

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.

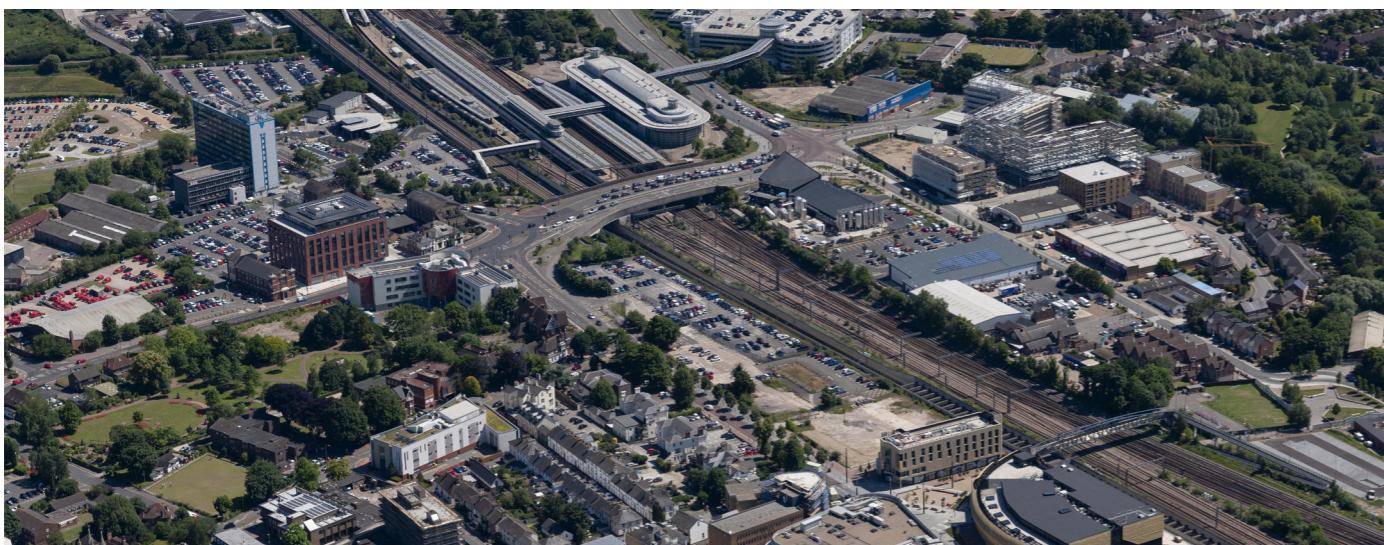
The draft budget for the financial year 2026/27 can be viewed online for the meeting dated 11 December 2025.

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 produce 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 2026/27 budget, it will be taken into consideration for future financial planning.

Please follow this link to take part in the survey [haveyoursay.ashford.gov.uk/2026-27-budget-consultation](https://www.ashford.gov.uk/2026-27-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** sets out our 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 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 on bringing forward town centre sites like Kent Wool Growers, Park Mall, the former Odeon and the former Civic Centre, following completion of our move to nearby International House.

We will also focus on bringing forward much-needed local homes for the Ashford community. There are currently over 30 construction projects that Ashford Borough Council is pursuing in a bid to deliver around 1,000 new council homes for local families on our housing register.

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 of, we are in control of how we react to the issues that affect us.

We will be a listening, considerate and inclusive council.

Financial climate

Inflation has come down from its peak three years ago but it remains high at 3.8% which is above the Bank of England target of 2%.

In response Bank of England has recently held interest rates at 4% in November 2025, since August last year they have reduced the rate five separate times (from 5.25%). 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 2026/27 presents a balanced position with a balancing contribution from reserves of £363,460 which is an improvement from the Medium Term Financial Plan (MTFP) presented to Cabinet in November 2025.

The only significant difference between the two being a saving of £188,670 in pension contributions following the triennial review.

Homelessness continues to present a financial challenge to the Council as it is a statutory responsibility for the Council, and the budget for 2026/27 has increased by £643,000 to allow the Council to support people that need temporary accommodation.

To deal with increased demand initiatives have been taken such as the purchase of Elwick Studios, purchase of on-street properties, HMO schemes and repurposing stock to use as Temporary Accommodation.

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 £5.79 (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.

Ashford Port Health

The Ashford Port Health Service became fully operational in 2024/25 however in 2025/26 it was announced of a potential new agreement between the UK and the European Union to create a 'Sanitary and Phytosanitary zone' to simplify and reduce costs for trade in agri-food products by removing many border checks and certificates for animals, plants, and related goods moving between the UK and the EU, and between Great Britain and Northern Ireland.

