



**Budget
2026/27
and
Medium Term
Financial Plan
2026/27 – 2029/30**

CONTENTS

Executive Summary

General Fund (GF) Revenue Accounts

Housing and the Housing Revenue Account (HRA)

Asset Management Plan

Project Programmes

Treasury Management and the Prudential Code

Key Assumptions

Significant Budget Risks

ANNEXES

1A	General Fund Revenue Budget Summary
1B	General Fund Service Expenditure by Cost Type
1C	General Fund Key Figures
1D	General Fund Key Elements
2	Four Year General Fund Revenue Budget Projection
3A – 3C	Service Summaries and Budgets
4	Projection of General Fund Earmarked Reserves
5	Housing Revenue Account Budget Summary
5A	Housing Revenue Account Four-Year Forecast
5B	Housing Revenue Account Programmes
5C	Housing Development Capital Programme
6A	Capital Programme
6B	Special Revenue Projects Programme
6C	Digital & ICT Projects Programme
6D	Capital Receipts Summary
7A	Capital Strategy
7B	Treasury Management Strategy
7C	Investment Strategy
7D	Minimum Revenue Provision
8A	Council Tax Resolution
8B	Town Council & Parish Precepts
8C	Precepts & the NDR Multiplier
9	Grants to Other Organisations
10	Summary of Recommendations

EXECUTIVE SUMMARY

OVERALL POSITION

1. This section provides a summary of the main points of the budget and Medium Term Financial Plan (MTFP) covering the General Fund Revenue Budget, Housing Revenue Account (HRA) and Capital Programme.

BUDGET AND MEDIUM TERM PLANS

2. The MTFP is the Council's key financial planning tool and underpins the strategic approach to financial planning. Although it spans five years, it is reviewed at least annually and is monitored during the year.
3. It should not be viewed in isolation but as part of the wider financial management process and in conjunction with other plans and strategies, in particular the Corporate Plan and the Asset Management Plan. This MTFP covers the period 2026/27 – 2029/30.
4. Year 1 (2026/27) is the formally approved budget for the coming year. Years 2 – 5 of the MTFP (2027/28 – 2029/30) are included as “indicative budgets” for planning purposes. These will be rolled forward and amended in subsequent MTFPs (Medium Term Financial Plans) and so approval of the MTFP does not set the budgets for the future years.
5. Regard has been given to the resources required to deliver the Council’s objectives and the budget has been prepared to reflect the anticipated service costs and pressures. However, this budget has been set in a period of uncertainty and volatility due to the unpredictable economy and public finances, the unpredictable system of local government finance, the uncertainty of the impact of Local Government Reorganisation and the ongoing requirements and funding for the Dover Port Health Authority (DPHA).
6. Significant uncertainties at the time of writing, impacting (mainly) the 2026/27 revenue budget, include:
 - 2025/26
 - The final 2025/26 outturn and the reserves and balances to be carried forwards to 2026/27.
 - 2026/27
 - The on-going macroeconomic position.
 - On-going service pressures, including homelessness.
 - Business Rates income, reset and revaluation and collection levels.
 - Council Tax collection levels.
 - Funding decisions by Ministry of Housing, Communities and Local Government (MHCLG).
 - The current and future costs and impact of LGR.
 - Future Years
 - The continuing impacts of the macroeconomic position.
 - The on-going baseline level of funding and future settlements.
 - On going costs and resource pressures to support local government reorganisation.

7. The local government settlement, published on 9th February 2026, marks the first time this decade that the Government has illustrated multiple years' worth of funding allocations, covering 2026/27 to 2028/29. However, there were elements of the settlement, particularly relating to Business Rates, that were amended (compared to the draft settlement) on publication of the final figures. No further consultation was undertaken on these changes but one-year compensatory arrangements were put in place to negate the impact for 2026/27 budgets. It should also be noted that the settlement remains an annual event and figures for future years are indicative and not a binding commitment and therefore subject to change until they are 'locked in' by their own settlement.

LOCAL GOVERNMENT REORGANISATION TIMELINE

8. The Government published the English Devolution White Paper in December 2024 that set out its ambition to reshape local government in England. This would be through a combination of devolution to new strategic authorities and reorganisation of all the remaining two-tier local government areas in England into unitaries. These unitaries will be 'principal authorities' that will deliver the public services and will replace counties and districts.
9. In response to the White Paper, Council Leaders in Kent were invited to apply for, and submitted a formal request to receive priority status to be included in the Devolution Priority Programme (DPP). If successful, this would have accelerated the devolution process and provided additional Government support for those Councils on the DPP. A joint letter requesting Kent's inclusion in the Devolution Priority Programme was sent on 10 January 2025.
10. On 5 February 2025, Government notified Councils in Kent and Medway in a letter from the then Local Government Minister that they were not selected to be on the DPP and instead received a statutory invitation to submit proposals for Local Government reorganisation (LGR).
11. The letter detailed a timeline for the process, including a requirement for a joint interim proposal by 21 March 2025 setting out direction of travel and intentions, and a deadline of 28 November 2025 to receive a final submission from each council on reorganisation.
12. As a result, all councils across Kent submitted their preferred option for reorganisation for the county by 28 November 2025, with Dover District Council favouring a model that groups the county into 4 unitary authorities. MHCLG is consulting on the 5 submitted options early 2026, with the announcement of their chosen model for LGR in Kent due by summer 2026.
13. Based on the proposed timescale for LGR from MHCLG, Dover District Council will cease to exist from 01 April 2028. With this in mind, there are at least 2 further years of Dover District Council and therefore this MTFP may stretch beyond the last year of DDC (subject to the Government timeline for LGR).
14. There are many unknowns at the current time, however, in the meantime, the Council must continue to manage business as usual and continue its proper financial management. This MTFP has been prepared on that basis.

BUDGET HEADLINES

GENERAL FUND

15. The General Fund (GF) headlines are:

- The General Fund budget for 2026/27 forecasts a budget surplus of £32k.
- The Smoothing Reserve is forecast to be £4m at 31 March 2026.
- General Fund balance forecast to be maintained at £1.5m.
- Proposed DDC Council Tax increase of £6.57 (2.98%) per annum (13p per week) for a Band D property, maintaining the lowest Council Tax in East Kent.
- There are no major reductions in services proposed within the budget.
- The 2026/27 budget assumes that the Dover Port Health Authority (DPHA) function will continue to be cost neutral.

THE HOUSING REVENUE ACCOUNT

16. The Housing Revenue Account (HRA) headlines are:

- The Housing Revenue Account forecasts a deficit of £283k.
- Housing rents will increase by 4.8%. The typical weekly rent on a 3 bedroom house will be £123.09 and is much lower than the private sector equivalent.
- The housing development programme is continuing to deliver additional social rent, affordable rent and shared ownership homes for the district.
- Rent arrears levels are reducing year on year, and prepayment levels are the highest in recent years. Rent collection levels have increased as a percentage of the total rent to be collected. The current tenant arrears as a percentage of projected annual rental income is 1.79% and remains below the 2% target.
- HRA balance to be maintained at £1m for 2026/27
- Housing Initiatives Reserve is forecast at £20m at the end of 2026/27

THE CAPITAL AND SPECIAL REVENUE PROJECTS PROGRAMME

17. The capital and special revenue projects programme headlines are:

- The current Capital Programme totals £112.6m and is fully funded. The major projects in the programme are:
 - Dover Beacon Project
 - Tides Leisure Centre Replacement
 - Regeneration Projects
 - Deal Pier Structural Repairs
- The current Special Revenue Programme totals £19.9m and is fully funded.
- The current resources for funding capital and special revenue projects will be largely exhausted by the current programme.
- Future capital receipts are expected to come mainly from on-going housing right to buy sales (which are facing a reduction following the changes in regulations) and one-off asset sales, so will not replenish capital funds and will not be sufficient to maintain the current level of activity in the future.
- Revenue project resources will also be largely depleted, and no significant new resources are expected.
- Borrowing for capital purposes can be undertaken but this will make business case proposals for projects more challenging as they will have to recognise the costs of

borrowing and repayment to demonstrate affordability and comply with the Prudential Code.

- The current HRA Capital programme totals £109m, the main projects included in the programme are:
 - Affordable Housing developments, including:
 - Grove Road, Preston
 - Poulton Close
 - Mongeham Road, Deal
 - Willowbank, Sandwich
 - Wallers Field, Deal
 - Stanhope Road, Dover
 - Richmond Park, Archers Court Road, Whitfield
 - Greenways, Colliers Way, Betteshanger
 - Sholden Meadows (Phase 2)
 - HRA Property Purchases
 - District Development Sites
 - Section 106 Purchases
 - HRA Stock Improvement Works

TREASURY MANAGEMENT AND CAPITAL STRATEGIES

18. The Council is required to produce a Capital Strategy, Treasury Management Strategy, Non-Treasury Investment Strategy and Minimum Revenue Provision Statement. These are included at Annexes 7A – 7D.

KEY ASSUMPTIONS AND SIGNIFICANT BUDGET RISKS

19. The budget and projections have been based on the best information available. However, there are always areas where there remains a degree of uncertainty, or it has been necessary to make assumptions. The most significant of these assumptions, together with the significant budget risks, have been reviewed and are set out within this MTFP to ensure that Members are aware of the basis of the budget.
20. Financial updates are presented to Cabinet on a quarterly basis, providing Members with information on the General Fund and HRA revenue budgets, the project programmes and other relevant information. This enables variances and budget changes to be identified early, and appropriate action initiated as early as possible.

THE GENERAL FUND REVENUE ACCOUNTS

INTRODUCTION

21. All the Council's services, other than housing, are provided through the General Fund (GF). The GF is mainly financed by Council Tax (CT), Business Rates (BR) and various grants including Revenue Support and the Recovery Grant.

FINANCIAL OBJECTIVES

22. The main financial objectives for the GF Revenue Account¹ are as follows:
- Produce a fully funded GF Budget
 - Maintain general balances over the medium term at an appropriate level (considered to be a minimum of £1.5m)
 - Maintain and use a GF Smoothing Reserve to enable the council to take a measured approach to the forecast pressures
 - Use earmarked reserves to finance one-off items
 - Support the Council's corporate priorities and agreed service standards

BUDGET DISCIPLINE

23. Corporate Management Team, in consultation with the Leader and Portfolio Holders, have reviewed their service areas to support delivery of efficient and effective services within the budgets available.
24. To maintain firm downwards pressure on expenditure and recruitment, and to ensure budgets are directed to the Council's priorities the Council maintains a continuous "authority to recruit" process. The process requires formal sign-off before any recruitment is permitted.
25. The Council also undertakes service and process reviews as part of its commitment to modernising the council through continuous improvement. These reviews identify opportunities for efficiencies, savings and alternative delivery methods including digital and process improvements to support smarter working and improved customer experiences. They work closely with teams to co-design solutions and embed changes, delivering improvements that are sustainable and deliver real benefits. In addition, the learning is captured and shared across the organisation through templates, best practice guides and collaboration so improvements in one area can benefit others.
26. A key element of financial management is the treatment of unspent budgets. The Council gives budget managers the flexibility to manage their budgets responsibly. Accordingly, managers are given the opportunity to carry forward unused elements of their budget, subject to approval by the Head of Finance & Investment.

THE GENERAL FUND BUDGET SUMMARY

27. The Council's GF revenue budget for 2026/27 is shown in Annex 1A. The budget forecasts a surplus of £32k for 2026/27. The GF balance is forecast to be maintained at £1.5m.

¹ The Revenue Account funds day to day recurrent expenditure (excluding housing). There are separate financing arrangements for capital expenditure where the benefit of the expenditure lasts for more than one year.

28. The main factors impacting the General Fund budget are the current and future costs from Local Government Reorganisation (LGR), service pressures such as homelessness, the on-going challenges with the local government funding model and the reset and revaluation of Business Rates. Other key areas of impact are detailed at Annex 1D.

2025/26 FORECAST OUTTURN

29. The 2025/26 original budget forecast a surplus of £6k. The budget forecast included £840k of savings and income generation targets and an assumption that, in line with previous year outturn positions, the outturn position will incorporate £500k of numerous, miscellaneous underspends.
30. The 2025/26 outturn as at 31st December 2025 forecast a surplus of £847k, mainly relating to savings in forecast salary costs, increased Extended Producer Responsibility funding and improved income streams. At year end the final surplus position will be transferred to the general fund earmarked smoothing reserve.
31. There remain a number of uncertainties which may continue to impact the outturn position. These include the economic environment, inflation and interest rate pressures, business rates collection rates and potential appeals, Council Tax collection rates, homelessness levels, supported housing costs, and the long term future of the Port Health service.

VARIANCES BETWEEN 2025/26 BUDGET AND 2026/27 PROPOSED BUDGET

32. The budget process identified significant pressures facing the GF budget and Heads of Service have worked with their portfolio holders and Corporate Management team to identify savings and income to offset these pressures and deliver a balanced budget.
33. The table below summarises details the main variances between the 2025/26 original budget and the proposed 2026/27 budget.

Ref		£000	£000
	2025/26 Original Budget Forecast Surplus		(6)
1	Decrease in forecast total National Non-Domestic Rates (NNDR) funding	4,447	
2	Increase in Revenue Support Grant	(5,495)	
3	Increase in Council Tax income	(375)	
4	Increase in Council Tax Collection Fund surplus	(147)	
5	Cessation of New Homes Bonus funding	534	
6	National Insurance funding rolled into settlement	229	
7	Services grant & funding guarantee rolled into settlement	320	
8	Adjustment Support Grant (one-off 2026/27)	(672)	
9	Movement in funding		(1,159)
10	Reduction in interest receivable forecast	170	
11	Reduction in interest payable forecast	(57)	
12	Vacancy allowance increased to reflect recent levels	(100)	
13	2025/26 savings targets incorporated into individual budgets	840	
14	2026/27 proposed savings target	(295)	
15	2025/26 target salary savings incorporated into base budgets	245	
16	Salary and associated staff costs Inflation	878	
17	Other increases in salary costs, including increments, priority areas, etc	446	
18	Net impact of changes to in-year pension and backfunding rates	(62)	
19	Increased recharges to HRA and projects	(765)	

Ref		£000	£000
20	Net increase in Homelessness temporary accommodation and associated costs	537	
21	Contract inflation (mainly refuse, recycling and street cleansing)	381	
22	Reduction in contributions to reserves	(750)	
23	Increased corporate repairs and maintenance budget	103	
24	Cessation of Tides management fee	(250)	
25	Increased Extended Producer Responsibility funding	(380)	
26	Anticipated reduction in Council Tax penalty and fine income	111	
28	Numerous miscellaneous variances	80	
29	Movement in services & associated reserves		1,133
30	General Fund Surplus for the Year		(32)

FINANCING THE BUDGET

34. The net cost of all General Fund services for 2026/27 is forecast to be £22.107m. The bulk of this (68.6%) is financed locally through Council Tax and the proportion of Non-Domestic Rates retained by the Council.
35. Government provides the balance of 31.4% through a small number of grants, as shown below.

General Fund Revenue Financing	2025/26 £000	2026/27 £000	% of total
Non-Domestic Rates Income	9,817	5,370	24.3
Revenue Support Grant	294	5,789	26.2
Recovery Grant	451	451	2.0
Funding Guarantee	320	0	0
Adjustment Support Grant	0	672	3.0
New Homes Bonus	534	0	0
National Insurance Funding	229	0	0
Council Tax	9,299	9,674	43.7
Collection Fund Surplus (Council Tax)	36	183	0.8
Total Financing	20,979	22,139	100.0

36. The local government settlement, published on 9th February 2026, marks the first time in this decade that the Government has illustrated multiple years' worth of funding allocations, covering 2026/27 to 2028/29. However, it should be noted that the settlement remains an annual event and figures for future years are subject to change until they are 'locked in' by their own settlement.
37. The following sections provide further explanation of the Council's main funding streams.

