

2023/24  
BUDGET  
CONSULTATION  
SUMMARY DOCUMENT

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ASHFORD BOROUGH COUNCIL



## The draft budget

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Each December Ashford Borough Council proposes a draft budget that looks ahead to the next financial year, which runs from 1 April to 31 March. It gives both the national and local context in which the borough council's budget is set and, as you would expect of a democratic organisation, asks residents, businesses and parishes for feedback on the proposals put forward by the council's finance team and cabinet members.

The draft budget for the financial year 2023/24 was presented to the council Cabinet members and approved for consultation. This report can be viewed online for the meeting dated 24 November 2022.

The final budget will be available online in February and is a long and complicated document which can make it a challenging read. However, this level of detail is necessary to ensure every detail about our finances is included in the interests of full transparency.

To ensure our finances are accessible to all, we produce this summary document so that residents, businesses and other organisations can still make an informed comment on our proposals. Please take the time to read this summary version before responding with your views using the contact details at the back of the document.

Please remember, if you don't tell us about your concerns then we're not able to consider them.

## The future

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In 2019 we embarked on a comprehensive study to inform our next Corporate Plan, envisaging that this would be developed and adopted during 2020. As our work with stakeholders was coming to a conclusion the coronavirus pandemic forced the country into lockdown in March 2020. Our Recovery Plan was developed to focus our work towards enabling a timely recovery from the pandemic, supporting residents, communities and local business.

Our Corporate Plan 2022-2024 continues this journey and looks ahead, with renewed vigour, to realise the Ashford Ambition that was developed with a wide range of local stakeholders for a vibrant, caring and sustainable borough.

The plan has three themes, which came from the residents' survey in February 2020 – Green Pioneer; Caring Ashford and Targeted Growth. Our ambitions is to work towards creating a greener and more resilient Ashford borough for the future.

## Green Pioneer

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The need to live more sustainably and tread lightly on the planet is becoming increasingly urgent as the consequences of climate change and environmental degradation become more apparent.

Our aim is for homes and buildings to be as energy efficient as possible and cheaper to heat, for more energy to come from renewable sources and fewer local car journeys are made as opportunities to cycle, walk and use public transport increase.

We also aim to increase biodiversity through efforts such as managing our parks sympathetically, planting more trees and championing the creation of wetland parks. In providing habitats for wildlife and creating attractive outdoor spaces for leisure and recreation we hope to encourage residents and visitors to spend more time outside, enjoying the benefits nature has to health and wellbeing.

Reducing demand on finite resources by making careful choices about what we buy, increasing the longevity of products and recycling help to keep products and materials in use we hope to embrace the concepts of the circular economy.

We continue to improve our recycling rates and are consistently the best council for recycling in the county. We want to be a borough free of litter, where everyone takes responsibility for minimising the amount of waste they produce.

## Caring Ashford

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Health and happiness are essential to making Ashford a good place to live where communities support each other.

Every community needs a range of homes, affordable to local people and offering suitable accommodation for single people, couples and families. This, together with well-planned local services, from shops and schools to health and leisure facilities, community spaces, parks and green areas that are easy and safe to access are vital to everyone's health and wellbeing.

We will work with other partners to make sure that local people are equipped with the skills and knowledge to take up new opportunities as existing businesses adapt and new businesses establish in the borough. The local college and education providers will be instrumental in improving educational attainment for young people. Access to a range of initiatives to increase life-long learning will help local people seek positive change for themselves improving social inclusion and employability.

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The pioneering One You shop has engaged many local people through education and information, alongside personal support to improve their health. Working with partners in health and social care we will work with communities to identify what are the main health issues in their area and what can be put in place to enable local people to lead healthier, happier lives.

The borough has a rich and varied heritage and is home to the internationally acclaimed Jasmin Vardimon Dance Company and the award winning Revelation St Marys. Our rural areas, nestled in the heart of the Garden of England, play host to local and nationally renowned events such as the Tenterden Folk Festival. Cultural events and local activities can act as a catalyst to galvanise community spirit, having a long lasting impact that brings communities together, increasing tolerance, respect and understanding in a friendly and fun environment.

## Targeted Growth

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Increasing productivity by attracting creative and innovative industries to establish themselves in the borough alongside growing and strengthening the visitor economy are key drivers to good employment and increasing the skills and knowledge base of local people.

