



EVERY PENNY MATTERS

2025/26 BUDGET CONSULTATION SUMMARY DOCUMENT

ASHFORD BOROUGH COUNCIL

The draft budget

In December Ashford Borough Council proposed a draft budget to Cabinet 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 asks residents, businesses and parishes for feedback on the proposals put forward by the council.

The draft budget for the financial year 2025/26 can be viewed online for the meeting dated 12 December 2024.

The final budget will be available online in February and is a long and complicated document which can make it a challenging read. However, to ensure openness and transparency, we've produced this summary document so that residents, businesses and other organisations can 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.

We are also conducting a survey to understand what expenditure from the council's statutory and discretionary services is important for our residents. Although it is not possible to significantly influence the 2025/26 budget, it will be taken into consideration for future financial planning.

Please follow this link to take part in the survey <https://haveyoursay.ashford.gov.uk/2025-budget-consultation>

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



The future

Our Borough Plan, entitled, **Our Plan for the Borough – 2024-2028** has recently been adopted. It sets out priorities over the next four years as we face the dual challenges of climate and economy and strive towards our vision:

“To make Ashford a place where people, business and nature can collectively thrive.”

Three pillars support this vision:

- Planet** - Reducing greenhouse gas emissions and creating places for nature will be at the heart of everything we do.
- People** - Listening and serving the Ashford community is our philosophy; we will make best use of available resources to build an equitable and fair society.
- Place** - Planning for the future of our community to make Ashford a place people are pleased to call home and love to visit.

Our commitment to be net zero in our own operations by 2030 runs throughout the plan and our aspiration for the borough to be net zero by 2050 is a target that we will work tirelessly with residents and other organisations to achieve. Locally, we will do all we can to reduce greenhouse gas emissions and protect nature in ways to benefit the community and residents.

Listening to what matters most to our residents will help us deliver the services that are important to you. We had a great response to the consultation on our Borough Plan and thank everyone who took the time to share their views.

We will be open and honest about what we can and cannot do. Where the responsibility for a service lies with another organisation, we will work with them to make sure those services are meeting the needs of our community.

At a time when money is tight, for us all, we must use our resources as efficiently as possible. We will continue to review how we deliver services, where we can be more cost effective and when working in partnership can improve and protect our services, while investing wisely in a resilient future for all.

We will seek to create places that offer mixed housing, to be active, spaces to relax and to build community, while also making space for nature. This will be central to future development in the borough. Our focus will be to bring forward town centre sites like Kent Wool Growers, Park Mall, the former Odeon and the Civic Centre site.

We want local democracy to be inclusive and welcoming for all and will be making it easier for local people to engage in decision making both in and out of the Council Chamber.

We will measure our progress against each of our priorities and, whilst we may not be in control of the national picture of which our borough is a part, we are in control of how we react to the issues that affect us.

We will be a listening, considerate and inclusive council.

International House

On 9 December 2024 the council officially relocated to International House from the Civic Centre with our customer services reception now located on the ground floor at International House, open for residents Monday to Friday 9am to 4pm.

The relocation from the Civic Centre to International House provides savings for the council by mitigating significant costs to update the Civic Centre. International House also provides a more appropriately sized building, and reduces our carbon footprint.



Ashford Port Health

The council is the statutory body responsible for undertaking official border controls for checking products of animal origin (POAO) and high-risk food and feed of non-animal origin (HRFNAO) that enter Great Britain from the EU via the ferry at the Port of Dover or through the Channel Tunnel.

Ashford Port Health has become a fully operational service in 2024/25. DEFRA has stopped underwriting its expenses as the facility is expected to generate its own income to cover the expenses of its operations, ensuring that the costs associated do not fall back onto the taxpayers.

The Port Health service is forecasted to generate £300,000 from IUU (illegal, unreported and unregulated) fishing checks, this function sits within the council's general fund.

Financial climate

Despite inflation reducing, the pressures from the last two years are still impacting businesses and residents as costs have not reduced, they are just increasing more slowly.

In response to rising inflation, the Bank of England has increased the interest rate to 5.25% and has only dropped it by 0.5%, to 4.75% in November 2024. The decrease in interest rates is now going to be slower than originally forecast which impacts people with variable, and fixed rate mortgages which come to an end, although offers some benefit to savers.

The draft budget for 2025/26 presents a balanced position with a balancing contribution from reserves of £188,170 which is broadly in line with the MTFP presented to Cabinet in November 2024.

Homelessness continues to present a financial challenge to us as it is a statutory responsibility for the council, and the budget for 2025/26 has increased £878,000 to allow us to support people that need temporary accommodation.