FAIR FUNDING ASSESSMENT

38. MHCLG has published the provisional outcome of the Fair Funding Review which sets the underlying figures for the Fair Funding Assessment (i.e. the redistributed 2025/26 totals). This has been split to the Baseline Funding Level (BFL) and revenue support grant (RSG), with some additional funding beyond the redistribution of 2025/26 being added to local authority figures through BFL indexing and RSG increases.

39. The 2026/27 local government finance settlement is for one year only and includes illustrative amounts for 2027/28 and 2028/29. The figures for all years are based on the outcome of the 2024 Autumn Budget & Spending Review, announcements of the 2025 Budget and the 20 November Policy Statement. Figures for future years are indicative and not a binding commitment and therefore subject to change until they are 'locked in' by their own settlement

CORE SPENDING POWER

40. Core spending power is a measure used by central government to demonstrate the resources available to local authorities and includes council tax as well as Revenue Support Grant, Business Rates etc. The measure has its flaws, but it does demonstrate an overall trend and shire districts have generally seen the largest reduction, or smallest increase, in core spending power.
41. The draft settlement published in December 2025 proposes a headline increase in core spending increasing from £22.1m in 2025/26 to £22.2m in 2026/27, a 0.5% (£100k) increase. This was revised in the final settlement to a headline increase in core spending increasing from £21.1m in 2025/26 to £22.3m in 2026/27, a 5.6% (£1.2m) increase.
42. The final settlement included changes to the treatment of prior year gains from business rates pooling arrangements. The changes made assumed that pooling gains were split equally across upper and lower tier authorities, despite this often not being the arrangements in place. In Kent the pooling arrangements split the gains 60% to districts, 30% to county and the balance for contingency and the shadow pool arrangements. The assumed 50/50 split therefore disadvantages the districts and benefits the county council. The impact of this change would have been a reduction in funding for DDC of £672k. However, for 2026/27 MHCLG have awarded a one-off Adjustment Support Grant to negate the impact of the late change.
43. The figures provided indicate a decrease in funding of 1.4% in 2027/28 (due to the one-off nature of the Adjustment Support Grant and an increase of 1.5% for 2028/29, creating additional pressure on the council with funding changing at a drastically lower level than the inflating costs of maintaining existing services.
44. Additionally, the CSP assumes an increase in Council Tax revenue of 5%, as the capping level for Dover is 3% the assumptions appear to include c.2% growth in the tax base. For 2026/27 the tax base for Dover has only increased by 1%, resulting in an actual income forecast £90k less than that assumed in the CSP calculation.

REVENUE SUPPORT GRANT

45. Revenue Support Grant (RSG) (from Government) has increased from £294k to £5.79m to offset the reduction in retained business rates income due to the Fair Funding Assessment calculation of the baseline funding level, of business rates to be retained by the council.
46. For financial planning purposes it has been assumed that RSG will continue for the remainder of the MTFP planning period and is based on the illustrative figures included in the settlement.

RECOVERY GRANT AND FUNDING GUARANTEE

47. In 2025/26 a new 'Recovery Grant' was distributed to local authorities as part of the core spending power calculations that government undertook. The grant has been included in

the 2026/27 settlement and is proposed to continue for the 3-year settlement period. DDC has been awarded £451k per year for the period. For financial planning purposes it has been assumed that the grant will cease after the current 3-year settlement.

48. The sector wide Funding Guarantee Grant has been built into the Settlement Funding Assessment which determines the business rate baseline and subsequently the business rate income we receive and is no longer awarded as separate funding.

NEW HOMES BONUS

49. New Homes Bonus (NHB) was funded by DLUHC² from a top slice of existing local government finance. The NHB received was credited to the General Fund revenue budget and it was therefore an essential element in balancing the Council's budget.
50. At its highest level NHB was contributing £1.9m to the GF revenue budget but has been reducing over recent years to £534k in 2025/26. This funding stream has also been built into the Settlement Funding Assessment which determines the business rate baseline and subsequently the business rate income we receive and is no longer awarded as separate funding.

NATIONAL INSURANCE (NI) CONTRIBUTIONS INCREASE

51. From April 2025 the rate of Employer National Insurance Contributions (NICs) increased from 13.8% to 15%. Employers now pay Employer NICs on salaries from £5k (reduced from £9.1k). As a result, these changes increased costs to the Council in by c.£450k pa (c.£100k of which is recharged to HRA/projects). Government part funded this cost with a grant of £229k in 2025/26. This has also been built into the Settlement Funding Assessment and is no longer awarded as a separate grant.

EXTENDED PRODUCER RESPONSIBILITY FUNDING (EPR)

52. The government's Extended Producer Responsibility (EPR) scheme started providing funding to Councils in the 2025/26 financial year. The scheme collects funding from manufacturers of products based on the amount and type of packaging they are using. Funds allocated to each Council are calculated with consideration to deprivation, rurality, waste collection method, number of flats and the tonnes of recycling collected per household.
53. The funding totalled £1.4m in 2025/26 and is forecast to remain at the same level in 2026/27. The funding part offsets the costs of managing and maintaining the recycling service across the district and is included in the service budget.
54. Despite apparent commitments that the EPR will be "additional" funds, there have been suggestions that MHCLG may use this to claw back elements of the settlement in future years. So, the basis of this grant for longer term financial planning is uncertain.
55. However, it is worth noting that the phrase used in DEFRA's notification letter was, "We trust that this guaranteed funding will enable you to drive the changes needed to deliver an efficient service.". Being able to demonstrate that we operate an "efficient" (and "effective") service for the collection of packaging materials is one of the criteria for determining the amount of future EPR payments. DEFRA have indicated that they will be

² Department for Levelling Up, Homes and Communities, now Ministry of Housing, Communities and Local Government (MHCLG)

publishing league tables in due course benchmarking Council performance, as a measure to encourage improvement in services.

COUNCIL TAX

56. The Government is placing an increasing burden for funding local services onto the local taxpayer. Overall, approximately 53% of Core Spending Power (CSP) across England in 2026/27 is forecast to be funded from Council Tax.
57. Council tax increases for shire districts are proposed, in the settlement consultation, to continue to be limited to 2.99% or £5, whichever is the greater. This maintains the existing inequity between low and higher taxing districts. DDC is a low tax district and is therefore restricted in the additional income it can generate from Council Tax.
58. A Council Tax increase of 2.98% for DDC purposes has been assumed for the 2026/27 budget which, if approved, will produce a Band D Council Tax of £227.34. This will result in an increase of £6.57 per year on a Band D property, which is within the Government's capping requirements, which limit increases to 3% or £5, whichever is the greater.
59. The increase in the tax base from 42,119.72 Band D equivalent properties in 2025/26 to 42,551.70 equivalent properties in 2026/27, a rise of 1%, has been impacted due to a growth in property numbers, the proposed implementation of the revised Council Tax Support Scheme and an increase in the anticipated Collection rate in year.
60. The combined impact of the Council Tax increase and the tax base increase is forecast to generate total Council Tax income of £9.67m. For planning purposes, a Council Tax increase of 3% per annum has been estimated for future years.
61. The total Council Tax charges for a Band D property is made up as follows:

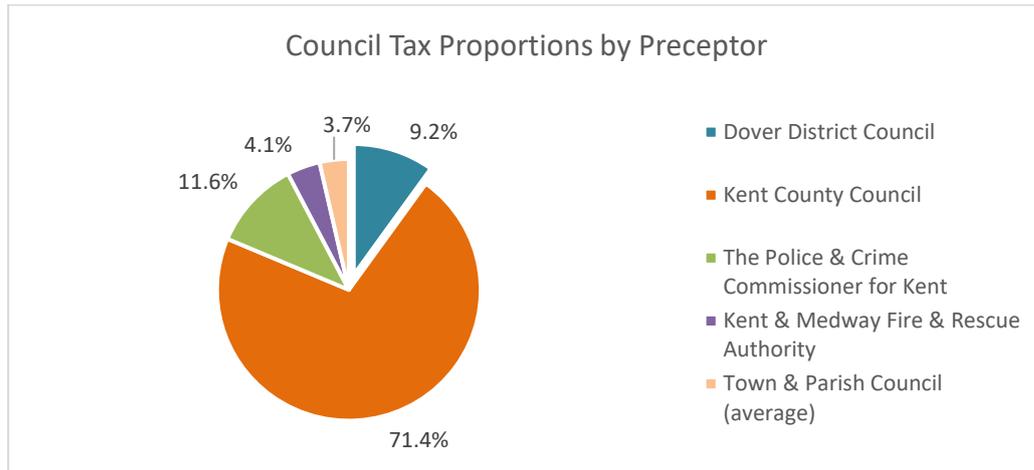
	2025/26 £	2026/27 £	Increase %	2026/27 Proportion %
Dover District Council (proposed)	220.77	227.34	2.98	9.24
Kent County Council	1,691.19	1,758.60	3.99	71.45
The Police & Crime Commissioner for Kent	270.15	285.15	5.55	11.58
Kent & Medway Fire & Rescue Authority	94.86	99.81	5.22	4.05
Sub-Total	2,276.97	2,370.90	4.13	96.32
Town & Parish Council (average)	87.48	90.84	3.84	3.68
Total Band D Council Tax	2,364.45	2,461.74	4.11	100.00

The Council Tax, by band, for the major preceptors will be as follows:

	<u>Valuation Bands</u>							
	A £	B £	C £	D £	E £	F £	G £	H £
Precepting Authority:								
Kent County Council	1,172.40	1,367.80	1,563.20	1,758.60	2,149.40	2,540.20	2931.00	3,517.20
The Police & Crime Commissioner for Kent	190.10	221.78	253.47	285.15	348.52	411.88	475.25	570.30

	Valuation Bands							
	A	B	C	D	E	F	G	H
Kent & Medway Fire & Rescue Service	66.54	77.63	88.72	99.81	121.99	144.17	166.35	199.62
Dover District Council	151.56	176.82	202.08	227.34	277.86	328.38	378.9	454.68
Total	1,580.60	1,844.03	2,107.47	2,370.90	2,897.77	3,424.63	3,951.50	4,741.80

62. How the total Council Tax charge is allocated to the individual organisations will follow on receipt of all the preceptor information.



COMPARISON WITH OTHER DISTRICTS' 2025/26 BAND D COUNCIL TAX

63. DDC has one of the lowest Council Tax rates in Kent. A comparison with the East Kent authorities' 2025/26 Council Tax rates below shows the percentage that their 2025/26 Council Tax level exceeded DDC's and the extra income DDC would receive at their level of Council Tax:

	Band D Council Tax £	Difference to DDC %	Extra Income DDC would receive
Dover District Council	220.77	-	-
Canterbury City Council	247.05	11.90%	£1.12m
Folkestone and Hythe District Council	288.45	30.66%	£2.88m
Thanet District Council	271.05	22.76%	£2.14m

BUSINESS RATES (BR)

The Business Rates Retention System – Key Changes

64. There are several changes to the Business Rates Retention scheme (BRRS).
65. The key changes for 2026/27 are:

- A reset of the baseline level of Business Rates (BR) that DDC (and other councils) is expected to collect
- A revaluation of all rateable properties by the Valuation Office Agency
- Multipliers

- Appeals
- A safety net set at 100%
- The end of BR pooling.

66. These changes are explained below.
67. Baseline Reset - A baseline reset has been undertaken. This resets the baseline level of BR that local authorities must achieve and can retain before they start achieving “growth”, of which they can then retain a proportion after paying 50% to government together with a levy applied to the retained growth.
68. BR Revaluation – The Valuation Office Agency has undertaken a revaluation and produced a draft 2026 list of values to be used for business hereditaments for 2026/27 (and the following 2 years). The revaluation has shown a significant increase in valuations, particularly in the hospitality sector.
69. Multipliers – the BR payable are the product of the “multipliers” and the valuation. So, if the multiplier is 50p in the pound, a business would pay 0.5 x rateable value. Several multipliers were reduced by reliefs put in place during Covid. Those reliefs have been reduced so that the combined impact of the reduced reliefs and significantly increasing valuations have led to increases in BR payable for some businesses. As a result of pressure, mainly from the hospitality sector, the government has announced that it will provide additional support, but it is not clear how this will be provided or how Councils will be compensated if it leads to less collectable BR against their baseline.
70. Appeals – Following a revaluation there is generally a period of appeals. Typically, DDC pays 50% of the BR it has collected to government, 9% to KCC and 1% to Fire and Rescue, leaving 40% retained. However, where appeals are subsequently successful, DDC must meet 100% of the costs of any refunds from the 40% retained. The Council is also left with a reduced taxbase against which it is trying to deliver its baseline income. The opportunity to “nationalise” appeals, by pooling the impact of appeals centrally, at the time of the reset, was not taken up by government.
71. Safety Net – Before the reset, government operated a safety net where, if Councils failed to achieve their baseline target, the safety net was set at 92.5%, so they had to suffer a loss of 7.5% of baseline and were compensated for any greater losses.
72. Following the reset, the safety net for 2026/27 is set at 100%, so councils will be compensated for all losses below the baseline. Draft baselines for 2027/28 and 2028/29 have been provided and it is anticipated that the safety net will reduce to 97% and 92.5% over the draft settlement period. As there is no certainty in the future settlement figures this is, in many respects, a 1 year settlement with only indicative figures for years 2 and 3.
73. Business Rates Pooling – The levy rate on counties is much lower than that on districts. In the past districts in Kent pooled with KCC to form a Business Rates pool that reduced the levy payable to government, to the benefit of both KCC and the districts. This practice was widespread across the UK. However, the uncertainty and structure of the new reset are such that there are virtually no BR pools for 2026/27.
The Business Rates Retention System – Background
74. The system is complex and volatile. It contains tariffs and top-ups, safety nets, levies, baseline “resets”, periodic revaluations, transition periods, s31 grants, adjustments for renewable energy, appeals and BR relief schemes.

75. Although referred to as a 50% local retention system, of which 40% is currently retained by districts, this is not the full picture. DDC retains about 10% (before s31 grants). A simplified illustration of the mechanism for the “50%” BR retention system is set out in the table below (illustrative, based on draft 2025/26 data before adjustment for S31 grant funding or reliefs).

Attribution of BR Income (Indicative)	£m
Dover district net rate yield	(55.4)
Less	
50% to Government	27.7
9% to KCC and 1% to Fire	5.5
Retained balance of 40%	(22.2)
Less: tariff to Government	16.2
Balance retained by DDC	(6.0)

76. From the 40% retained, if the baseline amount that remains with the council is greater than the council’s baseline budget requirement, then the council pays the excess to government in the form of a “tariff”. For Dover this means the bulk of the 40% is also paid to government, as shown in the table.
77. Once the tariff is set, a district will have to continue to pay this amount to government. If actual collection is lower (for example, due to demolition, successful appeals, bad debts etc.) the council must continue to pay the tariff and bear the loss itself until it hits the safety net at which point losses are capped. For 2026/27 the safety net is 100%, so no losses should be borne by the Council.
78. This system is unstable, with many moving parts and complex accounting requirements. Provisions also have to be calculated for likely reductions in rateable value (RV) from appeals and bad debts. These calculations are uncertain and may or may not be sufficient.
79. Overall, the 2026 draft list shows an increase in Rateable Value for the Dover district of 76% from £128m to £226m. This doesn’t necessarily mean a proportionate increase in the amount collectable, since many premises have small business or other relief, but it is indicative of a broadly proportionate increase for larger businesses and a significant overall increase set out in the table below. The increase also does not mean more retained by DDC, since the baseline is increased to offset the RV increase.
80. The table below shows the BR profile for DDC. This is unusual for its high level of concentration in a small number of properties, the unique nature of some of the properties and the volatility of the Rateable Value (RV) of unique properties such as the Channel Tunnel.

Dover’s Rateable Values	Current Rateable Value £000	2026 draft Rateable Value³ £000	% of 2026 total
Channel Tunnel	40,000	118,000	52
Discovery Park	12,376	18,506	8
Dover Harbour Board	3,270	6,770	3
Tesco, Whitfield	1,820	1,980	1
Thanet Offshore		1,470	1

³ Note – These figures are based on the draft 2026 valuations. Rateable Value is not the same as the Business Rates paid. RV is multiplied by a government set multiplier (49.9p in 2022/23 and 2023/24 for the standard multiplier) to determine the amount payable and this may be subject to BR reliefs. Some sites have seen large increases in RV. For example, the Channel Tunnel have seen an increase of circa 195% from £40,000 to £118,000 in the draft list, and this is subject to appeal.

