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To: Devolution and Local Government Re-organisation Cabinet Committee  
30<sup>th</sup> September 2025

Subject: Key Financial Statistics

Classification: **Unrestricted**

**Summary:**

**This paper sets out:**

- Current levels of borrowing across the 14 existing councils and illustration of this could impact on debt levels inherited by new authorities under different unitary configurations
- Council tax levels across the 14 existing councils and illustration of impact of harmonising council tax in new authorities under different unitary configurations
- The geographic distribution of KCC social care clients across existing district areas and disproportionate inheritance by new authorities under different unitary configurations

**Recommendations:**

**Devolution and Local Government Re-organisation Cabinet Committee is asked to NOTE and COMMENT on these key financial statistics.**

**1. Introduction**

1.1 Unitary authority business cases tend to focus on additional implementation costs, additional recurring costs for new authorities arising from unitary configuration and savings from new configuration. This report does not cover appraisal of these potential costs or savings as they will be fully covered in the business case. However, it is also important to consider key financial metrics that new authorities will inherit from existing authorities especially debt levels (albeit current budgets will include cost of servicing debt and/or income earned from assets on which debt has been incurred), council tax levels and distribution of key cost drivers such as social care clients.

1.2 This report sets out these key financial metrics under three different unitary configurations. These show a baseline for one single unitary for Kent and Medway and the 3 unitary and 4 unitary configurations which received the greatest support from Kent Council Leaders. Other configuration options are still under consideration.

## 2. Borrowing

2.1 Table 1 shows the total borrowing as the end of 2024-25 for all 14 authorities in Kent. This information is published on the government website for all local authorities [gov.uk statistical-data-sets](https://www.gov.uk/statistical-data-sets).

Table 1 – Outstanding Borrowing 31/3/25

	Total	Short term Loans	Bonds & Securities	Longer Term PMLB	Longer Terms Banks and others	Short Term Other Local Authorities	Longer Term Other Local Authorities
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Ashford	260,857	4,807	0	171,050	0	85,000	0
Canterbury	182,589	0	0	141,586	3	41,000	0
Dartford	26,888	0	0	26,888	0	0	0
Dover	102,378	0	0	65,378	0	37,000	0
Folkestone & Hythe	107,562	0	0	69,322	0	28,240	10,000
Gravesham	176,131	14	0	123,617	0	46,500	6,000
Kent	732,563	0	0	428,548	304,015	0	0
Maidstone	65,000	0	0	5,000	60,000	0	0
Medway Towns	612,129	10	0	421,024	60,500	1,110	129,485
Sevenoaks	13,999	0	0	11,399	0	0	2,600
Swale	13,000	0	0	5,000	0	8,000	0
Thanet	37,138	0	0	32,638	4,500	0	0
Tonbridge & Malling	0	0	0	0	0	0	0
Tunbridge Wells	0	0	0	0	0	0	0
Total	2,330,234	4,831	0	1,501,450	429,018	246,850	148,085

2.2 Table 2 shows the total debt compared to population in each council area.

Table 2 - Borrowing per Head

	Total	Population	Total Debt per Head
	£000s		
Ashford	260,857	138,283	£1,886
Canterbury	182,589	159,939	£1,142
Dartford	26,888	120,699	£223
Dover	102,378	118,591	£863
Folkestone & Hythe	107,562	110,995	£969
Gravesham	176,131	107,737	£1,635
Kent	732,563	1,610,251	£455
Maidstone	65,000	184,187	£353
Medway Towns	612,129	286,800	£2,134
Sevenoaks	13,999	121,262	£115
Swale	13,000	155,893	£83
Thanet	37,138	140,439	£264
Tonbridge & Malling	0	135,206	£0
Tunbridge Wells	0	117,020	£0
Total	2,330,234		£1,228

2.3 Table 3 shows the levels of inherited borrowing under three different unitary configurations. KCC debt has been apportioned based on population (v1) and band D

equivalent council tax base (v2). The resulting total assumed borrowing is shown as an amount per head for the new unitary area under each of the three configurations.

Table 3 – Inherited Borrowing by Potential Unitary areas

	Inherited from District or Unitary	V1. Pro rata share of KCC (Population)	V2. Pro rata share of KCC (taxbase))	Total Debt V1 per Head	Total Debt V2 per Head
	£000s	£000s	£000s		
<b>One Unitary</b>	1,597,671	732,563	732,563	£1,228	£1,228
<b>Three Unitary</b>					
East	690,524	304,010	294,286	£1,488	£1,474
North	828,148	174,846	159,071	£1,494	£1,471
West	78,999	253,707	279,206	£597	£642
<b>Four Unitary</b>					
East	322,105	190,605	181,215	£1,224	£1,201
Mid	381,419	184,327	176,018	£1,396	£1,376
North	815,148	103,924	96,125	£1,784	£1,769
West	78,999	253,707	279,206	£597	£642

2.4 As demonstrated different unitary configurations will result in very differing levels of inherited debt with consequence on for the successor authorities to service debt costs.