A decision has been made for the Port Health service to continue as normal until more information is known. Although there is a risk, the Port has its own risk reserve which has built up a modest balance with a further contribution of £1.75m expected this year which would cover any unforeseen costs to the service ensuring that the costs associated do not fall back onto the taxpayers.

The Port Health service is forecasted to generate £250,000 from IUU (illegal, unreported and unregulated) fishing checks, this function sits within the Council's general fund.

Local Government Reform

Local Government Reform (LGR) which will look to replace the current two-tier system in Kent including, Kent County Council, Medway Council (which is already a unitary) and the 12 District Councils (including Ashford Borough Council) into a number of larger Unitary Authorities.

The Council has been engaging with all authorities across Kent at a high level and detailed proposals were submitted in November with Ashford supporting the 4d model of the five options being considered and put forward for Kent.

Following the November Submission, it is anticipated that a final decision on the best model to progress will be announced by summer recess 2026, with an anticipated implementation date of April 2028, therefore potentially making this the penultimate budget for Ashford Borough Council.

The costs of implementing LGR, impact on staffing, recruitment, retention, secondments to shadow authorities are all to be determined and the Council will be mindful of a plethora of implications and decisions that will be needed as we move forward. No provision for LGR has been allowed for in the draft budget at this stage as costs are unknown however the working assumption is that there will be a capitalisation directive from government and these costs will be covered from capital resources.

Government Provisional Funding

2025/26 represented the sixth one year settlement for Local Government with the current Government promising a multi-year settlement from 2026/27 which will be delivered along with the completion of the fair funding review and business rates reset. While the budget statement in November provided some clarity around the direction of funding, there is still uncertainty until the Provisional Settlement is received week commencing 15 December 2025. The current overarching assumption is that the government settlement will likely be flat cash, absorbing Council Tax increases and therefore a real terms loss.

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 13 November 2025, 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 sets out the Council's ambition to expand its stock addressing the rising number of homeless households in the Borough. The plan also recognises the importance of the Consumer Standards, and regulations in relation to resident safety. There is a focus on delivering the Decent Home Standard to all properties with a full Planned Maintenance Programme now in place to be delivered over the next 10 years. Officers are also developing plans to deliver estate improvements and strengthen tenant engagement and complaint handling functions.

The budget is built to include an increase in social housing rents of 4.8%, in line with Government guidance of September CPI+1%.

The budget process

Ashford Borough Council's cabinet members agreed the draft budget on 11 December 2025.

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.