Dover's Rateable Values	Current Rateable Value £000	2026 draft Rateable Value³ £000	% of 2026 total
Sub Total	57,466	146,726	65
Remainder ⁴	71,848	80,149	35
Total	129,314	226,875	100

COLLECTION FUNDS

81. The Collection Funds are statutory funds. They sit entirely outside of the General Fund and the Council budget.
82. The Council manages separate collection funds for Council Tax and Business Rates. Every year the Collection Funds are credited with the income from Council Tax and Business Rates (c. £90m and £55m respectively).
83. The Council Tax collection fund is debited with the precepts from DDC, KCC, Fire, Police etc. These precepts are based on the forecast of income based on assumptions about the tax base, collection rates, etc. So, if income is below forecast, the collection fund will show a deficit at the year end. If it is above forecast, it will show a surplus.
84. Normally this surplus (or deficit) is owed to (or by) the preceptors and will be added to (or deducted from) the following year's precept in order to distribute the surplus available in the collection fund or contribute the projected deficit back to the collection fund to top it up. This is a continuous rolling process. An estimate of the expected Surplus is calculated in the January before the start of the next financial year.
85. DDC's share of the NDR surplus/deficit is calculated as part of the NDR1 process, the forecast deficit will be financed from the Business Rates & Council Tax Support Reserve in accordance with the planned smoothing of NDR timing differences.

GENERAL FUND RESERVES AND BALANCES

86. In the 2022/23 budget process it was recognised that to mitigate the risk and volatility associated with the budget process a £4m smoothing reserve should be created to enable the council to take a measured approach to the forecast pressures.
87. The smoothing reserve has been utilised to finance £1.28m of pressures since being established in 2022/23. The quarter three report for the General Fund forecasts a surplus in-year of £847k, £800k of which will be returned to the reserve if the final outturn remains at this level.
88. It is proposed to increase the GF smoothing reserve balance back to £4m in 2025/26 to recognise the uncertain times the council is facing with LGR & future financing. This will be funded by transfers from other reserves. See Annex 4 of the MTFP for full details of the earmarked reserves held.
89. The 2026/27 budget is currently forecast to have a surplus of £32k.

⁴ The next largest site is less than 1% of the total.

90. The proposed General Fund balance of £1.5m reflects a revised “minimum preferred level”, following the introduction on the General Fund Revenue Budget Smoothing Reserve.
91. The forecasts contain a significant margin of uncertainty and pressures from inflation, the macroeconomic position, and the future of local government funding. Based on current assumptions. it is currently forecast that there will be a requirement to deliver savings and / or income generation in the region of £1.6m in 2027/28 and a further £0.9m in 2028/29 and 2029/30, as detailed in Annex 2. This value is subject to the impacts of the uncertainties and pressures and will be kept under review.
92. The Council’s earmarked reserves, and protocols for their use, are set out in Annex 4. Without these earmarked reserves the Council cannot plan effectively for anticipated future events and requirements and expenditure of a cyclical nature. Nor could the Council plan to smooth the impacts of the volatile income streams and additional pressures. Therefore, the earmarked reserves are held at an appropriate level for the Council’s plans.
93. Further supporting information on the GF budget is provided in the following Annexes:
- Annex 1A contains the budget summary for the General Fund
 - Annex 1B shows the net service expenditure analysed by categories of expenditure and income
 - Annex 1C shows the key expenditure and income figures and patterns for the General Fund
 - Annex 1D details the main factors impacting the General Fund budget
 - Annex 2 provides the General Fund Revenue Budget projection for the period to 2029/30
 - Annexes 3A – 3C contain summaries of the services managed by each Director and the associated budgets
 - Annex 4 contains details of the General Fund balance and earmarked reserves
 - Annex 8A, 8B & 8C include the Council Tax Resolution and all associated Council Tax information
 - Annex 9 details the Grants made to Organisations for approval

Recommendations from this Section

94. It is recommended that Cabinet:
- approve the grants to organisations detailed at Annex 9.
 - approve that the grants received from MHCLG for Homelessness and Rough Sleeping are allocated to support the efficient delivery of the grant requirements.
95. It is recommended that Council:
- approve the General Fund Revenue budget for 2026/27.
 - approve the policies and protocols regarding the General Fund balances and earmarked reserves, and transfers between reserves as set out in Annex 4.
 - approve the Council Tax resolution as set out in Annex 8A.

HOUSING AND THE HOUSING REVENUE ACCOUNT

OVERVIEW

96. This section addresses two, separate but related, aspects of housing within the district. The first concerns the financial standing of the HRA, its budget and balances, and the rent levels for the coming year.
97. The second concerns housing development and investment, and includes developments by the HRA, Registered Providers (RPs) and by the private sector.

HRA FINANCIAL OBJECTIVES

98. The main strategic financial objectives of the Housing Revenue Account are as follows:
- Maintain a Housing Revenue Account that is self-financing and reflects the requirements of residents
 - Comply with the Decent Homes Standard and relevant health and safety requirements
 - Maximise the recovery of rental income
 - Minimise the number of void properties and minimise the level of rent arrears and debt write offs
 - Provide sufficient investment in the current stock to maintain its condition and implement upgrades as necessary
 - Maintain an adequate level of HRA balances and reserves
 - Undertake prudential borrowing, in accordance with the Council's treasury management policies, where appropriate and there is a business case to do so, for investment in additional properties and property development
 - Develop a programme to deliver new affordable housing across the district
99. At the time of writing, the HRA has 4,541 dwellings, made up of 2,735 houses and 1,806 flats.

THE HRA BUDGET SUMMARY AND MEDIUM-TERM FORECAST

100. The HRA's financial position, detailed at Annex 5, can be summarised as follows:
- HRA balance to be maintained for the period at £1m
 - Housing Initiatives Reserve (HIR) balance to be used for stock condition and planned works for DDC's housing stock
 - The housing development projects (as detailed in paragraph 133) for the planning period will be funded by retained right-to-buy receipts, grant funding and borrowing⁵
 - Increase in social rent of 4.8% as per MHCLG
 - Affordable rents (which do not exceed the LHA rate) will increase in line with the Chancellor's Autumn Statement.
 - Increase in shared ownership rents of 5.0% as per MHCLG guidance
101. The Housing Initiatives Reserve (HIR) is currently planned to be used to continue the work on improving DDC housing stock.

⁵ Project viability assessments are undertaken on the basis that borrowing will be required. However, where cashflow is sufficient to undertake the projects without borrowing, then the borrowing will only be undertaken when it is required or prudent to do so.

102. During 2026/27, and for the duration of the MTFP, it is assumed that the HRA development projects will be funded through retained right-to-buy receipts, external funding and borrowing. The council is aiming to add 200 units per year to its housing stock, progress is under way, see paragraph 126 for more details, and further developments and proposals in the pipeline.
103. Annex 5 provides a draft HRA budget summary & Annex 5A details the 4-year forecast position for the HRA. The planned capital and revenue works budgets have been set to account for the expected level of repairs needed to maintain the stock at an appropriate level for the planning period, these are provided in Annex 5B.

2025/26 FORECAST OUTTURN

104. The 2025/26 original budget forecast a surplus of £520k.
105. The 2025/26 outturn as at 30th December 2025 forecasts a surplus of £871k, mainly relating to savings in forecast salary costs, increased interest payable for affordable housing developments and increased rental income. At year end the final surplus position will be transferred to the housing initiatives reserve.

VARIANCES BETWEEN 2025/26 BUDGET AND 2026/27 PROPOSED BUDGET

106. The table below summarises details the main variances between the 2025/26 original budget and the proposed 2026/27 budget.

Ref		£000	£000
	2025/26 HRA Original Budget Forecast Surplus		(520)
1	Salary savings across HRA	(408)	
2	Increase in interest payable as majority of interest costs is now HRA	227	
3	Increased cost for Housing System	43	
4	Miscellaneous variances	38	
5	Total Variances as at end of Q2 2025/26		(100)
6	Increased revenue repairs and maintenance spend to reflect stock condition survey outcomes	1,000	
7	Other miscellaneous increases for revenue repairs and maintenance	124	
8	Miscellaneous decreases for capital programme	(390)	
9	Impact of inflation on salaries and associated staff costs	648	
10	Allowance for resource pressures to support new stock	175	
11	Interest payable on temporary borrowing for housing development.	903	
12	Increase in rents due on existing dwellings	(1,180)	
13	Impact of new stock on rent income	(277)	
14	Decrease in service charge income	22	
15	Miscellaneous Variances	(122)	
16	Total Variances from Quarter 2 to 2026/27 budget		903
17	Forecast Underlying 2026/27 HRA Deficit		283

BACKGROUND

107. With effect from 1st April 2012 the government replaced the subsidy based system of HRA financing with "Self-Financing". For DDC this resulted in the replacement of the subsidy that we were paying to Government (£6.3m in 2011/12) with a single payment to them of

£90.5m. This was facilitated by the compulsory borrowing by DDC of the required sum from the Public Works Loans Board (PWLB). Government direction was to plan for long term rent increases of 1% above inflation. Servicing the loan, over 30 years, cost less than the negative subsidy, and so the HRA started to accrue a surplus which could be invested in new housing or other appropriate requirements. The current balance outstanding on the PWLB loan is c.£60m.

108. The HRA forecasts a deficit for 2026/27 of £283k. The deficit will be financed by the Housing Initiatives Reserve (HIR). The HIR balance is forecast at £20m at the end of 2026/27. New projects will use borrowing, as required, to support the on-going programme of housing development.
109. The 2026/27 budget is based on the work programme provided by the property services section and incorporating the results of the survey. A new stock condition survey was started in 2024/25 to review the latest position and provide up to date information for forecasting futures works and budget requirements and will continue in 2026/27.
110. Current tenant arrears are £484,970 in 2025/26 Q3 (including UC). This equates to 1.81% of projected total annual rental income. Current tenant rent arrears have increased in 2025/26 and continue to be closely monitored, despite the increase collection rates remain above the 98% target.

Rent Setting

111. Council house rents are effectively controlled by Government. The current guidelines from the Ministry of Housing, Communities and Local Government (MHCLG) are for social rents to be increased using CPI (Consumer Prices Index) + 1%, this results in an increase for 2026/24 of 4.8%. Social rent levels are calculated on an individual property basis using rent formulas previously prescribed by MHCLG.
112. It is not, therefore, possible to report on the rent to be set for, say, a standard 2-bedroom flat or a standard 3-bedroom house. However, for Members' information the following figures may be helpful:
 - The 2025/26 average weekly social rent across all properties is £107.09
 - The 2026/27 average weekly social rent is forecast to be £112.21
 - The increase in the average weekly social rent is £5.12 or 4.8%
 - Three bedroom houses have rents (for 2026/27) ranging from £107.40 per week to £166.81 per week with an average of £123.09
 - These rents are all significantly lower than those available in the private rental sector
113. DDC now has 86 properties which are charged at affordable rent. This is defined as homes let below market rent. The rent (including service charges) is set at up to 80% of the local market rent for an equivalent home for most registered providers but the Council's view is that wherever possible affordable rent levels should not exceed the Local Housing Allowance (LHA) rate. The LHA rates have remained the same for 2026/27 as they were for 2025/26:
 - Shared accommodation/Bedsit - £99.30 weekly rent
 - 1 Bedroom - £117.37 weekly rent
 - 2 Bedrooms - £159.95 weekly rent
 - 3 Bedrooms - £199.07 weekly rent
 - 4 Bedrooms - £276.16 weekly rent

114. The LHA rates in the Dover District are determined by Broad Rental Market Areas (BRMAs). There are two BRMAs in the district; Canterbury BRMA and the Dover-Shepway BRMA. The latter is the largest of the two in our district but has the lowest LHA rate in Kent. This has a negative impact on the Council's ability to develop new affordable housing, and on our resident's ability to pay their rent through Housing Benefit.
115. DDC completed a preliminary investigation into a BRMA review which showed that the Local Housing Allowance (LHA) rates for the Dover-Shepway BRMA were not reflective of the existing housing market which has changed significantly since 2011 when the current BRMAs were established. Subsequently, DDC completed and submitted a report to the Valuation Office Agency that requested they review the Dover-Shepway BRMA boundary to bring it into line with the changes highlighted in the report. Our request for a boundary review was refused by the VOA.
116. DDC also has 68 shared ownership properties, these are houses and flats which are sold on a leasehold basis with the Council being the landlord and having the remaining share of the lease. The initial share purchase for shared ownership homes is between 25% and 75%.
117. As part of the scheme the owner of the property agrees to pay rent of approx. 3% on the remaining unsold share. There is also an annual service charge to pay. The increase in rents is determined in the lease as Retail Price Index (RPI) +0.5% (as at the September prior to the financial year) per annum. For Members' information the following figures may be helpful:
- The 2025/26 average weekly shared ownership rent is forecast to be £82.09
 - The increase in the average weekly shared ownership rent is £3.99 or 5.0%.

Capital Receipts

118. Like the majority of Councils, Dover has entered into an agreement with Government to retain 100% of the receipts from right-to-buy sales above the anticipated trend level. These excess receipts (known as "1:4:1 replacement") are ring fenced to provide part funding of the cost of new affordable/social housing. This means that there is a cap on the receipts that can be used for general capital purposes. This can be supplemented by the element of excess RTB receipts retained for 'debt repayment' that may be used for other capital purposes if repayment of debt is funded from an alternative source.
119. As at the end of December 2025 there had been 28 RTB sales in the financial year. It is estimated that retained 'excess receipts' will be in excess of £6.4m by the end of the financial year. The retained receipt is much higher than the previous year due to the change in RTB legislation. The primary reason is the level of maximum cash discount has greatly reduced for applications received after 21st November 2004 from £102k to £38k. This has to be used within 5 years of receipt, or else it must be repaid to MCHLG. To comply with these rules and avoid claw back by MHCLG, this funding is applied to HRA housing projects in conjunction with other funding sources.

Service Charges

120. The Council currently levies service charges to tenants and leaseholders based on the costs of the specific services received by the two groups. Service charges and charges for insurance are made to leaseholders in addition to the ground rent charged.
121. Service charges to tenants are made in addition to their weekly rent, these are reviewed on a rolling yearly basis depending on the type of charge.

THE MANAGEMENT OF DDC'S HOUSING STOCK

122. The Council's in-house teams are established and operational.
123. An updated HRA Business Plan is in development together with the stock condition survey which is approx. 90% complete. This will help to forecast the cash flow needed for the capital investment programme as well as working towards its housing stock becoming carbon neutral by 2050.

HRA BUSINESS PLAN

124. As mentioned above the HRA Business Plan is being built to assess the impact on future modelling of the HRA cashflow for both future major projects and future increased spend on improvements on the housing stock. The Business Plan will continue to be reviewed within 2026/27 to assess the on-going impact of the current works, future spending plans, the impact of the macroeconomic environment and other relevant factors on the long-term viability of the HRA.

