

From: Roger Gough, Leader  
Peter Oakford, Deputy Leader and Cabinet Member for Finance,  
Corporate and Traded Services

To: County Council 13<sup>th</sup> February 2025

Subject: **Draft Revenue Budget 2025-26, 2025-28 MTFP and Draft  
Capital Programme 2025-35**

Classification: **Unrestricted**

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**Summary:**

The administration's balanced draft budget proposals for 2025-26 were published from 6<sup>th</sup> January 2025 to support the scrutiny and democratic process through Cabinet Committees and the Scrutiny Committee. The reports for individual Cabinet Committees for both November and January cycle of meetings were tailored for each committee focussing on the key policy considerations within the administration's draft budget proposals for the Cabinet portfolios and directors relevant to each committee. The reports included a high-level summary of the whole council budget proposals. The draft for Scrutiny Committee included the draft Treasury Management Strategy.

There were no proposed changes to the administration's proposals during this scrutiny process. An updated draft including the latest provisional council tax base and collection estimates was published on 23<sup>rd</sup> January and endorsed by Cabinet on 30<sup>th</sup> January to be presented to full Council budget meeting on 13<sup>th</sup> February.

There were only minor changes to the Local Government Finance Settlement in the final announcement on 3<sup>rd</sup> February 2025 with updated and increased Children's Social Care Prevention Grant and confirmation of the compensation through Employer National Insurance Contribution Grant. This report represents the final draft budget proposals to be presented to the annual County Council budget setting meeting on 13<sup>th</sup> February 2025. Other than the updated council tax estimates in the report to Cabinet the only other material changes are the inclusion of additional departmental specific grant income and associated spending (balancing to net nil) which were not available in time for previous drafts for scrutiny..

The final share of retained business rates and collection fund balances have not been received in time to include in this report and will be reported to Cabinet in March as has become common practice in recent years. The report to March Cabinet will include any other material issues affecting the budget that have arisen since full Council approval.

This final draft budget replaces the previous drafts and represents the administration's final proposals and amounts for Council consideration and approval. The attached budget report is set out in 12 separate sections, these are designed to make it easier to reference individual aspects of the key components of the budget proposals.

Appendices A, B, D, E, and F of the final draft budget report set out the numerical presentation administration's updated final budget plans and are published in a format recommended by the Interim Corporate Director of Finance and agreed by the Leader as required under the Council's constitution and Financial Regulations. These are produced in the same format as previous drafts published for scrutiny. Appendix G (key service analysis) can only be produced as part of the final budget proposals. The other appendices include other vital information for approval of the budget.

Members are asked to refer to the final updated draft 2025-26 budget report published on 5<sup>th</sup> February for this meeting and not previous drafts.

### **Recommendations:**

**County Council, having given due regard to the s25 Report (published for consideration and noting as agenda item 5 of this meeting), is asked to agree the following:**

#### 2025-35 Capital Programme

- (a) The 10-year Capital programme and investment proposals of £1,419m over the years from 2025-26 to 2034-35 together with the necessary funding and subject to approval to spend arrangements.
- (b) The directorate capital programmes as set out in appendices A & B of the final draft budget report published on 5<sup>th</sup> February 2025.

#### 2025-26 Revenue Budget and Medium Term Financial Plan

- (c) The net revenue budget requirement of £1,530.9m for 2025-26.
- (d) The directorate revenue budget proposals for 2025-26 and the medium term financial plan as set out in appendices D (high level county 3 year plan) E (high level 2025-26 plan by directorate), appendix F (individual spending, savings, income and reserves variations for 2025-26) and G (2025-26 key services) of the final draft budget report published on 5<sup>th</sup> February 2025.

#### 2024-25 Council Tax

- (e) To increase Council Tax band rates up to the maximum permitted without a referendum as set out in section 6.4 (table 6.1) of the final draft report published on 5<sup>th</sup> February 2025.
- (f) The total Council Tax requirement of £994,287,655 to be raised through precepts on districts as set out in section 6.6 (table 6.2) in the final draft report published on 5<sup>th</sup> February 2025.

#### Kent Pay Scheme 2025-26

- (g) Note the transition of all Kent Scheme staff to the new pay structure agreed by County Council in May 2024
- (h) Agree to the recommendations on the uplift to Kent Pay Scheme as set out in section 7.9 of the final draft budget published on 5<sup>th</sup> February 2025

#### Key Policies and Strategies

- (i) Fees and charges to continue to be reviewed in line with the policy agreed in the 2023-24 budget approval

- (j) The Capital Strategy as set out in appendix O of the final draft report published on 5<sup>th</sup> February 2025 including the Prudential Indicators.
- (k) The Treasury Management Strategy as set out in appendix M of the final draft report published on 5<sup>th</sup> February 2025
- (l) The Minimum Revenue Provision (MRP) Statement as set out in appendix P of the final draft report published on 5<sup>th</sup> February 2025
- (m) The Flexible Use of Capital Receipts Strategy as set out in appendix Q of the final draft report published on 5<sup>th</sup> February 2025.
- (n) The Reserves Policy as set out in appendix H of the final draft budget report published on 5<sup>th</sup> February 2025.

In addition:

- (o) To delegate authority to the Chief Executive, in consultation with the Leader of the Council and the Cabinet Member for Finance, Corporate and Traded Services, to agree any other non-pay related changes to the Kent Scheme through the conclusion of pay bargaining.
- (p) To delegate authority to the Corporate Director of Finance (after consultation with the Leader, the Deputy Leader and Cabinet Member for Finance, Corporate & Traded Services and the political Group Leaders) to resolve any minor technical issues and structural changes for the final budget publication which do not materially alter the approved budget or change the net budget requirement and for any changes made to be reflected in the final version of the Budget Book (blue combed) due to be published in March 2025.
- (q) To note the information on the impact of the County Council's share of retained business rates, business rate pool and business rate collection fund balances on the revenue budget will be reported to Cabinet once it has all been received.
- (r) To note the ongoing and escalating cost pressures on the Council's budget alongside insufficient funding in the local government finance settlement and knock on requirement for savings and income in the final draft 2025-26 budget and medium term financial plan.
- (s) To note potential changes to local authority funding system from 2026-27 onwards and consequential uncertain financial outlook for later years until a multi-year settlement from government is reintroduced.
- (t) To note that fundamental changes to social care are unlikely until after Baroness Casey enquiry concludes.
- (u) To note that the planned use of reserves still ensures sufficient reserves are available in the short term with no immediate concerns triggering a S114 notice provided the use of these reserves is replaced with sustainable savings over the medium term.
- (v) To note the rate of recent drawdown from reserves and potential drawdown to balance 2024-25 outturn is still cause for serious concern and reserves will still need to be maintained ahead of changes under Devolution White Paper. Further unplanned drawdowns would weaken resilience and should only be considered as a last resort with an agreed strategy to replenish reserves at earliest opportunity

All Members of the County Council are respectfully reminded that Section 106 of the Local Government Finance Act 1992 applies to any meeting where consideration is given to a matter relating to, or which might affect, the calculation of council tax.

Any Member of a Local Authority who is liable to pay council tax, and who has any unpaid council tax amount overdue for at least two months, even if there is an arrangement to pay off the arrears, must declare the fact that he/she is in arrears and must not cast their vote on anything related to KCC's Budget or council tax.

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