tender exercise
Direct Services - Reusable recycling bags	R13	40	400	40	Replenishment of reusable recycling bags and a small supply of clear sacks
Leisure - new leisure contract	R16	430	1,646	165	Contract for two leisure centres and the golf course. Separate report presented to CGAC, Cabinet and Council
SCIA Sub Total		1,489	6,314	632	
Manager Approved Changes					
Leisure - White Oak Leisure Centre		(116)	(1,160)	(116)	£1.9m additional borrowing not required to fund final scheme
Manager Approved Changes Sub Total		(116)	(1,160)	(116)	
Corporate Changes					
April 2024 pay award		(71)	(770)	(77)	Actual award is £1,290 or 2.5%. Average increase of 3.87% which is less than the 4% assumption
National Insurance employers increase		404	4,421	442	Govt announced in budget on 30/10/24
National Insurance employers increase: assume fully funded by Govt (1/3)		(404)	(4,421)	(442)	Letter from MHCLG stated that the increase would be funded but no details or clarification have yet been received.
Govt Settlement: Funding Guarantee (1/2)		(1,523)	(1,523)	(152)	Funding is expected to continue for one year
Govt Settlement: Services Grant (1/2)		(16)	(16)	(2)	

Changes	2025/26 Impact £000	10-year Budget Total Impact £000	10-year Budget Per Annum Impact £000	Comments	
Council Tax: Referendum limit	(129)	(1,505)	(151)	Referendum limit is expected to continue at the higher of 3% or £5 for one year (previously assumed at 2%)	
Business Rates Retention	(391)	(344)	(34)	Updated for latest estimates	
Business Rates Retention: Pool	(196)	(196)	(20)	The pool is expected to continue for one year	
Council Tax Base (1/2)	101	1,103	110	Band D increase assumption reduced from 730 to 326 for one year	
Interest receipts	(50)	(500)	(50)	Review of current rates and starting to charge capital schemes when funded by internal borrowing	
Corporate Changes Sub Total	(2,275)	(3,751)	(376)		
BUDGET UPDATE REPORT TO CABINET ON 12/12/24: NET TOTAL	(583)	4,375	437		
Corporate Changes					
Council Tax Base (2/2)	33	367	37	Reduced for actual Band D increase (Tax Base report to Cabinet on 16/01/25)	
Fees and Charges	(13)	(130)	(13)	Above previous assumption following detailed review (Fees & Charges report to FIAC on 07/01/25)	
Govt Settlement: Services Grant (2/2)	16	16	2	Grant has been discontinued from 2025/26.	
Govt Settlement: Funding Guarantee (2/2)	1,523	1,523	152	Replaced by 'Funding Floor'.	
Govt Settlement: Funding Floor	(1,047)	(1,047)	(105)	Replaced 'Funding Guarantee'.	
Govt Settlement: Rolled in Grants	(220)	(220)	(22)	Continued in 2025/26.	
Business Rates Retention	(4)	(4)	0	Minor adjustment to estimate.	
National Insurance employers increase: estimate based on Govt terminology (2/3)	207	207	21	Estimate for 2025/26 only, further details due in the Final Govt settlement in Jan/Feb.	
Corporate Changes Sub Total	495	712	72		
BUDGET UPDATE REPORT TO CABINET ON 16/01/25: NET TOTAL	(88)	5,087	509		
Service Change Impact Assessments (SCIA) - presented to Cabinet					
	SCIA No.				
Communications - In Shape Magazine	18	(12)	(120)	(12)	Reduction in number of issues
Property & Commercial - Tourism	21	(15)	(150)	(15)	Reduction in operational spending
All services - Management Structure	24	(200)	(2,000)	(200)	Reduction
Council Tax	25	0	(2,656)	(266)	Increased assumption for 2026/27 and 2027/28
Business Rates Retention	26	0	(1,432)	(143)	Increased assumption for 2026/27 and 2027/28
Finance - Treasury Management	27	(50)	(500)	(50)	Increased assumption for Interest Receipts
SCIA Sub Total	(277)	(6,858)	(686)		
Corporate Changes					
Local Government Reorganisation (1/2)	212	2,120	212	Set up new budget	
Collection Fund surplus	(353)	(353)	(35)	This councils share of the estimated Collection Fund surplus at 31/03/25	
Final Govt Settlement: National Insurance employers increase (3/3)	26	26	3	Actual amount of £197,000 will only fund 49% of the £404,000 expected cost	
Local Government Reorganisation (2/2)	(3)	(30)	(3)	Reduced to offset line above	
Corporate Changes Sub Total	(118)	1,763	177		

Changes	2025/26 Impact £000	10-year Budget Total Impact £000	10-year Budget Per Annum Impact £000	Comments
BUDGET AND COUNCIL TAX SETTING REPORT: NET TOTAL				
	(483)	(8)	0	

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<u>Summary of Council Expenditure & Council Tax</u>	2024/25 Budget Net Expenditure £000	2025/26 Budget Net Expenditure £000		
Service expenditure before Support Services and Capital Charges including trading accounts (see Appendix E)	19,662	20,474		
Capital Charges and Support Services charged outside the General Fund	(217)	(217)		
Sub Total	<u>19,445</u>	<u>20,257</u>		
Non allocated expenditure: Collection Fund adjustment	<u>0</u>	<u>0</u>		
Net Service Expenditure excluding capital charges	19,445	20,257		
Govt Support: Rolled in Grants	(198)	(220)		
Govt Support: Services Grant	(15)	0		
New Homes Bonus	0	0		
Funding Guarantee	(1,384)	0		
Funding Floor	0	(1,047)		
Employers NI Increase	0	(171)		
Council Tax Requirement - Sevenoaks DC	(12,768)	(13,304)		
Business Rates Retention	(3,228)	(3,609)		
Collection Fund Deficit / (Surplus)	0	(353)		
Grant & Council Tax income	<u>(17,593)</u>	<u>(18,704)</u>		
Net Expenditure after Grant & Council Tax, before interest	1,852	1,553		
Less: Interest and Investment income	(532)	(532)		
Less: Property Investment Strategy Income	(1,724)	(1,711)		
Amount to be met from/(to) Reserves	<u>(404)</u>	<u>(691)</u>		
Contributions (to) / from reserves:				
Earmarked Reserves				
Capital	(148)	(148)		
Budget Stabilisation	(1,011)	(515)		
Pension fund valuation	(28)	(28)		
Financial Plan	783	0		
Net Zero Transition	0	0		
Planned contribution from General Fund Reserve	0	0		
	<u>(404)</u>	<u>(691)</u>		
Taxbase	2024/25 52,395 £	2024/25 52,395 £		
Council Tax @ Band D	243.72	251.01		
Council Tax Summary (Band D Charge)			% Change	% Share
Kent County				
Kent Fire				
Kent Police				
Sevenoaks District				
Average Town/Parish	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0</u>

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