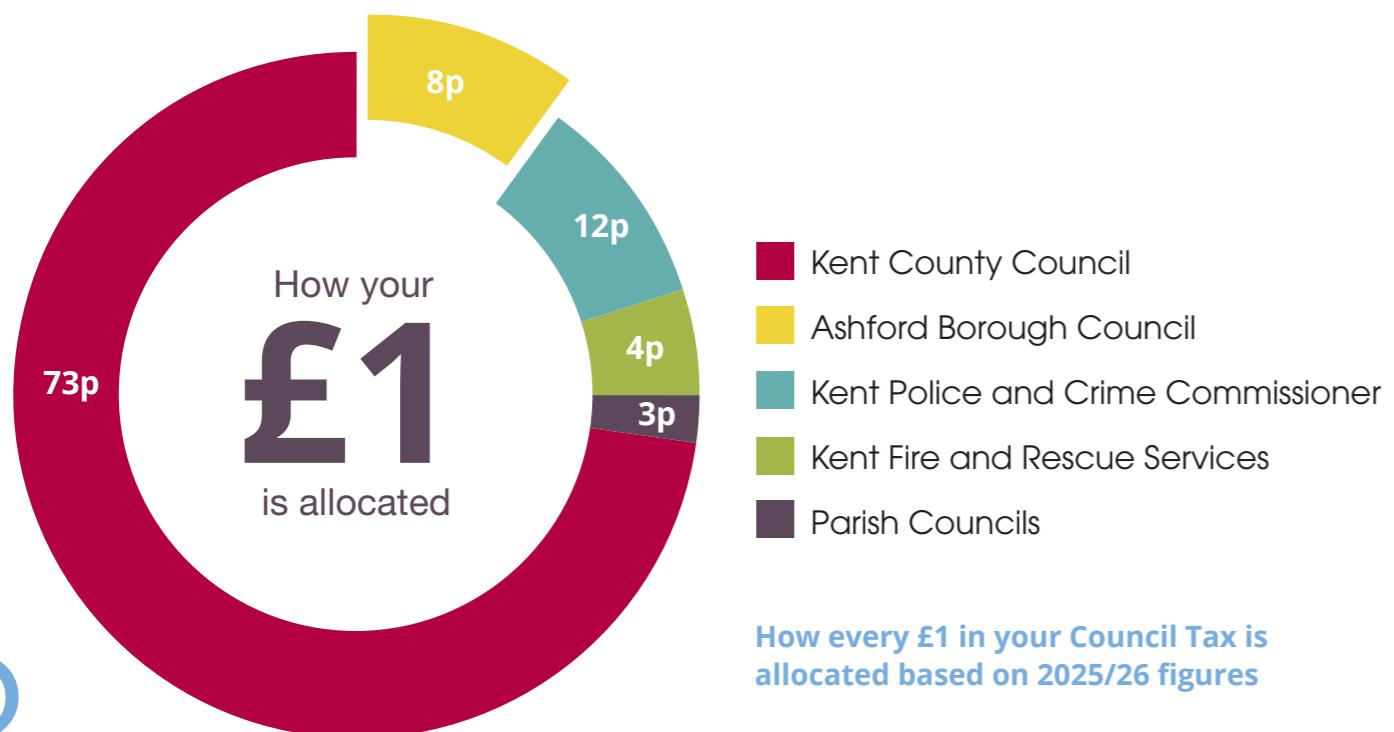
A final budget will be considered by cabinet on 12 February 2026, when recommendations will be made for Full Council on 26 February 2026. If you have any comments on the information within this summary or contained in the full version, please respond to the consultation by using the contact details at 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 8p 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.



Comparative table showing anticipated levels of council tax for 2026/27:

Estimated District Charge for 2026/27	
Dartford	194.28
Ashford	199.37
Swale	212.82
Tunbridge Wells	217.51
Dover	227.37
Gravesham	245.08
Average	£247.15
Tonbridge & Malling	252.63
Canterbury	254.44
Sevenoaks	258.52
Thanet	279.15
Maidstone	310.70
Folkestone & Hythe	313.92

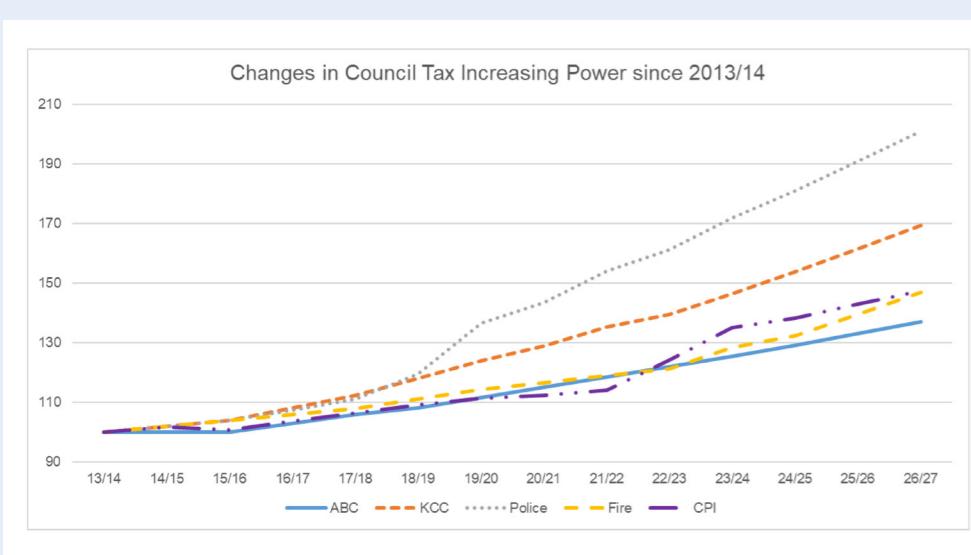


The Council Tax Cap has been kept at either 2.99% or £5 whichever is the greater without the need for a local referendum. The budget is based upon a £5.79 (2.99%) increase in Council Tax for Band D properties, taking the average Band D property to £199.37 (or £16.61 a month).

Within the £16.61 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, 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 Council's 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.