HOUSING DEVELOPMENT AND INVESTMENT

125. Housing development and investment within the district is a corporate priority and is taking place on several fronts, of which the most significant are:
- HRA Investment, utilising
 - External funding
 - Borrowing
 - 1:4:1 Right to Buy Replacement
 - Acquisition and new build
 - Investment in existing stock
 - Private Sector Housing
 - Homelessness strategy

126. These are discussed in more detail below.

HRA INVESTMENT

Housing Initiatives Reserve (HIR) & 1:4:1 Right to Buy Replacement

127. The HIR has been funded by the transfer of surpluses, whilst maintaining a £1m balance in the HRA. The HIR was established to fund a programme of new house building / acquisition.
128. Since 2017/18 HIR funding, coupled with 1:4:1 Right to Buy funding and borrowing plans have enabled the purchase of 106 former Council properties which have been added to the HRA stock.
129. Current and future projects underway to provide additional affordable housing in the district are detailed below:
- Poulton Close, Dover – 24 properties
 - Grove Road, Preston - 17 properties – shared ownership currently unknown
 - Mongeham Road, Great Mongeham – 10 properties inc. 3 shared ownership purchases

- Willowbank, Sandwich – 20 shared ownership purchases
- Wallers Field – 10 properties including 5 shared ownership
- Stanhope Road, Dover – 32 properties including 6 shared ownership
- Richmond Park, Archers Court Road, Whitfield - 4 shared ownership
- Greenways, Colliers Way, Betteshanger – 32 properties including 7 properties shared ownership
- Sholden Meadows (Phase 2) – 38 properties including 13 shared ownership

130. The current economic climate of construction inflation and higher interest rates and the VOA's refusal to adjust LHA rates in the district above their currently unfeasibly low level, means that the viability test for new developments is hard to pass. We continue to work constructively with Homes England to find support for new projects where possible.
131. It is proposed that the pipeline projects for 2026/27 and future projects will be financed by external funding, retained right-to-buy receipts, the HIR and borrowing. The balance in the HIR at the end of 2026/27 is projected to be around £20m. The four year HRA forecast (Annex 5A), shows the balance will continue to stay around £20m and will be used to improve the condition of DDC's housing stock and support developments.
132. It is further proposed that approval of initial assessment and viability works for Housing Development projects, up to £100k per project, is delegated to the Head of Finance and Investment in consultation with the Portfolio Holder responsible for Finance to enable an efficient process to investigate options and viability for potential developments.

Supporting Information

133. Further supporting information on the HRA budget is provided in the following Annexes:
- Annex 5 contains the budget summary for the HRA
 - Annex 5A shows the four-year forecast by categories of expenditure and income
 - Annex 5B details the revenue and capital works programmes
 - Annex 5C shows the housing development capital projects.

Recommendations from this Section

134. It is recommended that Cabinet:
- Delegate the approval of initial assessment and viability works for Housing Development projects, up to £100k per project, to the Head of Finance and Investment in consultation with the Portfolio Holder responsible for Finance.
135. It is recommended that Council:
- Approve the HRA budget for 2026/27
 - Approve the HRA Capital and Revenue Works Programmes.

ASSET MANAGEMENT PLAN (AMP)

136. The AMP is used as a management tool to assist in ensuring that the Council's property assets meet the Strategic Priorities that are identified in the Corporate Plan. It covers:
- Effective maintenance of assets.
 - Capital works and planned maintenance programmes.
 - Compliance and Health & Safety.
 - Data on performance of significant corporate assets.
 - Properties identified for disposal.
137. Property Assets are currently working on previously identified priorities but note the need to prepare a new AMP and review corporate priorities moving forward. The new Asset Management Plan will be completed in 2026/27.
138. Expenditure on repairs, maintenance and compliance forms a direct link with the revenue budget, which contains the resources to meet the programme of repairs, maintenance and compliance. Standards of maintenance, and therefore of required expenditure, are to some extent subjective. The Head of Property Assets confirms that there are sufficient resources to keep properties generally wind and water-tight, but it continues to be a challenge to maintain all buildings without deterioration. Continuing with this approach increases the risk, but it ensures that the limited budget focuses mainly on essential maintenance. Similarly, the budget constraints mean that there is not sufficient resource to facilitate significant reductions in the carbon footprint of DDC owned assets. The Councils Capital Works Programme (which has a limited and reducing budget) provides the resource to fund any significant work.
139. There is a growing backlog of planned maintenance / project work required for DDC's "Operational Assets". Significant expenditure is needed at:
- Tides Leisure Centre – demolition of the old leisure pool hall is now complete with works on the main project and new build due to commence in early 2026.
 - Deal Pier – a concrete clad metal structure in a maritime environment and therefore subject to enhanced rates of corrosion. An investigative survey was undertaken in 2024 and a series of immediate structural repairs were completed in early 2025. Further significant work is required to a number of the main pylons (support legs) under a separate tender package which is due out early 2026. An allowance has been made within the MTFP for this work which it is anticipated will be undertaken during 2026/2027.
 - Dover Museum – an ageing facility in need of a new roof and significant replacement / enhancement of its mechanical and electrical services (with priority in the Bronze Age Boat gallery). An allowance has been made within the MTFP for this work to be undertaken.
 - Kearsney – A strategic DDC asset that requires further works to ensure the Council continues to provide high quality open space. Works will include (but not be limited too) where budget allows; repairs to two bridges and the boat house in Russell Gardens, works to the Russell Gardens Pond, works to the sluice in Kearsney Abbey, cafe floor replacement (within listed section of building) and a new boardwalk in Kearsney Abbey to provide year round access.
 - Roman Painted House – following the return of the building by The Dover Roman Painted House Trust significant essential remedial and environment works were carried out. The property was added to Historic England's Heritage at Risk

Register and ongoing works are required to protect and monitor the building and scheduled monument.

- Significant restoration works have now been completed at Dover Town Hall (Maison Dieu) as part of National Lottery Heritage Fund funded works. Further works are required at the Maison Dieu to areas not within the scope of the original project as well as a maintenance budget to ensure repairs and redecoration are kept on top of to keep the building in good condition.

Summary

The key points for Members to note are:

- There are currently sufficient resources to maintain the Council's General Fund properties in a basic state of repair, but it is a significant challenge to maintain all the buildings without deterioration, and this does carry a risk of service failure or an increase in the overall maintenance backlog. The current resource levels preclude any significant expenditure on initiatives to cut carbon emissions; however, innovative sustainable projects and solutions will cumulatively and significantly reduce emissions help the Council achieve its organisational zero carbon ambition by 2030.
- The Head of Property Assets and Head of Parks and Open Spaces are reviewing risks across the DDC estate and have highlighted significant expenditure that may be required on closed churchyard walls (allowance made with the MTFP). As this review continues further expenditure to manage estate risks will be required.
- The Head of Property Assets continues to review opportunities for realising capital receipts from surplus assets to support financing of the capital programme, but these are now very limited and no significant capital receipts are currently expected.

PROJECT PROGRAMMES

Project Programme Headlines

140. The capital and special revenue projects programme headlines are:

- The current Capital Programme totals £112.6m and is fully funded. The major projects in the programme are:
 - Dover Beacon Project
 - Future High Street Funding
 - Tides Leisure Centre Replacement
 - Regeneration Projects
 - Deal Pier Structural Repairs
- The current Special Revenue Programme totals £19.9m and is fully funded.
- Full details of the programmes are included at Annexes 6A and 6B.
- The current resources for funding capital and special revenue projects will be largely exhausted by the current programme.
- Future capital receipts are expected to come mainly from on-going housing right to buy sales (which are forecast to drop significantly following changes to legislation) and one-off asset sales, so will not replenish capital funds and will not be sufficient to maintain the current level of activity in the future.
- Revenue project resources will also be largely depleted, and no significant new resources are expected.
- Borrowing for capital purposes can be undertaken but this will make business case proposals for projects more challenging as they will need to recognise the costs of borrowing and repayment to demonstrate affordability and comply with the Prudential Code.
- The current HRA Capital programme totals £109m, the main projects included in the programme are:
 - Affordable Housing developments, including:
 - Grove Road, Preston
 - Poulton Close
 - Mongeham Road, Deal
 - Willowbank, Sandwich
 - Wallers Field, Deal
 - Stanhope Road, Dover
 - Richmond Park, Archers Court Road, Whitfield
 - Greenways, Colliers Way, Betteshanger
 - Sholden Meadows (Phase 2)
 - HRA Property Purchases
 - District Development Sites
 - Section 106 Purchases
 - HRA Stock Improvement Works

Purpose of the Project Programmes

141. The primary objectives are to:

- maintain achievable, affordable project programmes.
- ensure capital resources are aligned with corporate priorities.
- identify any requirement for Prudential Borrowing and ensure that it is only undertaken if it is affordable.

- maximise available resources by actively seeking external funding and disposing of surplus assets.

Definition of Capital

142. Capital expenditure is expenditure which increases the capital value, performance, use or life of an asset. It can be financed by several means including:
- Capital receipts
 - Capital grants
 - Prudential Borrowing
 - Revenue resources
 - Leasing
143. Of the above, only revenue resources and the use of external leasing can be applied to meet revenue requirements.

Content of the Capital Programme

144. Members are referred to the draft Medium Term Capital Programme (MTCP) at Annex 6A. This is a dynamic programme, and a bidding process is operated every year to identify and plan future projects.
145. However, if formal approval is required for every minor change in the programme, this will potentially generate delays. To manage this, it is proposed that the current practice, as set out below, is continued:
- The programme will be continuously updated to reflect the latest position.
 - A summary of changes will be provided in the quarterly financial performance reports.
 - Whenever changes are required which exceed the overall spend of the programme, Member approval will be required – in effect, approval will be required if officers cannot find savings within existing resources to accommodate changes or cannot finance them from external sources.
 - Any changes which are expected to have significant policy implications will be discussed with the Leader and relevant portfolio holder and will be reported to Members.
146. To simplify the management of the Beacon project it has been agreed that they are treated as one major project and virements between them can be authorised by the Head of Finance and Investment (Section 151 Officer).
147. To facilitate efficient decision making, final approval for projects up to £50k that are included on the Capital and Special Revenue Programmes are delegated to the Head of Finance and Investment officer in consultation with the Portfolio Holder responsible for Finance.
148. In addition, a contingency has been included on the Special Revenue Programme to allow progression of small projects without significant policy implications. It is proposed that the approval of such projects continues and is delegated to the Head of Finance and Investment officer in consultation with the Portfolio Holder responsible for Finance.

149. All projects will continue to require reports for approval of a Project Appraisal and at evaluation, design, and tender stages where appropriate, in accordance with the Constitution.
150. The structure of the programme is reflected in the format of Annex 6A and is explained below:
- Committed Projects
These are live projects that have been approved by Cabinet through the Project Appraisal process, or under the agreed delegated authority, and are committed or in progress.
 - Proposed Projects
New projects are shown in the programme for approval of funding to the projects. These projects will be subject to the completion of a Project Appraisal for Cabinet or delegated approval before they commence.
 - Financed by
The columns provide a summary of the financing of the proposed Capital Programme. Members will note that there are sufficient resources to finance the projects included in the table. However, Members should also note that:
 - if Members wish to include additional projects in the programme, these can only be resourced by removal of the equivalent value in new bids unless the projects have external funding.
 - removal of projects financed by specific grants, or from the HRA, will not generate additional resources for other projects in the General Fund programme.

Content of the Special Revenue Projects Programme

151. The Special Revenue Projects Programme (Annex 6B) comprises significant projects which are not, in the main, capital, but which are still one-off revenue expenditure in nature and are therefore to be funded from reserves as annual recurrent revenue budgets are insufficient to finance them. As one-off projects they are generally managed with the same disciplines and controls as capital projects. As they are generally financed from revenue reserves, cancellation of these projects would free up resources which could be used to finance capital projects, other revenue projects, or for other purposes.

Content of the Digital and ICT Projects Programme

152. The Digital and ICT Projects Programme (Annex 6C) comprises significant projects which are required to deliver digital improvements to services and support the ICT infrastructure. These are usually one-off revenue expenditure in nature and are therefore to be funded from reserves as annual recurrent revenue budgets are insufficient to finance them. Any ongoing software which becomes business as usual, will be incorporated into department budgets from year two.

Financing of the Project Programmes

153. In order to maximise the capital resources available to the Council, the detailed decision to apply capital receipts, revenue resources, grants, s106 monies etc. to finance the approved Capital and Special Revenue Projects Programmes is delegated to the Finance and Investment (Section 151 Officer), in consultation with the portfolio holder responsible for Finance, and capital receipts from particular sources will not be hypothecated to

specific projects. Instead, they will be treated as one overall stream to finance projects according to the priority of the projects and the availability of financing.

154. The financing of the capital programme will be reported to Members as part of the Outturn Report. This is produced annually and accompanies the annual Statement of Accounts.
155. In addition to financing of capital expenditure, the Council must also consider what provision, if any, should be made for the repayment of debt. Although new long-term borrowing has not yet been undertaken, it is intended that new borrowing, when required, will be repaid by making revenue provisions based on the Minimum Revenue Provision Statement (annex 7D).

Prudential Code

156. The "Prudential" regime was introduced on 1 April 2004, and since then local authorities have had the freedom to borrow monies that are judged affordable, sustainable, and prudent. This enables local authorities to fund new borrowing from savings in revenue expenditure or the generation of additional revenue income.

Capital Receipts

157. From 1st April 2012 new Right-to-Buy regulations were introduced under the Housing Finance Reform Debt Settlement. This allows authorities to retain receipts for 1:4:1 replacement of Affordable Housing, see paragraph 113 for more details.
158. Right-to-Buy (RTB) sales in 2025/26 have increased above the level in 2024/25 due to the change in legislation for future RTB sales. Although the level of receipts available for general capital purposes is capped additional funding is available from the element of excess RTB retained for debt repayment that may be used for other capital purposes.
159. The Council generally retains 100% of non-HRA capital receipts and non-RTB HRA capital receipts, subject to capital allowance regulations.
160. Future capital receipts are expected to come mainly from on-going housing right to buy sales (which are facing a reduction following the changes in regulations) and one-off asset sales, so will not replenish capital funds and will not be sufficient to maintain the current level of activity in the future.

Summary

161. The key points for Members to note are:
 - The Capital Programme operates on a cash funded position with no new projects being approved to commence unless:
 - the whole project costs can be financed through additional funding
 - sufficient capital receipts have been banked
 - external borrowing is approved
 - other savings in the programme have been identified.
 - The new projects in the programme have been approved subject to the completion of a Project Appraisal for approval by Cabinet, or the Head of Finance and Investment (Section 151 Officer) in consultation with the Portfolio Holder responsible for Finance under delegated powers.
 - The Capital Programme is partly financed from HRA Right-to-Buy sales. Since 2017/18 the level of RTB sales has been declining except for 2024/25 when the

legislation changed. This will result in approx. 50 right to buy sales being completed before the end of the financial year. After this, the amount of receipts available for general capital purposes will reduce and remain limited.

- The detailed financing of the Project Programmes is delegated to the Head of Finance and Investment (Section 151 Officer) in consultation with the portfolio holder responsible for Finance.
- The lack of headroom in the capital programme for additional projects is a significant constraint and new large projects will need to be funded from external borrowing where revenue savings can be identified to offset the borrowing costs.

RECOMMENDATIONS FROM THIS SECTION

162. It is recommended that Cabinet:

- delegate the approval of projects included in Annex 6C, the Digital & ICT Programme, to the Digital Services Manager, in consultation with the Head of Finance & Investment and the Portfolio Holder responsible for ICT.
- delegate the approval for projects up to £50k that are included on the Capital and Special Revenue Programmes to the Head of Finance and Investment in consultation with the Portfolio Holder responsible for Finance.
- delegate the approval for the project contingency budgets to the Head of Finance and Investment in consultation with the Portfolio Holder responsible for Finance.

163. It is recommended that Council:

- approve the Capital, Special Revenue and Digital & ICT Programmes.
- approve that capital resources required to finance new projects are secured before new projects commence.

TREASURY MANAGEMENT AND THE PRUDENTIAL CODE

164. The Local Government Act 2003 introduced new capital accounting regulations, which required Councils to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code when setting their budgets.
165. The new capital system promotes a Council framework to ensure:
- that the authority maintains a balanced budget.
 - that the impact of capital investment decisions is reflected in the revenue budget.
 - that performance measurement is implemented in managing and controlling the impact of capital investment decisions.
166. Annexes 7A – 7C set out estimates for each of the relevant Prudential Indicators in each of the financial years 2026/27 to 2028/29 and include the latest estimates for 2025/26 aligned with the revised forecast budget. Approval is sought for the proposed indicators for 2026/27 – 2028/29.
167. The capital programme has been financed to date within existing resources, which include capital receipts, specific capital grants, the Major Repairs Allowance, useable reserves and internal borrowing. Significant projects, including Housing Development projects and the Deal Leisure Centre, will ultimately be financed by borrowing; however, no new borrowing has been undertaken at this time. Approval levels for borrowing are included in Annex 7B.