Ashford has grown its business base by attracting inward investment to the borough. Building on this success we will support existing and new business to thrive with a focus on green, sustainable businesses. There are several exciting new projects already in the pipeline, including Newtown Works and a new headquarters for Brompton.

Fast, reliable digital connectivity across the whole borough is critical for businesses and residents to trade and access services. We will work with providers to improve telecommunication infrastructure with gigabit capable broadband and improved mobile coverage and reliability.

We will continue to develop business networks and partnerships and support opportunities for business to develop and increase local employment in rural areas.

The borough has stunning countryside with charming villages and is ideally placed to be the location of choice from which to explore further afield in the county, London or nearby continent. The growing wine industry is attracting increased visitor numbers and spend to the area, making the borough a 'year round' visitor destination with quality visitor experiences.



Town centres around the country are having to adapt to changing consumer habits and the impact of cost of living pressures affecting some retail and hospitality sectors. Working with business and residents we need to understand what is commercially viable and what attracts people into the town to ensure our town centres are lively, safe places where people of all ages live, work and visit and come together to enjoy events and activities.

The Corporate Plan will be delivered through a number of funding streams. Projects and resourcing which form part of the current establishment will be funded from the existing revenue budget. Projects outside of the existing budget can be funded in a number of ways:

**For commercial or “invest to save” projects, at least costs recovered – these can be funded from borrowing (the council could choose to fund from a reserve fund).**

For corporate projects that do not generate savings or an income can be funded from one of the following funds:

**Climate Change Delivery Fund - £1.9m available – the project will need to contribute to the reduction of Carbon in the Ashford Borough**

**Improvement Delivery Fund - £3m available – for other projects that will have a focus on delivering projects in the more deprived areas as well as further afield in the borough.**

## New developments for 2023/24

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On top of our day to day services like collecting your waste and providing affordable housing that the Council focuses on. We also try to create a positive environment which improves the prosperity of local residents through creating jobs and providing a nice place to live. Our Super Six corporate projects will support this.

Developments like the Ashford International Studios and Brompton Bike Headquarters are likely to bring exciting investment and employment opportunities. The South of Ashford Garden Community will bring much needed quality housing while phase two of the Ashford College will bring more education, training and skills benefits to students and local businesses. Meanwhile finding a solution to the Stodmarsh mitigation issues and supporting our Town Centre high streets are of national importance.

Alongside this 2023 should see the delivery of three new play areas and improvements to Victoria park which include a wetland area, sensory garden, pump track and new community building. We're also continuing our climate action agenda with the decarbonisation of our buildings.

## Residents' survey

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The 2022 Residents' Survey was open between 3 May and 4 June 2022, during which time it was completed by a representative sample of 1,132 residents. The survey asked residents for their views regarding: the council and specific service areas, their local area, topics of current interest to the council.

The results indicate that residents' general views on the council and its performance have stayed broadly consistent. Satisfaction with key services remains high and efforts to improve community safety and communication with residents appear to have been effective.

Feedback on the council's response to the pandemic was positive. Residents were generally happy with digitalisation efforts. The continued importance of accessible in person options for older and digitally excluded residents was also made clear. The results of this survey will be used for the purpose of continued monitoring of public opinion regarding the council and to gauge progress in key areas. The results will also be used by services for the purpose of continuous improvement.

## Financial climate

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2022/23 has been a difficult year for the UK economy and following the start of the Ukraine war there has been a rapid increase in inflation, especially within the energy sector which is now feeding through into every day essentials. This pressure has required government intervention through a number of schemes including the Energy Bills Support Scheme.

In response to rising inflation, the Bank of England has responded by raising interest rates rapidly to 3.5% (as at 15/12/2022) which is increasing borrowing costs and impacting people with variable, and fixed rate mortgages which come to an end, although this offers some benefit to savers.

For the council the economic pressures, certainly on borrowing costs and need to procure a new refuse collection contract have led to a deficit of £2.87m for the 2023/24 budget, and £10m over the next 5 years.

While the pressure for 2023/24 can be funded from reserves, the Council will need to make savings to reduce this budget deficit, this may lead to cuts in non-statutory services provided by the Council and for difficult funding choices to be made.