The council is looking to support residents and reduce costs by procuring its own temporary accommodation and 2025/26 should benefit fully from recent acquisitions and developments such as Fortis House, Trafalgar House and Elwick Studios.

The new government has kept the amount councils can increase council tax by to 2.99% or £5 whichever is the greatest. The draft budget has assumed a £5.62 (2.99%) annual increase.

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 a maximum council tax increase and if we were not to increase by this level we would have less funding than assumed by government – this has been part of a shift in the balance of funding local government away from grants to local taxation.

Government Provisional Funding

2024/25 was the last year of the two-year government financial settlement, and following July 2024 elections and the change in government, 2025/26 funding looks uncertain.

The most recent policy statement indicated that the government is looking to progress funding reform and has promised multi-year settlements, simplified the number of grants within the core spending power settlement and confirmed this will be the last year of New Homes Bonus Payments (NHB). The reduction in NHB from £1.4m in 2024/25 to £79,000 and the loss of the rural services delivery grant of £113,000 were offset by an increase in the Funding Guarantee Grant. However, Ashford Borough Council will not be certain of the level of government funding until the draft settlement figures are published at the end of December.

Housing Revenue Account

The Housing Revenue Account (HRA) is a ring-fenced account, into which rent, paid by the council's housing tenants, is collected. The money collected in this account is solely for the use of management, maintenance, repairs of these properties, as well as development or purchase of additional properties.

The HRA produces an annual 30 year business plan, which was presented to Cabinet on 14 November 2024, the business plan is a forecast of revenue and capital spend, including a number of capital projects, in the first ten years of the plan that will increase housing stock.

The business plan includes capital expenditure of £21m to enable retrofitting of the council's existing stock to reduce carbon emissions and energy costs. The decarbonisation programme, in line with our Borough Plan and our carbon neutral agenda ensures that all properties have at minimum an EPC rating of C by 2030. The overall model remains affordable, although a number of projects have been delayed due to nutrient and phosphate issues in the River Stour. This has delayed considerable developments within the River Stour catchment.

The budget is built to include an increase in social housing rents of 2.7%, in line with government guidance of September CPI+1%.

The budget process

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 12 December 2024.

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 13 February 2025, when recommendations will be made for Full Council on 27 February 2025. 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.

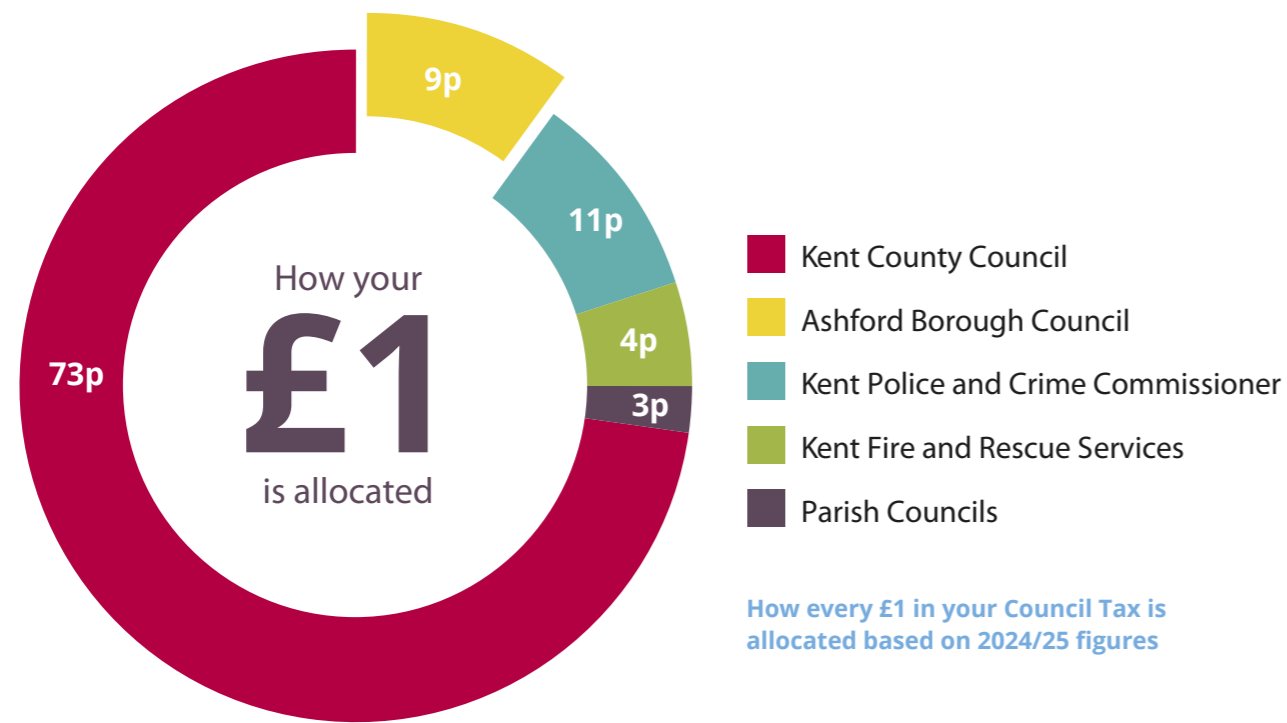
Council tax

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.