TREASURY MANAGEMENT

168. The Council's Treasury Strategy complies with the requirements of the CIPFA Code of Practice on Treasury Management, which was adopted by the Council in September 2002 and the CIPFA Code of Practice on Treasury Management (revised December 2021) that was adopted by this Council in March 2022.
169. Approval of the strategy is a Council decision.

RECOMMENDATIONS FROM THIS SECTION

170. It is recommended that Council:
- approve the Capital, Treasury Management and Investment Strategies, including the Prudential Indicators and Minimum Revenue Provision statement (Annexes 7A, 7B, 7C and 7D).

KEY ASSUMPTIONS & READY RECKONER

Background

171. To complete the budget and MTFP in accordance with the timetable it is necessary to make various assumptions. These are based on the most realistic information available at the time of production, but it is important that Members are aware of these assumptions and their implications.

Inflation

172. Annual Pay Reviews will be based on independent advice provided to the Council, Collective Bargaining with Trade Unions and agreement from the Councils General Purposes Committee.
173. Contract inflation for 2026/27 is based on the details of the specific contracts, the state of the market for the specific services and any other relevant factors.
174. General inflation is assumed to be 2% for 2026/27 and future years.

Staff Numbers

175. The 2026/27 budget includes 488 full time equivalent posts. This includes 25 Port Health posts, seven posts for East Kent Audit Partnership (working for Canterbury, Thanet, Folkestone and Hythe and Dover and recharged accordingly) and six posts for East Kent Payroll (working for Canterbury, Thanet and Dover and recharged accordingly) allocated across services.

Triennial Valuation of the Pension Fund by the Fund Actuaries

176. The triennial pension valuation takes effect from April 2026. The Council's actuaries have continued the current programme to clear the Council's deficit over the remaining eight year period. The proposed minimum contribution rates for the three-year period from 1 April 2026 to 31 March 2029 have been included in the budget.
177. It is assumed that the annual DDC backfunding contribution will remain the same for the planning period, in line with the actuarial valuation.

Interest Rates

178. It is assumed that DDC will maintain the 2026/27 level of income from investments for the remainder of the planning period. Any additional income generated will be transferred to reserves to support future projects.
179. It is also assumed that the current level of interest payable will remain at the same level as for 2026/27. Options for borrowing are being continually monitored and any changes will be reported accordingly.

Revenue Support Grant (RSG)

180. The local government settlement provides figures for 2026/27 and indicative figures for 2027/28 and 2028/19. Future years are indicative and not a binding commitment and therefore subject to change until they are 'locked in' by their own settlement.

Non-Domestic Rates (NDR) Retention

181. The calculations are based on the completed the NDR1 return. The current forecasts assume 2026/27 funding for DDC will be at the draft settlement baseline value.

Council Tax

182. Council tax increases have been assumed at 3% for the planning period. It is also assumed that the Council Tax base will increase by 1% per year.

Capital Projects

183. Revenue pressures arising from capital projects will be built into future budgets and MTFP forecasts as they are identified.

Ready Reckoner

- Payroll - 1% increase costs the General Fund approximately £350k pa
- Council tax - 1% raises c.£96k
- Investment Income - 1% equals approximately £500k (based on investment balances of £50m)
- Contract inflation – 1% equals c.£70k

SIGNIFICANT BUDGET RISKS

184. Budgets, by their nature, involve an element of forecasting which entails uncertainty and hence risk. The schedule below highlights the main strategic / high value budget risks.

185. Income risks:

- Local Government Finance Settlement
- Council Tax
- Treasury Management
- Property Income
- Capital Receipts
- Housing Rent Collection
- Car Parking

186. Expenditure risks:

- Port Health
- Local Government Reorganisation
- Homelessness
- Contract renewals
- Major capital projects
- Supported Housing
- The macroeconomic environment

Ref	Risk Description	Explanation and Mitigation	Budget Sensitivity
1	Port and Border	<p>The risk is of disruption to traffic flows in and out of the port and Channel Tunnel which poses a risk in terms of the impact on local businesses and communities, the disruption in the delivery of services such as waste collection, and the requirement clear litter, clean highways etc.</p> <p>The potential causes include:</p> <ul style="list-style-type: none"> • delay in operation of the Entry/Exit System (EES) • adverse weather • infrastructure failure • operator failure • political decisions. <p>Response and mitigation depends on the responses of a range of agencies and commercial operators and is largely outside of the council's control.</p>	<p>Unable to forecast. Impact is dependent on the events, timing, duration, and the responses of other agencies.</p>
2	Port Health	<p>The risk is that DDC may not be able to fully discharge its role as DPHA due to insufficient funding, with potential impacts on UK farm livestock and food chain.</p> <p>DEFRA has not yet confirmed funding for Dover Port Health Authority's (DPHA) biosecurity activities in 2026/27, specifically for checks on illegal meat entering Dover (no checks are currently taking place at Coquelles). These</p>	<p>Assumed as budget neutral.</p>

Ref	Risk Description	Explanation and Mitigation	Budget Sensitivity
		<p>checks are critical to mitigating significant and evolving animal health risks. While initially focused on African swine fever (ASF), the scope has expanded to include additional diseases in response to the changing animal health disease landscape within the EU.</p> <p>If adequate funding for 2026/27 is not secured, DDC would need to significantly limit its DPHA activities (with continuing high risk to UK agriculture biosecurity, ASF and FMD, food security, economic, and reputational risks) or meet some of the cost of DPHA activities itself, from local Council Tax, to the detriment of other services.</p>	
3	Local Government Reorganisation (LGR)	<p>The risk is that the costs of LGR significantly outweigh the savings, at least in the short term, that the workload exceeds staff capacity, that “business is usual” cannot be maintained to an adequate standard.</p> <p>The proposed structure of local government for Kent is not yet known and so the degree of disaggregation and aggregation of services, systems, teams, assets and liabilities, major contracts, policies, Council Tax, housing rents and other areas is currently unknown.</p> <p>Significant elements within this overall risk are set out below.</p> <ol style="list-style-type: none"> 1. What the total cost of preparing and delivering unitarization. And how will this be met. 2. The costs of consolidation after unitarization and the delivery of savings promised / implicit in the business case. 3. The costs of running down the predecessor authorities and how is it met. 4. The basis of harmonisation / equalisation of Council Tax and other charges, 5. The extent, if any, to which government will seek to freeze local authority reserves, assets, contracts etc in advance. <p>The S151 officers from all Kent local authorities are involved in the process and working together to consider how we address these challenges.</p> <p>As LGR is Government led initiative, this is largely out of our control, however, DDC will continue to manage business as usual and continue its proper financial management. This MTFP has been prepared on that basis.</p>	Unable to forecast at the time of writing.

Ref	Risk Description	Explanation and Mitigation	Budget Sensitivity
4	Local Government Finance Settlement	<p>The local government settlement is notionally for a three year period however there continue to be uncertainties that effectively make it a one year settlement.</p> <p>The Council's total financing is £22.1m. The future of over 50% of this financing is uncertain, as set out below.</p> <p><u>Core Spending Power (CSP)</u></p> <p>The settlement suggests that CSP will remain more or less fixed in cash terms, which means that the Council will have to absorb the impact of inflation.</p> <p>It is also considered unlikely that the settlement will include income from Business Rates (BR) in this calculation.</p> <p>BR income is currently £5.4m, or 24% of financing.</p> <p><u>Business Rates</u></p> <p>Government has re-set the BR system for 2026/27 but significant uncertainties remain. These include:</p> <ul style="list-style-type: none"> • The failure to “nationalise” the appeals system. • The level of appeals following the 2026 revaluation. The Council only retains circa 40% of BR income passing the rest to Govt, KCC and Police, but must finance 100% of the refunds following successful appeals. • The impact of government providing additional support to the hospitality sector. • The operation of the safety net which will be at 100% for 2026/27 and is forecast (but not confirmed) to be reduced to 97% in 2027/28 and 92.5% 2028/29. <p><u>Extended Producer Responsibility Funding</u></p> <p>This grant is funded by a tax on the producers of packaging. As the industry reacts to the tax, it is likely to be less productive over time, leading to a potential reduction in the grant. DEFRA has not been able to explain how the grant is calculated. The timescale and extent of any erosion of the grant is.</p>	£1.4m
5	Council Tax Base & Collection Rates	<p>The draft budget includes the current forecasts of the Council Tax base and collection rates.</p> <p>The economy, pay rates and employment levels have an on-going impact on Council Tax income.</p>	Total income £9.7m pa.
6	Treasury Management	Interest on existing borrowing with PWLB is fixed. But income from investments and the costs of any new PWLB	£2.4m pa.

Ref	Risk Description	Explanation and Mitigation	Budget Sensitivity
		<p>borrowing and short term borrowing are all impacted by changes in interest rates.</p> <p>Reductions in the capital value of investments would only impact the GF if the funds were realised when the values were low. Due to the breadth of investments held it is unlikely that this would become necessary as other funds could be realised or short-term borrowing undertaken if cash flow shortages occur.</p>	
7	Property Income	The Council receives rental income from its properties. There is an inherent risk that this income may be reduced if tenants are unable to continue to trade.	£2.5m pa.
8	Capital Resources and Receipts	<p>Capital resources (other than borrowing) are almost depleted and will not be easily replaced from revenue contributions or receipts.</p> <p>Capital receipts come from housing and other asset sales. Any drop-off in the level of receipts will lead to reduced resources available to complete projects. The reduced receipts could arise from lower sales, lower prices, or both.</p> <p>We cannot mitigate against market movements or reduced levels of sales. To some degree lower values may increase the level of demand, but this will also be dependent on interest rate movements.</p>	Unknown at this time
9	Housing Rent Collection	<p>The economy, pay rates and employment levels have an on-going impact rent collection.</p> <p>Current tenant arrears have increased in 2025/26 and continue to be closely monitored.</p> <p>Q3 current tenant arrears are 1.81 % of projected annual rental income, so despite the increase, collection rates are still above the 98% target.</p> <p>A bad debt provision is included within the budget.</p>	<p>Annual HRA rent £26.3m</p> <p>Current arrears £615k</p>
10	Car Parking	<p>Car parking income is affected by visitor numbers, shopping patterns, household income and charge levels and is therefore difficult to predict.</p> <p>Phase 1 of a new parking strategy has been completed and implemented, and work is commencing on phase 2.</p> <p>This may lead to changes in parking in the 2026/27 financial year.</p>	£3m pa
11	Homeless Expenditure	Expenditure will continue to increase due to the impact of the Homeless Reduction Bill, the continued implementation	£3m

Ref	Risk Description	Explanation and Mitigation	Budget Sensitivity
		<p>of Universal Credit in the district, refugee dispersal and the moving on of Ukrainian refugees on the Homes for Ukraine scheme. Close monitoring of the impact of the Bill and the in-year budget is required. Additionally, changes proposed in the Kent County Council budget may impact the support available to vulnerable adults in the district, potentially resulting in additional homeless presentations to the Council.</p> <p>The service will continue investigating innovative options and working with partners to support homeless requirements in the district.</p>	
12	Major Contract Renewals	When major recurrent contracts are re-let the price achieved by the council depends upon the functioning of the market in the particular sector and the attractiveness of the package assembled by DDC.	Unable to forecast at the time of writing.
13	Major Capital Projects	<p>The Council is involved with a number of major capital projects including Dover Beacon, Tides Leisure Centre and Fastrack.</p> <p>These projects are vulnerable to significant inflation and unexpected events including unexpected costs in historic buildings, ground conditions, archaeological risks, contractor failure and poor performance, and inclement weather.</p> <p>Mitigation is through robust forecasts of costs, contingency, effective contracts, and contract management.</p> <p>The current major project of significant concern is the Bus Rapid Transit project, also known as Dover Fastrack. This has provided priority bus infrastructure linking the Council's premier development allocation at Whitfield with Dover town and Dover Priory railway station.</p> <p>DDC is the accountable body and received the grant funding. DDC appointed Kent County Council (KCC) to deliver the project, and in turn KCC appointed contractors. The main contract value is less than £20m. To discuss the matter further it will be necessary to exclude the press and public from the meeting due to commercial confidentiality.</p>	Unable to forecast.
14	Supported Housing	<p>The government have proposed self-funding licensing arrangements for regulating the Supported Housing sector. However, the regulations are still awaited. It is not possible to forecast the budget sensitivity.</p> <p>The government has declined the opportunity to address the gap between the cost to the Council of the supported housing premium (when the housing is provided by charities</p>	£300k+ pa.

Ref	Risk Description	Explanation and Mitigation	Budget Sensitivity
		<p>and the private sector) and the lower level of housing benefit that can be reclaimed.</p> <p>In addition to this long-standing financing anomaly, the level of supported housing in Dover is potentially increasing as KCC decant their own facilities and the net costs are shunted to districts.</p>	
15	The macroeconomic environment	<p>The Council (like all others) is subject to the effects of changes in the economy, inflation, unemployment, interest rates etc.</p> <p>Inflation typically impacts employee costs, supplies and the indexed aspects of contracts. Unemployment will impact on the costs of Council Tax Support and collection rates for Council Tax, Business Rates and Housing Rents.</p> <p>Interest rates will affect the level of investment income.</p> <p>The Council sets its budget on a cautious basis taking a balanced approach to these risks and allowing an appropriate level of contingency.</p>	

BUDGET SUMMARY

<u>2024/25</u> <u>Actuals</u>		<u>2025/26</u> <u>Original Budget</u>	<u>2025/26</u> <u>Q3 Projected</u> <u>Outturn</u>	<u>2026/27</u> <u>Budget</u>
£000		£000	£000	£000
523	Chief Executive	500	496	523
9,348	Director of Corporate Resources	9,792	10,550	11,979
16,715	Director of Housing and Place	16,936	14,374	17,875
963	Special & Digital Revenue Projects	2,838	2,838	2,943
0	Vacancy Allowance	(150)	0	(250)
0	Target Savings / Income	(1,085)	0	(295)
0	Estimated Annual Underspend	(500)	(500)	(500)
0	National Insurance Increase	362	0	0
0	Contingency	285	186	218
94	River Stour Drainage Board	96	96	101
(6,208)	Directorate costs recharged to HRA & Projects	(6,416)	(6,245)	(7,181)
21,434	Net Operating Expenditure	22,659	21,796	25,413
	Financing Adjustments:			
(2,717)	Interest Receivable	(2,559)	(2,439)	(2,389)
1,431	Interest Payable	1,092	865	1,035
1,889	Loan Principal Repayments/Borrowing Allowance	1,737	1,796	1,759
603	Total Financing Adjustments	271	222	405
	Contribution to/(from) Reserves:			
451	- Regeneration Reserve	637	637	0
(167)	- Special Projects & Events Reserve	(2,020)	(2,020)	(2,700)
(1,499)	- Periodic Operations Reserve	(153)	(83)	(387)
(168)	- ICT Systems & Servers Reserve	(295)	(295)	(298)
273	- Business Rates & Council Tax Reserve	200	200	0
123	- Operational & Income Reserves	(325)	(325)	(325)
(987)	Net Contribution to/(from) Reserves	(1,956)	(1,886)	(3,709)
21,050	Total Budget Requirement	20,974	20,132	22,107
	Financed by:			
(9,382)	Business Rates - Net of Timing Adjustments	(9,817)	(9,817)	(5,370)
(254)	Revenue Support Grant	(294)	(294)	(5,789)
0	Recovery Grant	(451)	(451)	(451)
(1,438)	Services & Funding Guarantee Grants	(320)	(320)	0
0	Adjustment Support Grant	0	0	(672)
(8,763)	Council Tax	(9,299)	(9,299)	(9,674)
(91)	Council Tax - Collection Fund Surplus	(36)	(36)	(183)
(346)	New Homes Bonus	(534)	(534)	0
0	National Insurance Funding	(229)	(229)	0
(20,274)	Total Financing	(20,979)	(20,979)	(22,139)
776	General Fund Deficit/(Surplus) for the Year	(6)	(847)	(32)
(1,507)	General Fund Balance at Start of Year	(1,510)	(1,501)	(1,548)
(770)	Transfer to / (from) Smoothing Reserve	0	800	0
(1,501)	Leaving Year End Balances of	(1,516)	(1,548)	(1,580)