### 3. Council Tax

3.1 Table 4 shows the 2025-26 Band D council tax charge and the band D equivalent council taxbase for each of the 14 authorities in Kent. This information is published on the government website for all local authorities derived from statutory CTR1 return from all authorities [gov.uk CTR1 statistics](https://gov.uk/ctr1-statistics).

Table 4 – 2025-26 Band D council Tax and taxbase

	2025-26 Band D Charge	2025-26 Taxbase (BDE)
Ashford	£193.58	49,332.00
Canterbury	£247.05	55,053.98
Dartford	£188.64	41,702.34
Dover	£220.77	42,119.72
Folkestone & Hythe	£304.81	41,413.64
Gravesham	£237.96	35,442.89
Kent	£1,691.19	587,921.91
Maidstone	£301.68	68,085.50
Medway UA	£1,834.27	92,100.20
Sevenoaks	£251.01	53,008.33
Swale	£206.64	50,518.20
Thanet	£271.05	48,260.89
Tonbridge & Malling	£245.30	53,849.82
Tunbridge Wells	£211.20	49,134.60
Total		680,022.11

3.2 Under the Local Government Finance Act 1992 local authorities are required to set a single basic ["band D"] amount of council tax for their entire area<sup>1</sup>. Where local authorities merge or unitary authorities are established setting a single level of council tax across the new area could result in large increases in bills in some areas and/or a significant loss of income for the authority. Regulations allow authorities scope "to harmonise more equitably their council tax levels" over a number of years.

3.3 In two-tier areas being reorganised into single unitary the starting point is the combined band D charge of the outgoing district and county council in each predecessor area. A new weighted single band D rate for the unitary area is determined using the band D equivalent tax base in each of the predecessor areas i.e. setting a band D rate for the new unitary area that would raise the same overall council tax as the predecessor areas. The transitional arrangements would allow the new authority to set different Band D council tax amounts in its predecessor areas for up to 7 years (provided the overall amount levied across the entire new unitary area does not exceed the referendum level) but the uniform level of council tax must be achieved by year 8. During this transition period the gap must narrow between the highest charging predecessor area and the others (there is no minimum narrowing requirement).

3.4 Table 5 shows the current combined upper tier/lower tier charge in each existing area and the calculation of new weighted charge for 3 different unitary configurations which would raise the same overall council tax as the predecessor areas.

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<sup>1</sup> Additional special expenses can be added in specific circumstances across parts of the local area.

Table 5 – New unitary area uniform Band D council tax amounts

	Combined 2025-26 Band D Rate	Band D Taxbase	New Weighted Band D Rate for Unitary Area		
			1 Unitary	3 Unitaries	4 Unitaries
Canterbury	£1,938.24	55,053.98	£1,919.86	£1,937.42	£1,938.59
Dover	£1,911.96	42,119.72			
Thanet	£1,962.24	48,260.89			£1,922.05
Ashford	£1,884.77	49,332.00			
Folkestone & Hythe	£1,996.00	41,413.64		£1,872.83	£1,865.37
Swale	£1,897.83	50,518.20			
Medway	£1,834.27	92,100.20			£1,947.49
Gravesham	£1,929.15	35,442.89			
Dartford	£1,879.83	41,702.34		£1,947.49	£1,947.49
Maidstone	£1,992.87	68,085.50			
Sevenoaks	£1,942.20	53,008.33			£1,947.49
Tonbridge & Malling	£1,936.49	53,849.82			
Tunbridge Wells	£1,902.39	49,134.60			

3.5 Table 6 shows the maximum band D council tax charge up to referendum limit for new single unitary and increases on the current charge in each predecessor area. It is these increases that can be phased in each area over a 7 year period (although this could entail not increasing up to the maximum referendum level across the area in each year resulting in a potential loss of council tax revenues – this would be a decision for the new unitary authority how the transitional arrangements were applied).