The council tax cap has been kept at either 2.99% or £5 whichever is the greater without the need for a local referendum. The budget is based upon a £5.62 (2.99%) increase in Council Tax for Band D properties, taking the average Band D property to £193.58 (that is just £16.14 a month, which is less than a Netflix premium monthly subscription).



Comparative table showing anticipated levels of council tax for 2025/26:

	Estimated District Charge for 2025/26
Dartford	£190.48
Ashford	£193.58
Swale	£206.70
Tunbridge Wells	£211.30
Dover	£220.79
Gravesham	£237.94
Average	£240.14
Tonbridge & Malling	£245.28
Canterbury	£247.06
Sevenoaks	£251.01
Thanet	£271.05
Maidstone	£301.71
Folkestone & Hythe	£304.81

Ashford Borough Council gets less than 10%



2025/26 service spending (totalling £126m)

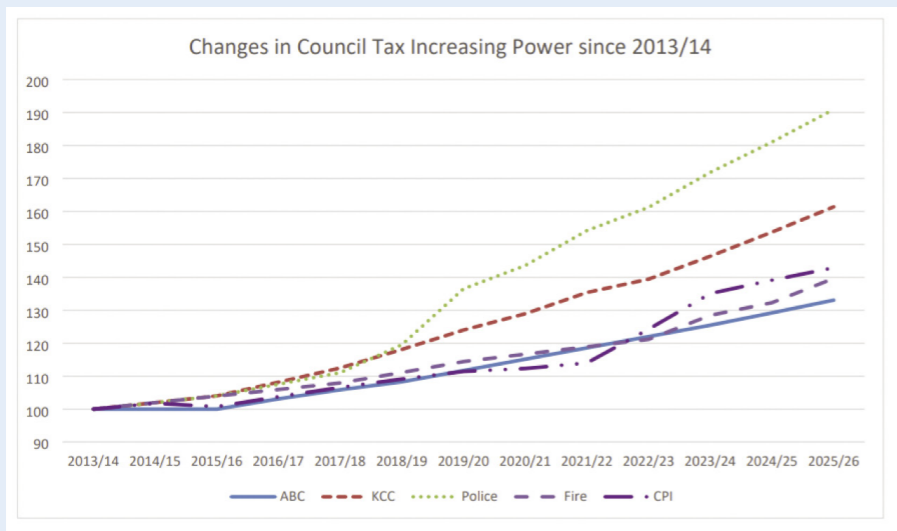
Chart showing how it is proposed that money will be spent by each service area.

2024/25 £'000	SERVICE	2025/26 £'000
1,259	Cultural	1,165
15,007	Environmental	27,219
4,602	Planning	4,535
2,203	Parking & Highways	2,121
70,146	Housing	73,830
18,285	Central Services to the Public	16,756
111,502	GROSS EXPENDITURE	125,626
(6,152)	Commercial investment	(5,643)
(3,951)	Treasury investment	(3,444)
(37,705)	Housing rents	(39,413)
(24,750)	Housing benefit subsidy	(24,760)
(17,444)	Other Grants and Income	(29,487)
21,500	NET EXPENDITURE	22,879
(526)	Contribution to/(from) Reserves	(1,367)
20,974	BUDGET REQUIREMENT	21,512
(1,000)	New Homes Bonus	(79)
(1,019)	Government Grant	(2,269)
(9,589)	Business Rates	(9,615)
9,366	COUNCIL TAX REQUIREMENT	9,549

Within the £16.14 of council tax per month, Ashford Borough Council ensures that there is a weekly refuse or recycling collection, that the streets are being kept clean and the public bins are being emptied, provides and maintains playgrounds within the borough and supports leisure facilities, promotes the delivery of projects for the future economic growth of the borough and conducts food hygiene inspections of commercial properties.

The council tax cap has been below the level of inflation in recent years and therefore the council has seen a real terms erosion in the council's spending power, as seen in the graph below. With much of the spend linked to contracts this reduces funding available for discretionary expenditure.