The Government has increased the amount Councils can increase Council Tax by from 1.99% or £5 to 2.99% or £5, however, as Ashford has one of the lowest council tax levels in the County this increase would only permit Council Tax to be increased by £5.31, the draft budget has assumed a £5 (2.9%) annual increase, this is still well below inflation which is increasing council expenditure.

Long term funding from Government continues to be uncertain with delays and further reviews forecast for many funding streams. Pressure on Government to reduce the national debt from Covid and Energy support schemes, it is possible that further freezes or cuts to government funding may be required.

Government calculates the annual Core Spending Power (CSP) for all local authorities, and this is a measure of the resources available to local authorities to fund service delivery. Within the calculation of the CSP, the government assumes that Councils will increase funding, such as council tax by the maximum permitted, 2.99% for 2023/24. As Grant funding from Government is based on perceived CSP levels, Councils who do not follow the charging regime permitted will not be supported by Government through increased funding. This approach is part of a shift in the way local government is funded moving away from grants to local taxation, different preceptors are supported to differing degrees depending on government policy and this is reflected within the graph on page 12.

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## Retention of business rates

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The council is part of a Business Rates Pool along with other Kent authorities. Being part of the wider pool increases business rates income which is anticipated to be just over £7.5m for 2023/24.

The business rates scheme as with other funding sources has been once again delayed by Government with no further notice on when changes are to be expected.

## New Homes Bonus

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New Homes Bonus (NHB) is measured on the number of properties that have been completed in a year (from October to September). This calculation is adjusted downwards though, as government reduce the total by the number of new properties that they would expect to be built without this incentive.

Due to the winding down of this scheme, Ashford Borough Council is forecasting to receive £1.14m in the 2023/24 financial year, a reduction of £750,000 since 2022/23.

This scheme is due to be replaced and although a consultation has already been undertaken, it is now anticipated that a further consultation exercise will be conducted before any replacement scheme is announced.





## Housing Revenue Account

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The Housing Revenue Account (HRA) is a separate account into which rent paid by tenants in the council's housing stock is collected. The money collected in this account is solely for the use of management, maintenance, repairs and upgrading of these properties.

The HRA produces an annual 30 year business plan was presented to Cabinet in December 2022, the business plan accounts for new capital schemes that will increase the housing stock over the next 10 years.

From 2023/24 the business plan includes capital expenditure of £20m to enable retrofitting of the Council's existing stock to reduce carbon emissions and energy costs.

The overall model remains affordable, although a number of projects have been delayed to allow for the Stodmarsh wetlands to establish.

The budget is built to include an increase in social housing rents of 7%, in line with the Chancellor's Autumn Statement.

## The budget process

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The proposed final budget will be available to view on the council's website in February. Ashford Borough Council's cabinet members agreed the draft budget on 24 November 2022.

Residents, businesses and organisations such as parish councils are now invited to comment on the proposals. The council's Overview and Scrutiny Budget Task Group will look at the document in detail, as part of the democratic process, and its comments reported back to cabinet.