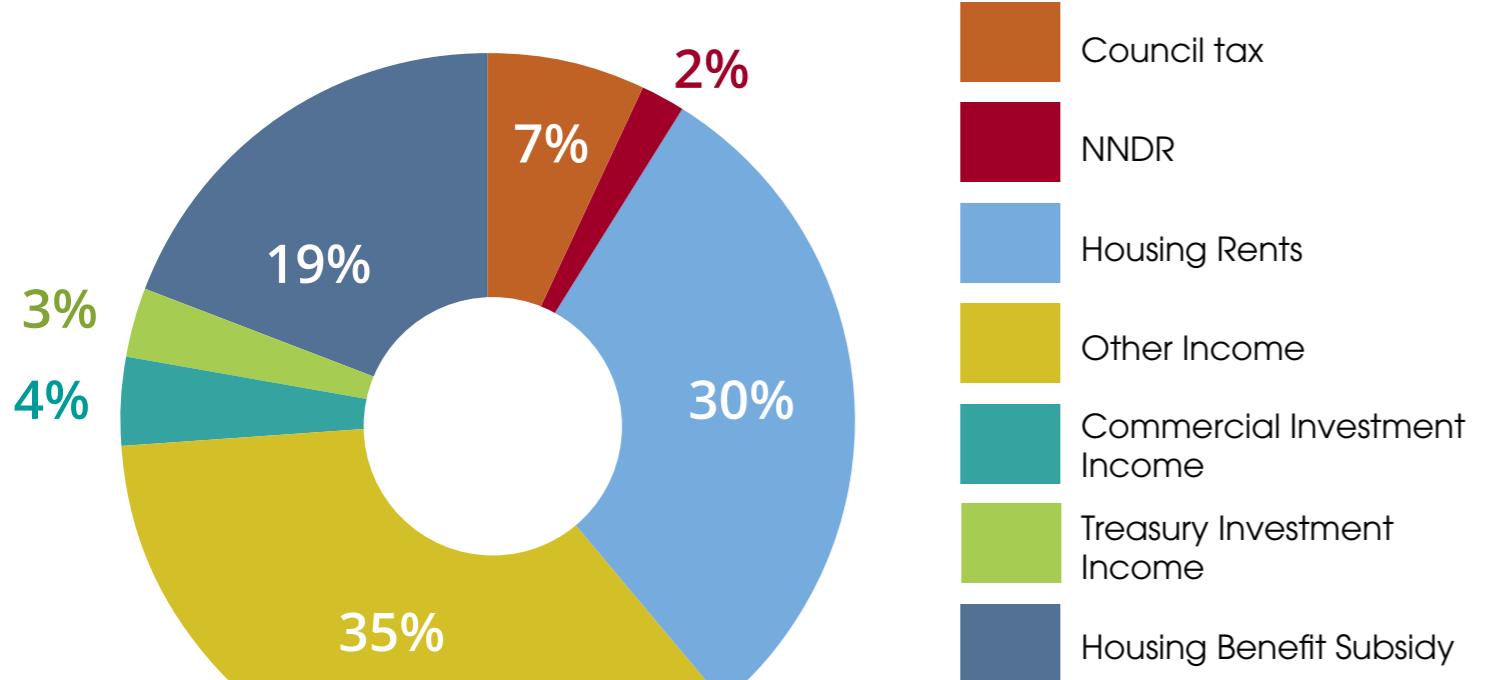
2026/27 service spending (totalling £134m)

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

2025/26 £'000	SERVICE	2026/27 £'000
1,165	Cultural	1,043
27,219	Environmental	28,667
4,535	Planning	4,663
2,121	Parking & Highways	1,955
73,830	Housing	79,614
16,756	Central Services to the Public	18,045
125,626	GROSS EXPENDITURE	134,187
(5,643)	Commercial investment	(4,629)
(3,444)	Treasury investment	(3,932)
(39,413)	Housing rents	(40,707)
(24,760)	Housing benefit subsidy	(24,625)
(29,487)	Other Grants and Income	(35,741)
22,879	NET EXPENDITURE	24,553
(1,367)	Contribution to/(from) Reserves	(3,464)
21,512	BUDGET REQUIREMENT	21,089
(79)	New Homes Bonus	0
(2,269)	Government Grant	(7,979)
(9,615)	Business Rates	(3,297)
9,549	COUNCIL TAX REQUIREMENT	9,813

2026/27 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
Assistant Director of Finance
Ashford Borough Council
lee.foreman@ashford.gov.uk

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

Please ensure all comments reach us by **3 February 2026**.