Table 6 – Referendum increase for single unitary configuration

One Unitary	Combined 2025-26 Band D Rate	Maximum Permitted New Unitary Charge within Referndum Limits	Increase	
Canterbury	£1,938.24	£2,015.82	£77.58	4.00%
Dover	£1,911.96		£103.86	5.43%
Thanet	£1,962.24		£53.58	2.73%
Ashford	£1,884.77		£131.05	6.95%
Folkestone & Hythe	£1,996.00		£19.82	0.99%
Swale	£1,897.83		£117.99	6.22%
Medway	£1,834.27		£181.55	9.90%
Gravesham	£1,929.15		£86.67	4.49%
Dartford	£1,879.83		£135.99	7.23%
Maidstone	£1,992.87		£22.95	1.15%
Sevenoaks	£1,942.20		£73.62	3.79%
Tonbridge & Malling	£1,936.49		£79.33	4.10%
Tunbridge Wells	£1,902.39		£113.43	5.96%

3.6 Table 7 shows the maximum band D council tax charge up to referendum limit for new three unitary configuration and increases on the current charge in each predecessor area.

Table 7 – Referendum increase for three unitary configuration

Three Unitary	Combined 2025-26 Band D Rate	Maximum Permitted New Unitary Charge within Referndum Limits	Increase	
Canterbury	£1,938.24	£2,034.27	£96.03	4.95%
Dover	£1,911.96		£122.31	6.40%
Thanet	£1,962.24		£72.03	3.67%
Ashford	£1,884.77		£149.50	7.93%
Folkestone & Hythe	£1,996.00		£38.27	1.92%
Swale	£1,897.83	£1,966.41	£68.58	3.61%
Medway	£1,834.27		£132.14	7.20%
Gravesham	£1,929.15		£37.26	1.93%
Dartford	£1,879.83		£86.58	4.61%
Maidstone	£1,992.87	£2,044.80	£51.93	2.61%
Sevenoaks	£1,942.20		£102.60	5.28%
Tonbridge & Malling	£1,936.49		£108.31	5.59%
Tunbridge Wells	£1,902.39		£142.41	7.49%

3.7 Table 8 shows the maximum band D council tax charge up to referendum limit for new four unitary configuration and increases on the current charge in each predecessor area.

Table 8 – Referendum increase for four unitary configuration

<b>Four Unitary</b>	<b>Combined 2025-26 Band D Rate</b>	<b>Maximum Permitted New Unitary Charge within Referendu m Limits</b>	<b>Increase</b>	
Canterbury	£1,938.24	£2,035.44	£97.20	5.01%
Dover	£1,911.96		£123.48	6.46%
Thanet	£1,962.24		£73.20	3.73%
Ashford	£1,884.77	£2,018.07	£133.30	7.07%
Folkestone & Hythe	£1,996.00		£22.07	1.11%
Swale	£1,897.83		£120.24	6.34%
Medway	£1,834.27	£1,958.58	£124.31	6.78%
Gravesham	£1,929.15		£29.43	1.53%
Dartford	£1,879.83		£78.75	4.19%
Maidstone	£1,992.87	£2,044.80	£51.93	2.61%
Sevenoaks	£1,942.20		£102.60	5.28%
Tonbridge & Malling	£1,936.49		£108.31	5.59%
Tunbridge Wells	£1,902.39		£142.41	7.49%

3.9 As demonstrated the current requirements to set a single band D council tax rate across an entire local authority area and the limitations imposed by council tax referendum requirements mean that differences in council tax rates could remain between new unitary authorities and the harmonising of council tax rates will mean that charges in some predecessor areas will rise by more than other predecessor areas.

#### 4. Distribution of Social Care Clients

4.1 The responsibility for adult social care clients in new unitary areas will be determined according to ordinary residence principles. These are a long-established principles and apply to all adults whose care is commissioned in an area that is different from where they hold ordinary residence, including those whose services are governed by the Mental Health Act.

4.2 Where an individual is 'ordinarily resident' determines, which local authority is required to meet their eligible care and support needs under the Care Act. A local authority's duty to meet eligible needs also applies to those who are present in the area but are of no settled residence.

4.3 The concept of ordinary residence is not new or unique to the Care Act, nor indeed its predecessor the National Assistance Act 1948. The concept is not defined in the Care Act, although chapter 19 and annex H of the Care and Support Statutory Guidance 2014

(‘the statutory guidance’) are dedicated to the subject and there is a significant body of legal case law and Secretary of State determinations that are relevant to this issue.

4.4 In most cases, it will be obvious where an individual is ordinarily resident – and consequently which local authority is responsible for meeting the eligible social care needs of that individual. The issue of where an individual is ordinarily resident will usually arise when a person is moving or has moved from one geographical area to another.

