

From: Linden Kemkaran, Leader of the Council

Brian Collins, Deputy Leader of the Council

To: Cabinet 29<sup>th</sup> January 2026

Subject: **Draft Capital Programme 2026-36, Revenue Budget 2026-27 and Medium Term Financial Plan (MTFP) 2026-29**

Classification: **Unrestricted**

**Summary:**

The draft budget proposals for the 2026-27 revenue budget, 2026-29 Medium Term Financial Plan 2026-36 Capital Programme were published on 8<sup>th</sup> January 2026 for the January cycle of Cabinet Committees and Scrutiny Committee.

Each Cabinet Committee has received a report setting out details on the key strategic considerations underpinning the decisions necessary for County Council to agree the budget at the Budget Meeting in February. The relevant Cabinet Member(s) has outlined the key 2026-27 revenue budget policy choices, and where appropriate capital programme proposals, relating to their portfolio as part of the Cabinet Committee consideration.

This report is an updated draft presented to Cabinet for endorsement that includes the recent local transport consolidated funding announcement and associated spending as well as a number of other minor changes which do not materially change the budget from the version presented to Cabinet Committees in January 2026. These minor changes are largely a result of additional information available since the 8<sup>th</sup> January publication.

An updated final draft report for County Council will be published on 4<sup>th</sup> February 2026. This final draft report will include the final grant settlement and tax base and collection fund estimates (providing these are received in time). The final draft will include any agreed recommendations from Cabinet Committees and Scrutiny Committee. The final draft will also include Personnel Committee recommendation on Kent Scheme pay award from 1 April 2026 as well as any other minor changes that are necessary to be included in the final budget for approval. It is unlikely that information on the retained share of business rate growth or business rate collection fund balances will be available

The updated draft net revenue budget for 2026-27 remains unchanged at £1,647.8m, an increase of £116.5m (7.6%) on the approved budget for 2025-26. This includes core funded spending growth of £180.0m (+11.75%). This continues the trend of recent years with spending growth exceeding the available funding from central government and local taxation with the budget only balanced from savings, income and some limited one-off corporate solutions (£9m capital receipts and £16m drawdown from earmarked reserves).

Savings include £62.0m of new proposals and full year effect of current plans, partially offset by £28.0m from removal/rephasing of undelivered savings from previous years budgets and the removal of temporary savings. Additional income generation contributes £14.6m towards closing the gap between spending and available funding.

The draft budget includes a proposed 3.99% Council Tax increase for 2026-27.

The proposed draft capital programme for 2026-36 includes spending of £1,967m of which £1,379m is funded from government grants, £354m from borrowing and £234m from other sources.

Finally this version of the updated draft includes the following additional appendices: Treasury Management Strategy, Reserves Policy and Minimum Revenue Provision statement.

**Recommendations:**

The Cabinet is asked to:

- a) CONSIDER any proposed amendments from Cabinet Committees.
- b) ENDORSE the draft budget to be presented to County Council on 12<sup>th</sup> February 2026 for final decision

### **3. Contact details**

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