General Fund Service Expenditure by Cost Type

	2025/26 Original Budget £000	2025/26 Projected Outturn £000	2026/27 Proposed Budget £000
Direct Expenditure			
Employees	28,213	26,979	30,593
Premises	3,216	3,618	3,381
Transport	266	273	282
Supplies and services	9,553	10,292	10,015
Third parties	14,991	15,928	16,031
Transfer payments	21,611	21,608	19,376
Total Direct Expenditure	77,851	78,699	79,677
Direct Income			
Government Grants	(26,196)	(28,224)	(25,430)
Sales	(1,142)	(986)	(1,036)
Fees and Charges	(12,660)	(14,058)	(12,913)
Other Income	(9,605)	(10,010)	(9,922)
Total Direct Income	(49,603)	(53,279)	(49,300)
Central Support reallocation of costs	(6,416)	(6,245)	(7,181)
Special Revenue Projects	2,838	2,838	2,943
Vacancy Allowance & Employment Stability	(150)	-	(250)
Savings & Income Generation Target	(1,223)	(500)	(795)
Contingency	285	186	218
River Stour Drainage Board	96	96	101
Net Service Expenditure	23,678	21,796	25,413

GENERAL FUND KEY FIGURES - EXPENDITURE

	2024/25 Outturn	2025/26 Original Budget	2026/27 Draft Budget	2027/28 Forecast	2028/29 Forecast	2029/30 Forecast
Key Expenditure Figures:	£000	£000	£000	£000	£000	£000
Employees:						
Basic	16,655	19,348	20,731	21,146	21,569	22,000
NI	1,767	2,104	2,806	2,862	2,919	2,977
Current year pension	3,285	3,908	3,444	3,513	3,583	3,655
Backfunding	1,066	1,107	1,509	1,584	1,663	1,747
	22,774	26,468	28,490	29,105	29,734	30,379
Major contracts:						
Refuse Collection	1,469	1,446	1,550	1,581	1,613	1,645
Recycling	2,436	2,505	2,621	2,674	2,727	2,782
Street Cleansing	2,276	2,332	2,451	2,500	2,550	2,601
Total Waste	6,182	6,283	6,623	6,755	6,890	7,028
Balance of Third Party Payments ¹	691	632	500	510	520	531
	6,872	6,916	7,123	7,266	7,411	7,559

Notes¹ Excludes EKS Management Fees & WCLP**GENERAL FUND KEY FIGURES - INCOME**

	2024/25 Outturn	2025/26 Original Budget	2026/27 Draft Budget	2027/28 Forecast	2028/29 Forecast	2029/30 Forecast
Key Income Figures:	£000	£000	£000	£000	£000	£000
Car Parking	(3,075)	(3,111)	(3,108)	(3,264)	(3,427)	(3,598)
Rent Income	(2,508)	(2,446)	(2,457)	(2,506)	(2,557)	(2,608)
Development Management	(1,026)	(965)	(1,045)	(1,066)	(1,087)	(1,109)
Building Control	(278)	(300)	(300)	(306)	(312)	(318)
Licensing	(246)	(227)	(225)	(229)	(234)	(238)
Green Waste	(662)	(650)	(680)	(694)	(708)	(722)
Land Charges	(128)	(170)	(195)	(199)	(203)	(207)
	(7,924)	(7,868)	(8,010)	(8,263)	(8,527)	(8,800)
Total Financing:						
Non-Domestic Rates	(9,382)	(9,817)	(5,370)	(5,247)	(5,141)	(5,038)
Revenue Support Grant	(254)	(294)	(5,789)	(5,536)	(5,250)	(5,358)
Council Tax	(8,763)	(9,299)	(9,674)	(10,060)	(10,455)	(10,861)
New Home Bonus	(346)	(534)	0	0	0	0
Funding Guarantee	(1,438)	(320)	0	0	0	0
Recovery Grant	0	(451)	(451)	(451)	(451)	0
Extended Producer Responsibility Fu	0	0	(672)	0	0	0
National Insurance Funding	0	(229)	0	0	0	0
Council Tax Surplus	(91)	(36)	(183)	(91)	(91)	(91)
Total Financing	(20,274)	(20,979)	(22,138)	(21,385)	(21,389)	(21,348)

GENERAL FUND KEY ELEMENTS

1. The main factors impacting the General Fund budget are detailed below.

Staff Salaries

2. Independent advice on the cost-of-living increase is received to form the basis of negotiations for the 2026/27 pay settlement and is factored into the budget.

Vacancy Allowance and Organisational Savings

3. The vacancy allowance (savings from staff turnover) has been increased from £150k to £250k for 2026/27, based on higher levels of vacancy savings experienced in recent years. It is proposed to continue the authority to recruit process to maintain the link between corporate priorities and the approval of posts to be filled.

Pension Fund

4. The Council's Pension Fund (part of the countywide fund administered by Kent County Council) is subject to actuarial valuation on a three-yearly cycle. The latest valuation was carried out in March 2025 and will be implemented in April 2026.
5. DDC pays two contributions to the pension fund; these are "current service rate" (the additional pension earned in year) and a lump sum to finance the existing pension deficit. The latest actuarial report advised that, based on the various assumptions used, the current contributions required to meet the cost of pensions being earned today is 16.6% of payroll per annum (20.2% in 2025/26).
6. As a result of the triennial valuation the back funding lump sum payment will be increased from £1.35m to £1.84m in 2026/27. It should be noted that changes to the pension fund deficit are largely a result of factors outside of the Council's control including increases in pensions payable, increased life expectancy and lower asset values.
7. The impact of the reduction in current contributions is approximately equal to the increase in the backfunding lump sum; therefore, the total of the changes has a minimal, favourable, impact on the budget figures.

General Inflation

8. Setting a guideline level of inflation introduces a risk of "over budgeting". Instead, all managers are asked to consider the specific quantity and price of services they will need in the coming year and to reduce expenditure where possible.
9. The other significant area of potential inflation pressures relates to major term contracts. In 2026/27 the assumed level of contract inflation is based on the details of the specific contracts, the state of the market for the specific services and any other relevant factors. For future years it is not realistic to attempt to model contract renewal costs and so for planning purposes increases in the cost of major term contracts 2% for future years has been assumed. Each 1% variance in contract inflation leads to approximately £70k variance in costs.

Contingency Provision

10. Contingency provision of £218k has been included to meet any unexpected expenditure commitments, if they cannot be contained within other budgets. As part of the budget setting process managers and directors are asked to identify any budgets held for items such as legal or consultants' fees that would only be required if certain circumstances occurred. These budgets have been removed from individual budgets and will be funded from this provision if required for the items identified.

Homelessness

11. Homelessness is a demand led service. There is a national shortage of housing that has accrued over many years leading to the use of TA which creates a budget pressure. The net costs to DDC of TA (after grant funding and Housing Benefit income) in 2026/27 are estimated to be £1.9m. The impact on DDC is also seen across virtually all other district councils.
12. The Council continues to take steps to mitigate the impact of homelessness including:
 - Building and procuring more housing and allocating more of the council's stock for use as TA.
 - Using block booking / contracts with local hotels to mitigate the costs.
 - Pro-actively managing and minimising the length of stay in TA.
 - Benchmarking is carried out against other local authorities using data for all Kent districts.
 - Working with other Kent districts to learn from their initiatives.
13. Nonetheless, homelessness pressures are expected to continue to increase.

Grants to Organisations

14. The Concessionary Rents are being reviewed by Property Services both in terms of the level of the rent charged and the level of concession agreed. Work is underway to, over time, ensure commercially benchmarked rents are specified in all leases. In addition, concessionary rent grants will be aligned at 50% for community groups and sports clubs that can evidence the benefit they provide. Concessions above this level will only be awarded in exceptional circumstances. It should also be noted that many leases include provision for rent review, therefore the precise value of concessionary rent amounts could vary, given they are calculated as a percentage of the total amount due.
15. The Grants to Organisations are for groups delivering services across the district or are responsible for managing DDC-owned publicly accessible open space. The grants include contributions to the Citizens Advice Bureau, Sandwich Town Cricket Club, KCC and the Neighbourhood Forum. The budget for 2026/27 compared to 2025/26, has decreased as the closure of Tides means that the grant paid to Your Leisure has been removed. The grant for Sandwich Town Cricket Club has reduced as an initial step to align with other open space grants.
16. Each of the individual grants, with the organisations' names and the grant purposes, are set out in Annex 9.

Shared Services

17. East Kent Services (EKS) delegate the payroll function to Dover who provide it on behalf of Dover, Canterbury, and Thanet Councils. As of 1st February 2025 the Revenues & Benefits and Customer Services Management has been provided to EKS by Partnership One, a three way Local Authority Trading Company (LATCo) jointly and wholly owned by Canterbury, Thanet and Dover. The board of the LATCo comprises 3 directors, one from each council. The Civica staff working on the EKS contract transferred over to the LATCo. and the pass over of management has felt seamless.
18. The contract for the collection of refuse and recycling is up till January 2029 with Veolia Environmental Services (UK) and was awarded in partnership with Folkestone & Hythe District Council (FHDC). Dover District Council is the lead authority within this partnership and manages the client team, which comprises staff from both DDC and FHDC and is based at the DDC offices. In addition to managing the contract, the team are also responsible for promoting waste reduction, re-use and recycling to residents across the two districts.
19. East Kent Audit Partnership (EKAP), hosted by Dover, provides internal audit services to Dover, Folkestone and Hythe, Canterbury, and Thanet Councils.

Interest on Investments

20. The overall interest rates achieved in 2025/26 will depend on the combination of the Sterling Overnight Index Average (SONIA) rate and the margin it maintains above base rate, the rates for current investments, the prevailing market rates when current investments are renewed, as well as the permissible deposit durations which change according to updated credit rating criteria. SONIA is administered by the Bank of England, which takes responsibility for its governance and daily publication.
21. The Bank of England's (BoE) Monetary Policy Committee (MPC) cut bank rate to 3.75% in December 2025, as expected. The vote to cut was 5-4, with the minority instead favouring holding rates at 4.0%. Those members wanting a cut judged that disinflation was established while those preferring to hold Bank Rate argued that inflation risks remained sufficiently material to leave rates untouched at this stage
22. While lower interest rates may weigh on banks' profitability, strong capital positions, easing inflation, steady economic growth, low unemployment, and reduced borrowing costs for households and businesses all support a favourable outlook for the creditworthiness of institutions on (the Council's treasury management advisor) Arlingclose's counterparty list. Arlingclose's advice on approved counterparties and recommended investment durations is kept under continuous review and will continue to reflect prevailing economic and credit conditions.
23. Interest rate forecast (22nd December 2025): Arlingclose, the Council's treasury management adviser, currently forecasts that the Bank of England's Monetary Policy Committee will continue to reduce Bank Rate in 2026, reaching around 3.25%. This forecast reflects amendments made following the Autumn Budget and an assessment of the fiscal measures and their market implications, and following the BoE MPC meeting held on 18th December.
24. Long-term gilt yields, and therefore interest rates payable on long-term borrowing, are expected to remain broadly stable on average, though with continued volatility, and to end the forecast period marginally lower than current levels. Yields are likely to stay

higher than in the pre-quantitative tightening era, reflecting ongoing balance sheet reduction and elevated bond issuance. Short-term fluctuations are expected to persist in response to economic data releases and geopolitical developments.

25. As of 31st December 2025, the Council has a total of £47.6m invested in pooled investment funds. The MTFP assumes that the Council's investments overall will earn the General Fund £2,388k (£170k less than the £2,558k budgeted for 2025/26) due to the rates of current investments.
26. The council is also seeing an increased need to undertake short-term borrowing to maintain cashflow levels. However, following a review of the allocation of short term borrowing costs between the GF and the HRA the 2026/27 budget (£1.035m) is slightly lower than the 2025/26 budget set (£1.091m).
27. The Council continues to work with its treasury management advisors to monitor the position.

Other Income Streams and Fees and Charges Made by DDC

28. Fees and Charges are reviewed and set annually, with reports approved by Licensing and Regulatory Committees and Cabinet. When setting Fees and Charges managers consider:
 - Cost of providing the service
 - General market rate for the service
 - Charges levied by neighbouring authorities
 - Government guidelines
 - The last time the fee / charge was increased
 - Appropriate price points – it is more sensible to increase by rounded amounts every two or three years rather than a few odd pence every year
 - Impact of the fee upon service use and upon different sections of the community
 - Impact of service use upon corporate objectives
 - Overall income the service generates
29. The only Fees and Charges that are not included in this process are for car parking and housing rents & service charges, which are the subject of separate reporting.
30. The main sources of income and relevant issues are summarised below.

- Car Parking

The 2025/26 gross income (before costs) for parking fees and penalty charge notices is currently forecast to be performing below the 2025/26 budget, totalling £3.1m.

The 2026/27 service budget has remained at the same level as 2025/26 at £3.1m, based on evidence shown throughout the year and with an increase in parking permits and slight decrease in pay and display income offsetting one another.

A review of parking charges has been included as part of the Parking Strategy process.

- Rental Income

The 2026/27 budget forecasts rental income of c.£2.5m. This consists of the rent (excluding any costs) for B&Q, Whitfield Court, and garages as well as existing rental streams from corporate properties, including the letting of space at DDC's Whitfield offices.

- Development Management

The income budget for 2025/26 had been set at £905k with a mix of application types and the anticipated take-up of pre-application advice. This incorporates the increase in householder Planning application fees as proposed by government.

The forecast income for Planning Application Fees in 2025/26 has increased by £400k and is mainly due to a few large application fees for solar farms. Also, application fees increased last April - with major developments rising 35% and other applications by 25%.

The 2026/27 Budget for Development Management fee income is forecast at £985k incorporating £900k for planning application fees and £85k for pre-application fees.

- Licensing

The original budget for 2025/26 was set at £227k. Income from the various licensing streams are projected to meet their targets by the end of the financial year. These include Alcohol, Regulated Entertainment, Taxis, Gambling, and other miscellaneous licences.

The 2026/27 budget has been set at £226k. The vast majority of licensing income streams have been kept at 2025/26 budget figures, as they are not expected to increase. There are some small decreases across areas including Lotteries Licence, Scrap Metal Dealers and Adult Gaming Centres, resulting in a slightly reduced budgeted income figure for 2026/27.

- Land Charges

The original 2025/26 budget was set at £130k but the forecast has been reduced to £120k, due a steadily declining property market in the year.

The council retains responsibility for CON29 forms, used in conveyancing to request information from the local authority, the budget for this remaining service has been set at £120k for 2026/27.

- Green Waste Subscription Service

The Green Waste subscription service original budget for 2025/26 was set at £650k and the forecast has been increased to £660k. The 2026/27 budget has been increased to £680k. In 2025/26, the service changed from using sacks to wheeled bins which has had a positive impact on the service.

- Building Control

Building Control fee income is dependent upon construction activity. Assumptions about the level of activity combined with the economic forecasts led to a budget of £300k being set for 2025/26. The year-to-date receipts are likely to be below the forecast budget due to the impact of inflation and cost of living on the construction industry. The budget for 2026/27 has been estimated at £300k given the economic forecast looking better in the year ahead.