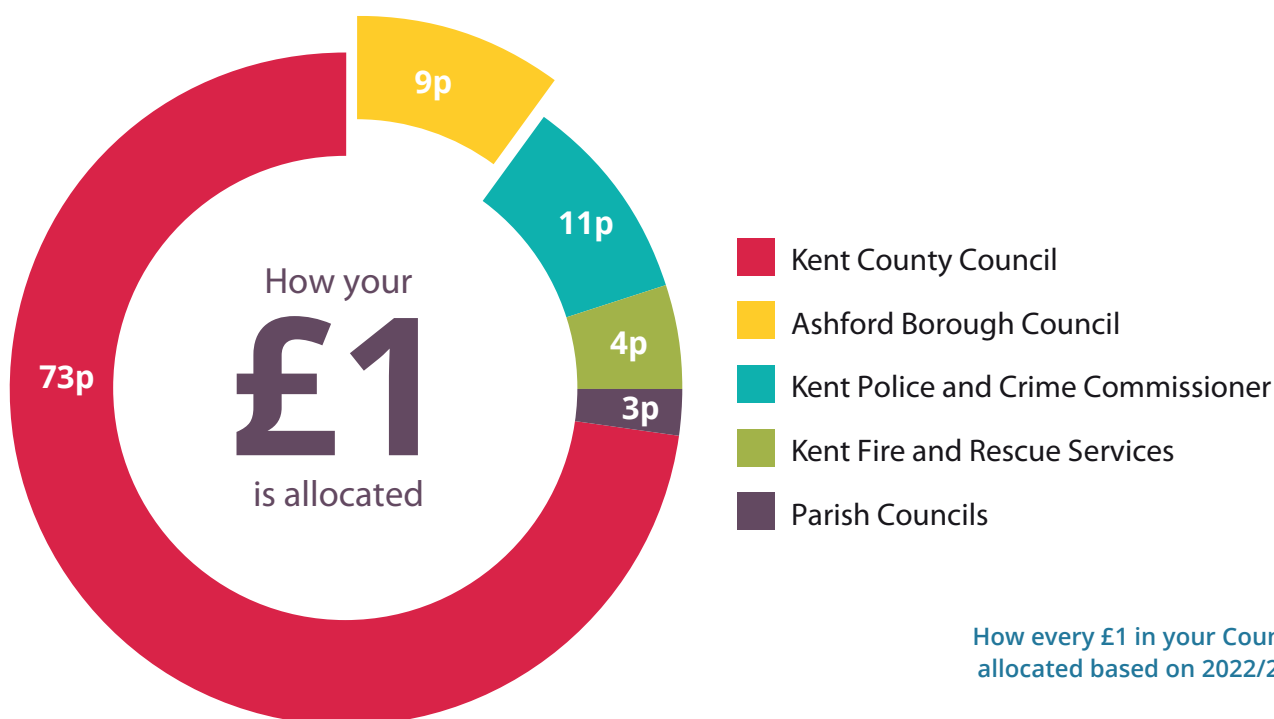
A final budget will be considered by cabinet on 23 February 2023, when recommendations will be made for council to consider one week later. If you have any comments on the information within this summary or contained in the full version, please respond to the consultation by using the contact details at the end of this document.

Ashford Borough Council gets less than 10%

## Council tax

Council tax is a local tax on residential properties that helps to pay for local services provided by Kent County Council (KCC), Ashford Borough Council, Kent Police, Kent Fire and Rescue Service (KFRS) and services you may receive from parish councils if you live in a parished area.

Ashford Borough Council is responsible for collecting the council tax payments made by Ashford residents. We keep 9p out of every £1 you pay to provide our services and distribute the rest to KCC, Kent Police, KFRS and the parishes. The graphic below indicates where your council tax goes and how every £1 you pay is divided among these other organisations.



The amount you have to pay depends on the property band that your home is placed in. This is based on the value of your property and is determined by the Valuation Office Agency.

On 24 February 2022 the council set its budget for the current financial year. This included ensuring that Ashford's council tax remained one of the lowest in Kent by some distance.

Up until recently the government capped the increases in Council Tax to 1.99% per annum, however, low taxing authorities such as Ashford were not penalised by the 1.99% cap meaning they had the freedom to increase the level at which their portion of council tax was set to either 1.99% or £5, whichever was greater. Like in prior years the cabinet has proposed to raise the tax by £5 (2.9%) for the average Band D property, meaning for the 2023/24 financial year people living in a Band D property in Ashford the Council Tax will be £182.50, ensuring Ashford remains one of the lowest council tax preceptors in Kent.

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**Comparative table showing anticipated levels of council tax for 2023/24:**

	<b>Estimated District Charge for 2023/24</b>
Ashford	£182.50
Canterbury	£232.93
Dartford	£181.35
Dover	£208.18
Folkestone & Hythe	£287.43
Gravesham	£224.50
Maidstone	£284.56
Sevenoaks	£236.73
Swale	£194.93
Thanet	£255.55
Tonbridge & Malling	£231.21
Tunbridge Wells	£199.54

The monthly charge payable to Ashford Borough Council is £15.21 a month, comparable to a monthly entertainment package subscription to Netflix or Spotify. This allows the Council to provide a weekly refuse or recycling collection service, street cleansing contract including emptying of public bins, provision and maintenance of playgrounds within the borough, grounds maintenance and the provision of services to promote the delivery of strategic projects to support the economic growth and prosperity of the borough.