4.5 Where there is a dispute about which authority is responsible – due to disagreement over where the individual is ordinarily resident – the end point is resolution by the Secretary of State for Health and Social Care. Regulations set out detailed guidance of the steps that a local authority must take in order to make such a referral. However, a formal referral to the Secretary of State should be the last resort

4.6 The majority of adult social care in Kent is managed across 24 community teams. These teams are co-terminus with district boundaries with either 1, 2 or 3 teams covering a district area. To give an indication of the impact of ordinary residence the 2024-25 spend across these community teams is shown as a % of the total spend in each district area in table 9. This is not a precise measure of ordinary residence but provides a good indication.

Table 9 – Proportion of Adult Social Care spend by District Area

	Share of OP (commissioned & staffing)	Share of YA (commissioned & staffing)
Ashford	7.87%	6.58%
Canterbury	9.94%	10.88%
Dartford	6.22%	3.47%
Dover	9.51%	11.39%
Folkestone & Hythe	8.42%	15.81%
Gravesham	4.14%	5.39%
Maidstone	10.46%	8.91%
Sevenoaks	7.35%	7.37%
Swale	8.64%	7.89%
Thanet	11.13%	9.10%
Tonbridge & Malling	7.86%	6.81%
Tunbridge Wells	8.46%	6.39%

4.7 To convert these to the unitary configurations these %s have been applied to the total KCC spend included in the Revenue Outturn (RO) return to central government with the equivalent RO spend for Medway added in. The resultant amount for new unitary configurations in table 10 have been shown as an amount per head of population and amount per band d equivalent tax base. These amounts are indicative to demonstrate disproportionate distribution of adult social care clients and costs.



Table 10 – Indicative Distribution of Adult Social Care

	Adult Social Care Spend per Head	Adult Social Care Spend Council Tax
1 Unitary	£392.96	£1,109.69
3 Unitary		
East Kent (5 districts)	£496.38	£1,436.11
North Kent (3 districts + Medway)	£315.27	£969.24
West Kent (4 districts)	£362.53	£908.65
4 Unitary (E,M,N,W)		
East (C, Do, Th)	£480.59	£1,431.30
Mid (A, F&H, Sw)	£452.38	£1,303.02
North (Da, G, My)	£307.92	£944.73
West (Ma, Se, T&M, TW)	£362.53	£908.65

4.8 Responsibility for children's services is not subject to the same principles of ordinary residence. For children's social care the authority where a child's family lives has the statutory responsibility for social care interventions. Thus, another local authority placing a child in care into the county is responsible for the social work case management and costs of social care for that child. The same principle would apply in under a reorganised area and the new unitary authority would be responsible for social care case management and care provision based on where their family lives. The education provision for looked after children with special needs is subject to separate "Belonging Regulations" and is not covered in the analysis in this report.

4.9 Table 11 shows the proportion of KCC spend on care and staffing for Kent children in each district area (this excludes spending to support unaccompanied asylum seeking children).

Table 11 – Proportion of Children’s Social Care Spend by District Area

	Share of Childrens (care & staffing)
Ashford	8.25%
Canterbury	9.58%
Dartford	7.12%
Dover	6.98%
Folkestone & Hythe	10.17%
Gravesham	7.88%
Maidstone	7.54%
Sevenoaks	4.05%
Swale	13.77%
Thanet	14.82%
Tonbridge & Malling	5.79%
Tunbridge Wells	4.06%

4.10 Following the same principles as adult social care to convert these to the unitary configurations these %s have been applied to the total KCC spend included in the Revenue Outturn (RO) return to central government with the equivalent RO spend for Medway added in. The resultant amount for new unitary configurations in table 12 have been shown as an amount per head of population and amount per band d equivalent tax base. These amounts are indicative to demonstrate disproportionate distribution of children’s social care.

Table 12 - Indicative Distribution of Children’s Social Care

	Childrens Social Care Spend per Head	Childrens Social Care Spend Council Tax
1 Unitary	£149.80	£423.03
3 Unitary		
East Kent (5 districts)	£163.30	£472.45
North Kent (3 districts + Medway)	£190.83	£586.66
West Kent (4 districts)	£84.25	£211.17
4 Unitary (E,M,N,W)		
East (C, Do, Th)	£164.10	£488.72
Mid (A, F&H, Sw)	£174.10	£501.46
North (Da, G, My)	£190.02	£582.98
West (Ma, Se, T&M, TW)	£84.25	£211.17

## **5. Contact details**

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