31. In total the major fees and charges generate over £8m towards the General Fund budget.

REVENUE BUDGET FINANCIAL PROJECTION

Notes	2025/26 Q2 Forecast	2026/27 Budget	2027/28 Forecast	2028/29 Forecast	2029/30 Forecast
	£000	£000	£000	£000	£000
1	20,294 Net Budget Requirement	22,108	22,108	22,108	22,108
	Corporate Adjustments				
2	- Salary inflation and increments including impact on National Insurance and Pensions		1,002	2,015	3,040
3	- Pension Backfunding (Triennial Valuation from 23/24)		4	7	11
4	- Contract inflation		144	290	439
5	- Average other expenditure inflation impact		350	709	1,074
6	- Average income inflation impact		(637)	(1,220)	(1,876)
	0 Total Corporate Adjustments	0	862	1,801	2,688
	20,294 Total Forecast Budget Requirement	22,108	22,970	23,909	24,796
	Financed By :-				
7	(9,815) Non-Domestic Rates (NDR) Income	(5,370)	(5,247)	(5,141)	(5,038)
8	(294) Revenue Support Grant (RSG)	(5,789)	(5,536)	(5,250)	(5,358)
9	(771) Funding Guarantees / Recovery Funds / Adjustment Support	(1,123)	(451)	(451)	0
	Council Tax Income				
10	(36) Collection Fund Surplus	(183)	(91)	(91)	(91)
	Tax rate increase (3% annual increase)				
	Base increase (1% per annum)				
11	(9,299) Total Council Tax Income (incl s.31 grant)	(9,674)	(10,060)	(10,455)	(10,861)
12	(534) New Homes Bonus	0	0	0	0
13	(229) National Insurance Funding	0	0	0	0
	(20,979) Total Financing	(22,138)	(21,385)	(21,389)	(21,348)
14	(685) FORECAST NET DEFICIT	(32)	1,585	2,519	3,447
	Projected General Fund Reserves				
15	(1,501) Opening balance	(1,548)	(1,580)	(1,595)	(1,576)
16	0 Target savings, based on current funding assumptions	0	(1,600)	(2,500)	(3,400)
16	650 Transfer to/(from) Earmarked Reserves	0	0	0	0
17	(1,536) Closing Balance	(1,580)	(1,595)	(1,576)	(1,528)

**THREE YEAR REVENUE BUDGET FINANCIAL
PROJECTION**

Notes

- 1 The net budget is taken from the 2026/27 budget at Annex 1A.
- 2 Increased salary costs reflect assumed inflation at 2% per annum pay settlement for the planning period.
- 3 Pension backfunding reflects the increases in backfunding required by the fund actuaries based on the current triennial valuation.
- 4 Inflation on major contracts has been assumed at 2% per annum for the planning period.
- 5 Inflation on all other expenditure will aim to be limited to the current budget level, however an allowance of 2% per annum has been forecast to allow some budget increases.
- 6 Increases in general income received (excluding specifically budgetted items such as car parking) assumed at 2% per annum inflation.
- 7 NDR funding, based on the final settlement released February 2026.
- 8 RSG funding, ased on the final settlement released February 2026.
- 9 Based on the final settlement released February 2026 the Funding Guarantee has been rolled into RSG and the Recovery Grant is forecast to end after 2027/28. A one-off Adjustment Support Grant has been included in 2026/27 to offset late changes to MHCLG treatment of pooling gains.
- 10 The collection fund surplus is distributed to the precepting authorities pro rata to their share of the precepts.
- 11 Council Tax is forecast to increase by 3% per annum for the rest of the planning period. A 1% per annum increase in the tax base has also been assumed.
- 12 New Homes Bonus has been rolled into RSG from 2026/27.
- 13 National Insurance funding has been rolled into RSG from 2026/27.
- 14 Forecast (surplus) / deficit.
- 15 Estimated target savings required if current funding assumptions realised.
- 16 Proposed transfer to / (from) the Smoothing Reserve.
- 17 Forecast General Fund Balance.

OFFICE OF THE CHIEF EXECUTIVE

The Chief Executive is the Head of Paid Service and leads the Corporate Management Team. The main service areas within his cost centres are summarised below.

LEADERSHIP AND STRATEGIC DIRECTION

The Chief Executive is the Council's head of paid service, he works closely with elected members to ensure strong and visible leadership and direction, encouraging and enabling managers to motivate and inspire their teams.

He acts as the principal policy adviser to the elected members of the Council to lead the development of workable strategies which will deliver the political objectives set by the councillors.

He has overall responsibility for overseeing financial and performance management, risk management, people management and change management within the council, ensuring all staff understand and adhere to the strategic aims of the organisation and follow the direction set by the elected members.

He ensures all staff understand and adhere to the strategic aims of the organisation and follow the direction set by the elected members.

Chief Executive

Budget 2026/27

Costs controlled by Head of Service

2025/26 Sub-total	Cost Centre	Description	FTE	Employees	Other Costs	Income	2026/27 Sub-total	Recharges and Other Adjustments	Total
311,529	7002	CHIEF EXEC ADMIN TRADING ACCT	3	291,516	44,859	-	336,375	(336,375)	-
188,761	1001	NON SERVICE SPECIFIC WORK	-	-	186,303	-	186,303	658,152	844,455
500,290		Total Office of the Chief Executive	3	291,516	231,162	-	522,678	321,777	844,455
									-
500,290		Total Chief Executive	42	291,516	231,162	-	522,678	321,777	844,455

DIRECTOR OF HOUSING AND PLACE

The Director of Housing and Place is responsible for a number of service areas, the most significant of which are those summarised below.

HOUSING SERVICES

Strategic Housing

Housing Policy – The service provides support to teams delivering housing services across the Council, in connection with the production of policy information and local and national monitoring returns. The service reviews and monitors statutory obligations in relation to the production of housing strategies and returns.

Strategic Housing and Enabling – The service is responsible for developing a strategic approach which will help meet the housing needs in the district and contribute to the development of sustainable communities. The strategic housing function plays an important role in enabling the provision of affordable housing in the district. This is through partnership working with other affordable housing providers such as Registered Providers, through development of new Council Housing stock, direct by the Council, and through liaison with developers to ensure affordable homes are delivered on new housing developments in line with Council Planning Policy. From 2022, there has been a statutory requirement for the Council to approve the sale of properties delivered by developers via the First Homes scheme, a form of Affordable Home Ownership. This function sits within the Strategic Housing service. The service plays an important role liaising with external agencies such as Homes England, with whom the Council is an investment partner, and Kent Housing Group in order to support delivery of new affordable housing in the district.

Affordable Housing Delivery

The service was established to deliver new Council owned affordable housing, with a target of 200 homes per year. The service predominantly delivers homes for affordable rent, but also delivers shared ownership homes, accessible properties, and interim homes for the homeless. The Key Partnerships are with Homes England, with whom the Council is an Investment Partner, and with Kent Housing Group.

Housing Needs

The Housing Needs team is responsible for ensuring social housing is allocated in accordance with statutory guidance, providing advice on housing options and dealing with homelessness in accordance with statutory duties.

The Housing Register is maintained by a team of Allocations Officers. Affordable and Social rent homes are let through a 'choice based lettings' system. The system is procured through

a partnership of Kent district councils and housing associations with housing stock in the district. DDC is currently the lead partner and hosts the partnership manager. A recent re-procurement of the choice based lettings IT system has resulted in an enhanced system at lower cost.

The Housing Options team, provide advice and assistance to anyone who is homeless or potentially homeless. The key statutory function of the team is to ensure the Council's obligation to provide homelessness services is discharged correctly. This includes referral to Emergency and Temporary accommodation. The Housing Options team also provide a Homelessness Prevention service.

The Temporary Accommodation team manages Council owned temporary accommodation and also liaises with landlords of privately owned temporary accommodation.

Housing Management Service

Dover District Council is the major social landlord in the district with 4,479 homes at the time of writing. Responsibility for tenancy management and property management/investment is now split between the Strategic Directors of Finance & Housing and Place & Environment with teams reporting to each. Housing management service delivery functions are the responsibility of the Strategic Director (Finance and Housing).

The housing service is managed 'in house' and the housing team deliver services in the following areas:

- Tenancy lettings and mutual exchanges
- Tenancy management
- Estate management
- Sheltered housing
- Income collection and arrears management
- Resident involvement
- Customer services
- Reports of ASB and neighbour nuisance

PLANNING AND DEVELOPMENT

Development Management

The main functions of the Development Management service relate to the processing of planning and other formal applications submitted under the Town and Country Planning Act and making determinations in accordance with policies and other material considerations. This is a statutory function that requires the Local Planning Authority (LPA) to make decisions in accordance with Government set performance targets. Failure to meet these can result in an LPA being put into special measures. The service makes both delegated decisions and also reports applications to Planning Committee in accordance with the provisions of the Constitution. The service also defends the Council's position in planning appeals against the refusal of applications (whether that be through written representations, an informal hearing

or public inquiry). Other responsibilities include responding to requests for fee-earning pre-application advice and responses to a wide range of planning matters and enquiries.

A vital element of the service is to promote good urban design throughout the District. This often involves negotiations to secure better quality developments, as well as seeking to protect and enhance our heritage and built and natural environment and to manage change to underpin the long-term viability of the district.

Responsibilities include providing planning input for major projects and other significant schemes, including contributing to the delivery of corporate aspirations through collaborative working and project management, working closely with other Council services.

Functions also involve supporting and working closely with Planning Policy team in work associated with the Local Plan, infrastructure, natural environment, heritage and other matters.

Planning Enforcement

The Planning Enforcement Section investigates breaches of planning control, including responding to complaints raised by interested parties and taking formal enforcement action in appropriate cases. In addition, the team deals with appeals to the planning inspectorate against enforcement notices and prosecutes for non-compliance with notices and organises direct action where necessary.

Local Land Charges

The Local Land Charges Section is responsible for carrying out the statutory function of maintaining and updating the Local Land Charges Register by liaising with internal departments and external bodies to ensure the timely registration of new charges and the removal of expired charges. The Register is held and maintained as a digital/spatial record with supporting background documents meeting the requirements of HM Land Registry for the migration project.

The team is also responsible for the conveyancing enquiries of Local Authorities (CON29), as well as checking the accuracy of authority data provided on the CON29 and providing access to the Local Land Charges and Planning Registers for personal search companies and/or members of the public upon request.

Planning Policy and Projects

Following the adoption of the Local Plan, the priority is now to support delivery of the Plan, which includes the production of supporting documents including Supplementary Planning Documents and Design Codes and ensuring the Infrastructure Delivery Plan is up to date. The implementation of the Local Plan is reported each year in the form of an Authority Monitoring Report, which is prepared by the team, and includes reporting on the Council's five-year housing land supply.

The service also works closely with other services to support the Council's major regeneration projects and related research, strategies and corporate priorities. The overall objective is to bring focus to the Council's regeneration activities, for instance in Dover Town Centre.

Other work in the Planning Policy section includes monitoring the payments pursuant to Section 106 Agreements, including publication of an annual Infrastructure Funding Statement. and working with other Council departments and external providers to manage spend.

Functions also include processing Listed Buildings applications and providing advice on heritage matters to support the development management team and implementing the District Council's Heritage Strategy by empowering local groups to prepare Conservation Area Character Appraisals.

The team also provides Natural Environment expertise in relation to ecology, including advice on planning applications, leading the Council's Green Infrastructure Strategy and the implementation of Biodiversity Net Gain, and other requirements set out in the Environment Act.

The team is also responsible for leading the Council's Climate Change Strategy and Action Plan, working corporately to reduce the Council's carbon emissions and deliver the target of being net zero by 2030.

Support Services

This section provides general support to the department including the validation, registration and consultation of all types of applications, answering customer queries on planning matters generally.

Street naming and numbering

The department is responsible for the naming and numbering of streets and properties within the Dover District. This includes registering for new developments (properties and streets) and adding or changing a house name.

Building Control

The main functional area relates to Building Regulations Fee Earning (BRFE) work. The Section implements the Building Regulations, which are concerned with health and safety, access for all and conservation of fuel and power in and about buildings. Fees are set by Dover District Council to fully recover the costs of providing the service over any three-year period. The service is in full competition with the private sector.

The second area of activity is paid for from the General Fund. This area includes certain Building Regulations work, for which no fees can be charged, for example, building work to adapt a house for someone with a disability. Another example is building control has become a repository for information regarding self-certification of certain Building Regulations applications, relating to replacement windows and electricity etc. Central Government does not allow local authorities to charge for this function.

In addition, the section undertakes additional functions such as dealing with dangerous structures.

PARKS, OPEN SPACES & COUNTRYSIDE

The Council's Grounds Maintenance team cares for around 150 hectares of parks, pitches, open spaces, cemeteries and closed churchyards on a regular schedule. The White Cliffs Countryside Partnership manages 76 hectares of DDC owned land. Many further hectares of land in DDC ownership are visited by the Grounds Maintenance team on a reactive basis. The section is also responsible for leading open space strategy development, which helps to allocate Council resources and is important for securing external funding.

Parks & Open Spaces

Open spaces provide residents and visitors with opportunities for walking, socialising, and quiet reflection in the natural environment, as well as access to leisure facilities including play areas, outdoor sports facilities, skate parks and multi-use games areas. The Council owns and directly manages a substantial stock of open spaces throughout the district. This includes:

- parks such as Kearsney Abbey and Connaught Park in Dover, Victoria Park and Marke Wood in Deal
- sports pitches for example at Elms Vale and the Danes in Dover
- smaller amenity areas, many of which are associated with Council owned housing

Some of the Council owned open space facilities are leased to, and managed by, sports clubs, for example the football and rugby facilities at Crabble in Dover, tennis courts at Marke Wood in Deal, cricket pitches in Sandwich and bowling greens in Deal and Dover.

Cemeteries and Closed Churchyards

The Council owns and directly manages six cemeteries that are presently used for earth burials. These are located in Dover, Deal, Sandwich and Aylesham, covering a total of 19.25 hectares. In addition, the Council is obliged to accept responsibility for the upkeep of closed churchyards, if nominated by the relevant church or parish council. Currently 22 closed churchyards are maintained by the Council, covering about 10 hectares.

Trees

The team also provides the Council's tree management services, in relation to Tree Preservation Orders, works to trees in conservation areas, supporting relevant aspects of planning applications and the management and maintenance of Council owned trees.

White Cliffs Countryside Partnership

WCCP helps to conserve and enhance the special coast and countryside of Dover and Folkestone & Hythe districts, making it accessible to all. The Partnership is hosted by Dover District Council, incorporating Folkestone & Hythe District Council, Kent County Council, Eurotunnel, Natural England, EDF Energy, Taylor Wimpey, Dover Town Council, the Land Trust, Affinity Water, Network Rail, Aylesham Parish Council and St Margaret's Parish Council.

WCCP manages 17 nature reserves across the two districts, including four DDC owned sites totalling 105 hectares, the Western Heights (50ha), Whinless Downs (15.43ha), Spinney Wood (11.2ha) and the section of Kingsdown & Walmer Beach in DDC ownership (28.64ha). It also works on a range of other sites across the Dover district, some of which are owned by third parties, such as the River Dour and Gazen Salts.

WASTE SERVICES

Recycling & Waste Collections

Dover District Council (DDC) is the statutory Waste Collection Authority for its area.

The Council introduced new service arrangements for refuse and recycling collections in 2021, which provide the over 55,000 households in the district with:

- weekly segregated collection of food / kitchen waste, collected in a 23L kerbside caddy, with householders also using a small kitchen caddy

- alternate-weekly collections of recyclables and residual waste, with residual waste collected in a 180L wheeled bin (black lid), mixed dry recyclables collected in a 240L wheeled-bin (blue lid), and paper & card collected in a black 55L container. Alternative arrangements are available for those householders with limited storage space or difficult access. The materials collected through the doorstep recycling scheme now includes paper, card, plastic bottles, plastic pots, tubs and trays, cans and glass - which are collected fortnightly from all properties across the district
- fortnightly subscription service for the collection of garden waste
- separate collection of clinical waste, including needles

The contract for the collection of refuse and recycling with Veolia Environmental Services (UK), which extends until January 2029, has been awarded in partnership with Folkestone & Hythe District Council (FHDC). Dover District Council is the lead authority within this partnership and manages the client team, which comprises staff from both DDC and FHDC and is based at the DDC offices. In addition to managing the contract, the team are also responsible for promoting waste reduction, re-use and recycling to residents across the two districts.