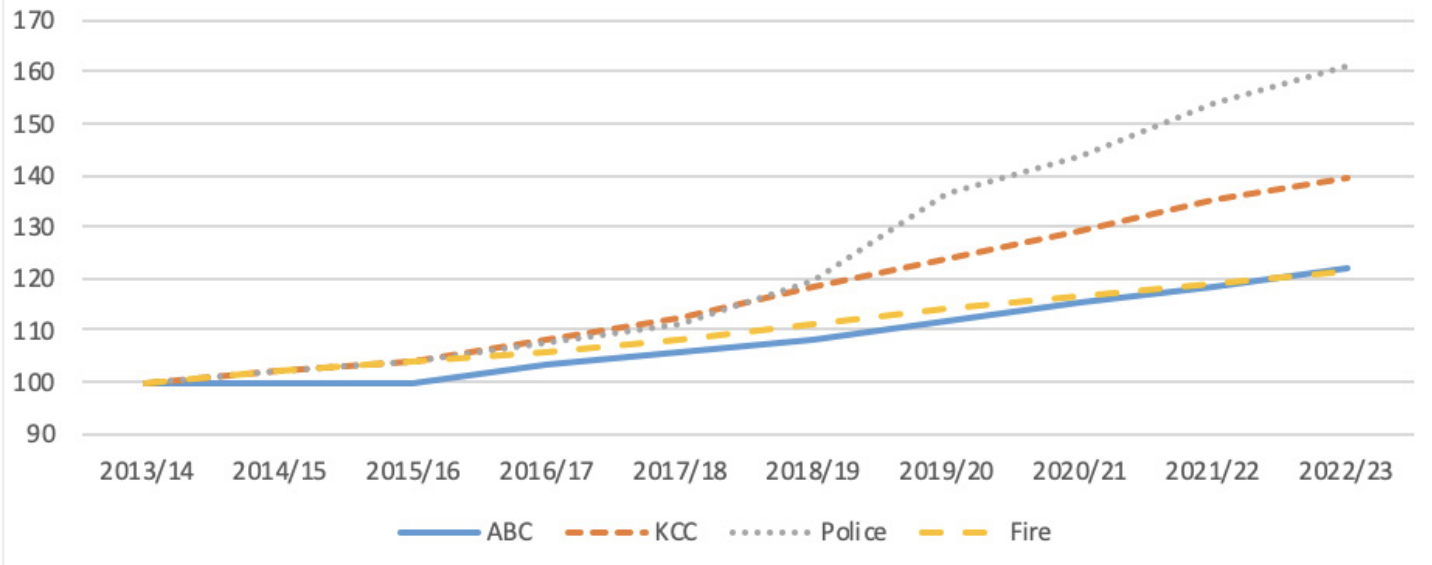
With the Chancellor's announcement on 17 November 2022, the council tax cap for Ashford Borough Council was increased to 2.99%. For people living in a Band D property in Ashford this means the council tax could increase to £182.81 (an additional increase of 31p per annum) although this increase has not been proposed.

This cap on council tax rises has now been in place for a number of years and Ashford has been able to increase by £5 per annum as a lower taxing authority without triggering the need for a local referendum. Other preceptors have seen higher caps imposed which has enabled them to increase their spending power (amount taxed) at faster rate to support areas under pressure such as social care. The graph on pag 12 shows the increase in spending power of each preceptor having all been rebased to £100 as at 2013/14.