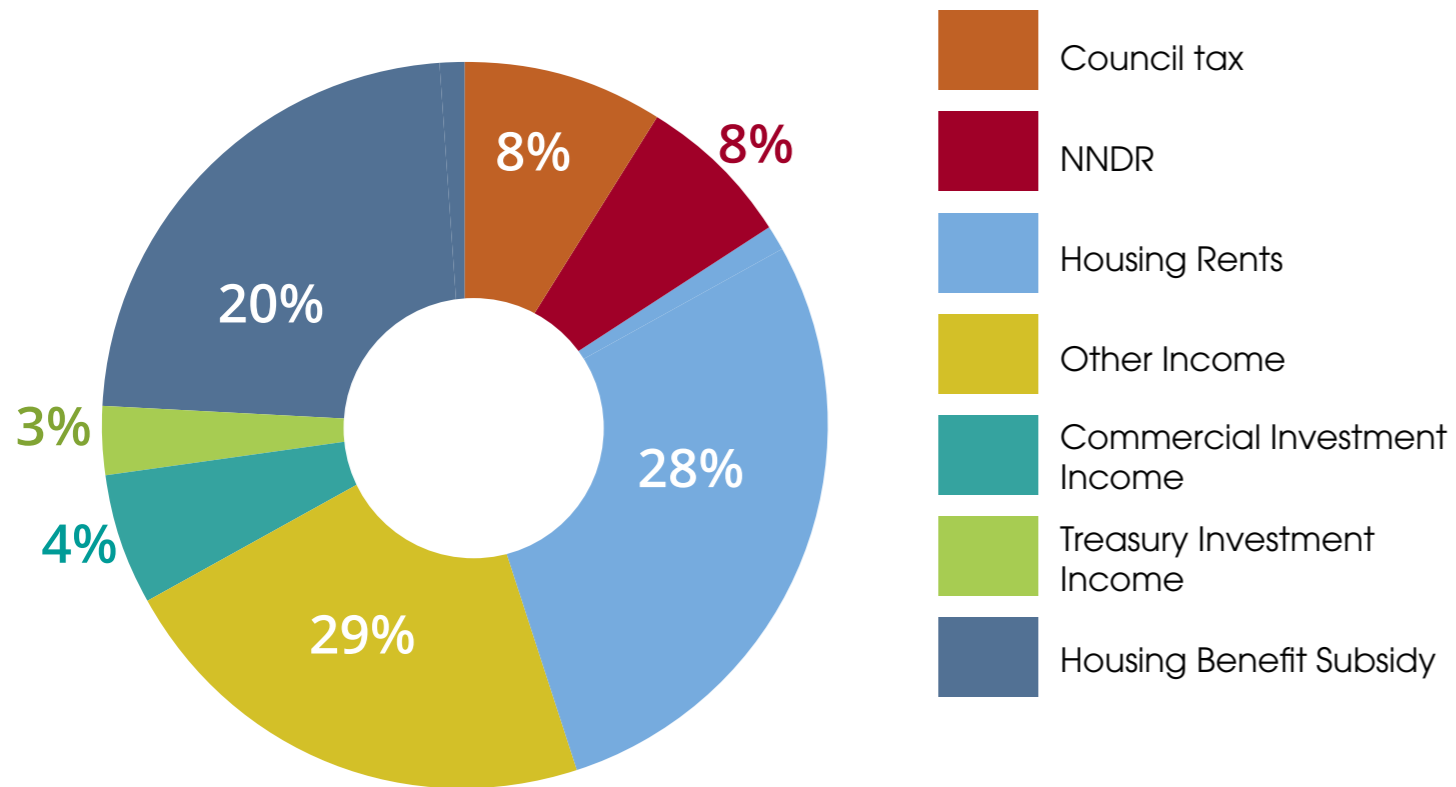
To put the impact of capping into perspective, which is set separately for each public service, the graph below shows the deviation in council tax increase assuming everyone started at £100 in 2013/14. Both the Police and Crime Commissioner and KCC have had greater potential to raise resources to support services over this period. From 2023/24 the council had the lowest increase in funding compared to other public services for this period.



Other preceptors have seen higher caps imposed which has enabled them to increase their spending power (amount taxed) at a faster rate to support areas under pressure such as social care. The graph opposite shows the increase in spending power of each preceptor having all been rebased to £100 as at 2013/14. CPI represents the level of inflation.

2025/26 funding of expenditure

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



To comment on the draft budget please contact:

Lee Foreman
Head of Finance
Ashford Borough Council
lee.foreman@ashford.gov.uk

International House,
Dover Place,
Ashford,
TN23 1HU.

Please ensure all comments reach us by Friday 31 January 2025.