Here's what you get for £15.21 per month

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## Changes in Council tax



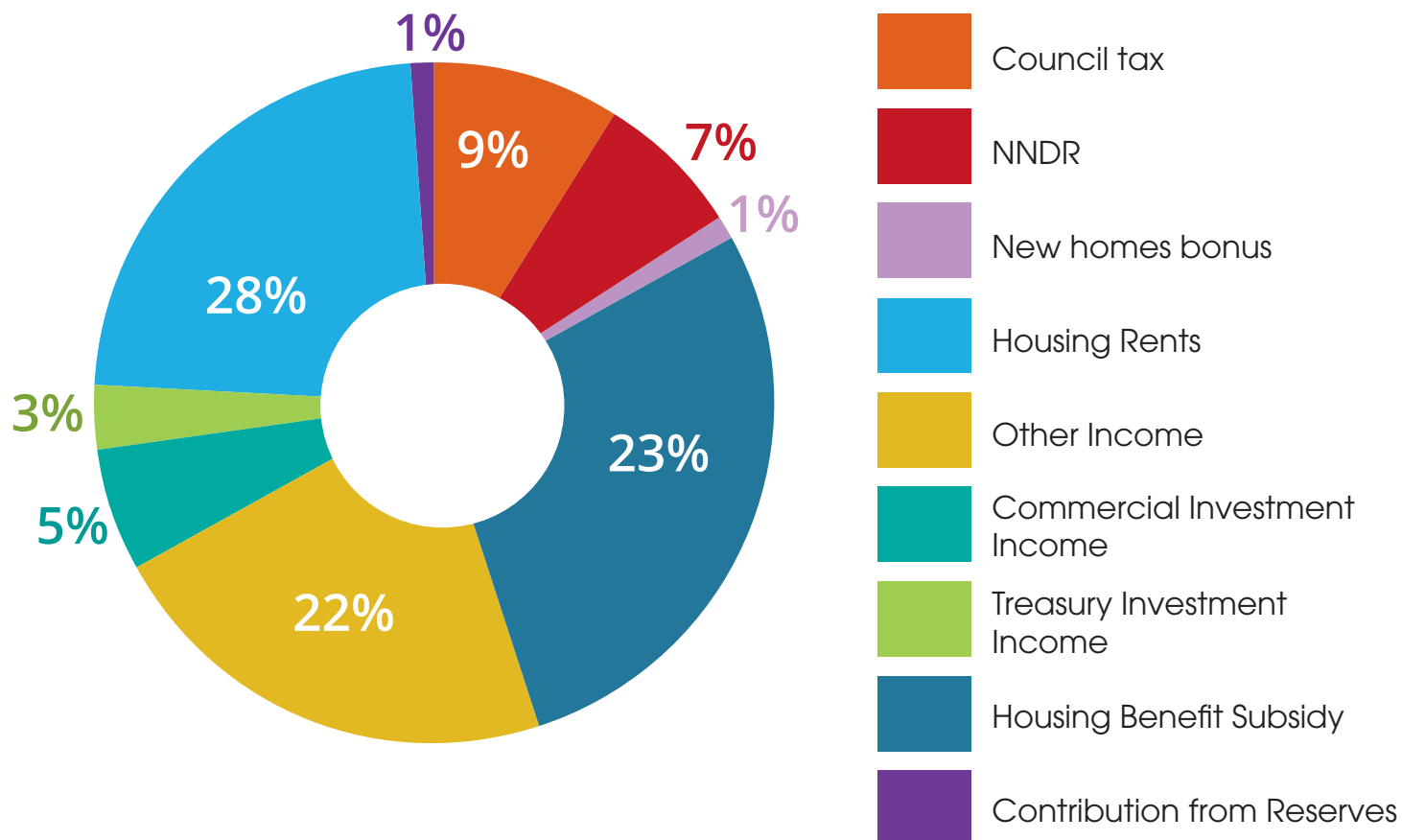
## 2023/24 service spending (totalling £107m)

Chart showing how it is proposed that money will be spent by each service area.

2022/23 £'000	SERVICE	2023/24 £'000	Per Head £
2,096	Cultural	1,652	12.61
16,606	Environmental	15,769	120.37
4,193	Planning	4,519	34.50
1,996	Parking & Highways	2,222	16.96
62,732	Housing	67,122	512.38
12,200	Central Services to the Public	15,717	119.98
99,823	<b>GROSS EXPENDITURE</b>	107,001	816.80
(5,506)	Commercial investment	(5,815)	(44.39)
(2,614)	Treasury investment	(3,177)	(24.25)
(30,353)	Housing rents	(34,553)	(263.76)
(26,525)	Housing benefit subsidy	(24,950)	(190.46)
(22,577)	Other Grants and Income	(19,018)	(145.17)
12,248	<b>NET EXPENDITURE</b>	19,488	148.77
2,991	Contribution to/(from) Reserves	(1,509)	(11.52)
15,239	<b>BUDGET REQUIREMENT</b>	17,979	137.25
<b>FINANCED BY:</b>			
(737)	New Homes Bonus	(1,136)	(8.67)
(400)	Council Tax 2020/21 Surplus	0	0
(779)	Government Grant	(416)	(3.18)
(4,685)	Business Rates	(7,502)	(57.27)
8,638	<b>COUNCIL TAX REQUIREMENT</b>	8,925	68.13

## 2023/24 funding of expenditure

The chart below shows the proportion of how the council receives its funding.



To comment on the draft budget please contact:

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Please ensure all comments reach us by Friday 10th February 2023