Paper and card from the recycling schemes is recycled into newsprint and packaging; cans into new metal items; plastic into food grade plastics or recycled products; and glass is crushed and either used as aggregates in road construction or melted down for reuse.

Garden waste is collected fortnightly through the subscription green waste collection service and is composted on a local farm in open windrows. Once fully composted it is supplied to local agricultural operators. Food waste is collected weekly as part of the new service and is taken to an anaerobic digestion facility near Maidstone where it is processed to produce energy.

In addition to the weekly recycling and waste collections, the Council offers other related services such as, for example, the bulky waste collection service. This is available for residents who wish to arrange for larger items of waste to be collected for a small fee from their homes. The removal of abandoned vehicles is also administered by this Service, in accordance with the Refuse Disposal (Amenity) 1978.

Street Cleansing

The Council is responsible for the cleansing of some 800km of public highways together with Council owned land and is the statutory Principal Litter Authority for its area, as defined by the Environmental Protection Act 1990. This activity is carried out in accordance with standards described in the Code of Practice on Litter and Refuse (2006), which define how quickly the Council must clear such land. The statutory duties relate to the removal of litter, detritus (grit in the gutter), dog fouling, and blossom and leaf fall. The Council also works closely with the local Highway Authority, Kent County Council, to remove weeds from the public highway. Street cleansing activity is undertaken via a combination of manual and mechanical sweeping, and the emptying of over 950 litter and dog waste bins is also undertaken.

The Service is also responsible for the removal of fly-tipped (i.e. illegally dumped) material, and works closely with Environmental Enforcement section, which is responsible for the

investigation and enforcement element. Additional duties include the removal of graffiti on public buildings and structures, and the removal of flyposting (illegal banners and advertising) in the public realm.

The street cleansing activity is delivered by Veolia Environmental Services, under the same contract as noted in the Refuse & Recycling Collections description above, which extends until January 2029, and is a joint contractual arrangement with Folkestone & Hythe District Council, administered by Dover District Council Waste Services.

PLACE & GROWTH SERVICES

The Place & Growth Service leads Dover District Council's efforts to shape vibrant, inclusive and socio-economically resilient communities. Through five specialist teams, the Service delivers strategic regeneration, community development, placemaking, economic growth, inward investment, destination management and heritage stewardship - making Dover District a better place to live, work, visit, learn, and invest.

Placemaking, Tourism & Economic Development Team

This team drives placemaking and transformational change across the District's economy, town centres and visitor experience. Acting as the District's official Destination Management Organisation (DMO) under the White Cliffs Country brand.

Core functions:

- Strategic regeneration, economic development and inward investment
- Town centre placemaking (Dover, Deal and Sandwich)
- Tourism development and destination marketing
- Cultural programming and creative industries
- Active travel, signage and wayfinding
- Business engagement and support

Related Strategy:

- Economic Growth Strategy
- Tourism & Visitor Economy Strategy
- Cultural Strategy for Dover

Related Websites:

- www.whitecliffscontry.org.uk
- www.investindover.co.uk

Community Development Team

Focused on social inclusion, community resilience and district-wide community initiatives, this team empowers residents and local groups through targeted support and engagement.

Priority areas:

- Homelessness prevention and veteran support
- Education, employment and skills development
- Cost-of-living support and pensioner inclusion
- Leisure, wellbeing and family programmes
- Community grants and event coordination

Key role:

- Leads the Events Safety Advisory Group
- Leads Health Alliance

Major Projects Team

This team delivers high-impact and high-profile capital corporate projects that shape the District's future infrastructure and public realm.

Current projects:

- Dover Beacon Project
- Deal Leisure Centre Project
- Roman Dover Project
- Aylesham Village Expansion
- Elvington Village Expansion

Function:

Oversees feasibility, funding and delivery of strategic capital investments aligned with the Corporate Plan, Local Plan and wider Council strategies.

Venues & Visitor Services Team

Responsible for the operation and customer experience of key council-owned venues, this team ensures accessible, high-quality services for residents and visitors.

Managed venues:

- Kearsney Café & The Billiards Room, Dover
- Maison Dieu, Dover
- Visitor Information Centre, Dover
- Dover Museum (Front of House)
- Roman Painted House (Front of House)

Focus:

- Operational excellence, visitor satisfaction and community access.

Related Websites:

- www.maisondieudover.org.uk
- www.kearsneyparks.co.uk

Museums & Heritage Team

Custodians of Dover District's rich history, this team manages museum collections, heritage interpretation and archaeological insight.

Key responsibilities:

- Dover Museum & Bronze Age Boat Gallery – Management, Interpretation and Operation
- Maison Dieu – Interpretation, Collections and Monitoring
- Roman Painted House - Interpretation, Collections and Monitoring
- Schools, Youth and Community engagement programmes
- Collections Management and Storage
- Museums support and services
- Heritage and Archaeology Advisory role

Strategy and Strategic role:

- Heritage Strategy
- Supports town centres and district regeneration through heritage-led planning support and use of the Urban Archaeological Database.

Related Websites:

- www.dovermuseum.co.uk
- www.dovermuseum.co.uk/Roman-Painted-House
- www.channelswimmingdover.org.uk

PROPERTY ASSETS

The Council's Property Assets team is focussed on managing the Council's built assets, both corporate and housing.

Corporate Assets

The corporate team are responsible for in excess of 239 assets in the district which include but are not limited to; operational assets (i.e. Whitfield Offices, Kearsney Café, Maison Dieu and Deal Pier), sports centres and pools, cemeteries, museums, park buildings and recreational land and facilities (including play areas), stores, depots, public conveniences, shops, commercial properties, industrial land, ground leases, and community assets.

As well as this the team are responsible for beaches and foreshores, coastal protection, dealing with oil pollution, beach huts, boat plots, DDC owned street lighting, garage plots, car parks, shelters, structures, street furniture, markets, licences and leases and general facilities management such as caretaking, cleansing and routine maintenance.

The Estates team sits within the corporate team and lead on leases, licences, letting our non-operational properties, acquisitions, disposals, community assets and general estate management. The team support many other Council areas and functions.

The Design Services team also sit within the corporate team and deliver new projects as well as undertake refurbishment of the Council's existing assets. The Design Services team also support delivery of major projects that sit within other Council areas.

The team work closely with the Parks and Open Spaces team to maintain all the councils land and built assets.

Housing (HRA) Assets

The housing team are responsible for maintenance of the Council's housing stock which reverted to Dover District Council from East Kent Housing with effect from 1st October 2020. The council currently owns over 4,400 housing assets comprising temporary accommodation, general needs, sheltered accommodation, Dover Asylum Resettlement Team (DART) and shared ownership properties.

The housing team are responsible for ensuring that the stock is safely maintained, meets the Decent Homes Standard and the Regulator of Social Housing Consumer Standards (1 April 2024), with particular focus for Property Assets on the Safety & Quality Standard, alongside any other relevant legislation.

The three main areas of work are compliance, responsive maintenance (including voids) and planned works.

The team work closely with the Housing Management team to ensure effective management the HRA stock.

Housing and Place

Budget 2026/27

Costs controlled by Head of Service

2025/26 Sub-total	Cost Centre	Description	FTE	Employees	Other Costs	Income	2026/27 Sub-total	Recharges and Other Adjustments	Total
16,556	7007	STRATEGIC DIRECTOR - HOUSING AND PLACE	-	-	-	-	-	-	-
16,556		Total Office of the Strategic Director	0	0	0	0	0	0	0
(162,071)	1319	DART / UKRAINE DISBURSEMENT CODE	4	218,381	197	-	218,578	10,427	229,005
-	1346	COMMUNITY HOUSING FUND	-	-	-	-	-	782	782
-	1347	HOUSING STRATEGY	-	-	-	-	-	94,849	94,849
(101,111)	1348	KENT HOMECHOICE	1	35,419	144,892	(280,000)	(99,689)	19,175	(80,514)
1,498,300	1349	HOMELESSNESS	-	-	3,505,740	(1,470,000)	2,035,740	842,168	2,877,908
-	1350	RENT DEPOSIT SCHEME	-	-	5,000	(5,000)	-	-	-
-	1351	ROUGH SLEEPING	-	-	445,140	(445,140)	-	25,818	25,818
13,300	1352	CHOICE BASED LETTINGS	-	-	13,300	-	13,300	-	13,300
-	1355	BROWNFIELD PLOTS	-	-	-	-	-	51,038	51,038
(30)	1770	HOUSEBUILDING REGISTER	-	-	-	(90)	(90)	-	(90)
1,041,143	7506	HOUSING NEEDS TRADING ACCOUNT	29	1,344,110	7,323	-	1,351,433	(1,351,433)	-
114,023	7521	HEAD OF HOUSING	1	114,299	3,745	-	118,044	(118,044)	-
529,790	7525	HOUSING DEVELOPMENT	9	568,477	14,583	-	583,060	(583,060)	-
417,951	7526	HOUSING RENTS	10	529,917	15,010	-	544,927	(544,927)	-
1,034,864	7527	HOUSING GENERAL NEEDS	18	1,156,469	18,970	-	1,175,439	(1,175,439)	-
177,764	7528	STRATEGIC HOUSING	5	256,892	2,475	-	259,367	(259,367)	-
120,302	7531	HOUSING CUSTOMER SERVICES	4	155,750	41	-	155,791	(155,791)	-
4,684,225		Total Housing	81	4,379,714	4,176,416	(2,200,230)	6,355,900	(3,143,804)	3,212,096
10,000	1405	PLANNING ENFORCEMENT	-	-	15,300	-	15,300	522,727	538,027
134,285	1626	BUILDING CONTROL	5	363,419	25,022	(300,000)	88,441	243,102	331,543
-	1634	STREET NAMING AND NUMBERING	-	-	-	(35,000)	(35,000)	-	(35,000)
(891,272)	1751	DEVELOPMENT MANAGEMENT	-	-	55,541	(1,045,000)	(989,459)	2,218,396	1,228,937
(8,000)	1753	PLAN PERFORMANCE AGREEMENTS	-	-	-	-	-	-	-
-	1755	S106 NON-SPECIFIC PROJECTS	-	-	-	-	-	85,790	85,790
-	1757	CONSERVATION & HERITAGE	-	-	50	-	50	99,142	99,192
-	1761	BROWNFIELD REGISTER	-	-	-	-	-	11,593	11,593
300	1762	DOVER DISTRICT DEVELOPMENT PLAN	-	-	2,100	200	2,300	496,983	499,283
11,300	1763	BIODIVERSITY NET GAIN	-	-	14,628	(1,500)	13,128	4,081	17,209
-	1764	NEIGHBOURHOOD PLANS	-	-	-	-	-	101,160	101,160
(139,781)	1768	LOCAL LAND CHARGES	-	160	28,000	(194,805)	(166,645)	103,932	(62,713)
-	1772	S106 WITH CONDITIONS	-	-	-	-	-	9,603	9,603
-	1773	S106 WITHOUT CONDITIONS	-	-	-	-	-	9,603	9,603
273,914	7512	PLANNING ENFORCEMENT	5	278,753	3,575	-	282,328	(282,328)	-
1,210,678	7519	DEVELOPMENT MANAGEMENT	17	1,188,924	22,488	200	1,211,612	(1,211,612)	-
863,755	7520	REGENERATION DELIVERY TRADING	14	954,757	19,297	(12,000)	962,054	(962,054)	-
661,305	7530	PLANNING AND DEVELOPMENT ADMIN	13	626,911	31,366	-	658,277	(658,311)	(34)
2,126,484		Total Planning & Development	54	3,412,924	217,367	(1,587,905)	2,042,386	791,807	2,834,193

Costs controlled by Head of Service

2025/26 Sub-total	Cost Centre	Description	FTE	Employees	Other Costs	Income	2026/27 Sub-total	Recharges and Other Adjustments	Total
-	1658	SAMM OFFICER	-	-	29,243	(29,243)	-	-	-
-	1659	KINGSDOWN AND WALMER	-	-	4,834	(4,834)	-	-	-
-	1660	SHORNCLIFFE WCCP	1	37,303	73,510	(113,419)	(2,606)	2,606	-
-	1670	WHITE CLIFFS COUNTRYSIDE PROJECT	7	320,917	106,681	(445,845)	(18,247)	18,247	-
-	1671	WCCP - SAMPHIRE HOE	2	86,548	39,632	(131,394)	(5,214)	5,214	-
-	1672	WCCP - ROMNEY MARSH PROJECT	-	-	1,052	(1,052)	-	-	-
-	1673	WCCP - WILDLIFE/SITE SURVEY	1	43,277	9,133	(55,016)	(2,606)	2,606	-
-	1674	WCCP OFFICE MANAGER & ADMIN	3	166,232	(224,968)	54,519	(4,217)	22,217	18,000
-	1676	SHEPWAY SITES MANAGEMENT	1	38,003	36,116	(76,726)	(2,607)	2,607	-
(3,952)	1678	RIVER DOUR	1	49,936	2,201	(54,744)	(2,607)	2,607	-
-	1679	DUNGENESS (EDF ENERGY)	2	88,906	63,588	(157,707)	(5,213)	5,213	-
(12,071)	1680	FORT BURGONEY	2	58,940	91,084	(154,195)	(4,171)	4,171	-
6	1682	OUR FINEST DOUR PROJECT	-	-	-	-	-	-	-
(6,200)	1683	DEPOTS	-	-	13,680	(20,175)	(6,495)	16,998	10,503
93,664	1684	CEMETERIES	-	990	257,888	(150,500)	108,378	74,551	182,929
47,264	1685	CLOSED CHURCHYARDS	-	-	37,927	-	37,927	24,180	62,107
710,710	1686	PARKS AND OPEN SPACES	-	5,000	812,383	(84,128)	733,255	322,519	1,055,774
129,695	1687	KEARSNEY PARKS	2	92,109	29,193	-	121,302	80,479	201,781
1,383,850	1691	REFUSE COLLECTION	-	-	1,740,700	(236,191)	1,504,509	186,794	1,691,303
1,239,728	1692	RECYCLING	-	-	2,636,350	(2,731,225)	(94,875)	150,776	55,901
-	1693	FOLKESTONE & HYTHE DISTRICT COUNCIL WASTE CONTRIBUTIO	-	-	6,613,479	(6,613,479)	-	-	-
2,364,430	1697	STREET CLEANSING	-	-	2,495,444	-	2,495,444	261,079	2,756,523
-	1701	AYLESHAM GM SERVICE	-	275	14,836	(73,650)	(58,539)	58,675	136
105,538	7035	HEAD OF PARKS, OPEN SPACES AND COUNTRYSIDE	1	122,418	1,213	-	123,631	(123,631)	-
259,779	7037	PARKS AND OPEN SPACES ADMIN	7	368,470	1,096	-	369,566	(369,566)	-
(164,512)	7514	GROUNDS MAINTENANCE TEAM	29	1,065,186	287,073	(1,512,265)	(160,006)	159,973	(33)
316,447	7517	WASTE SERVICES TRADING ACCOUNT	5	240,484	40,303	-	280,787	(280,789)	(2)
6,464,376		Total Parks and Open Spaces	64	2,784,994	15,213,671	(12,591,269)	5,407,396	627,526	6,034,922

Costs controlled by Head of Service

2025/26 Sub-total	Cost Centre	Description	FTE	Employees	Other Costs	Income	2026/27 Sub-total	Recharges and Other Adjustments	Total
81,800	1050	ECONOMIC DEVELOPMENT	-	-	64,318	1,530	65,848	339,899	405,747
43,830	1300	COMMUNITY DEVELOPMENT	-	1,600	55,041	(20,000)	36,641	317,820	354,461
3,250	1301	AYLESHAM COMMUNITY DEVELOPMENT OFFICER	-	-	-	-	-	2,839	2,839
-	1302	DOVER DISTRICT LOTTO	-	-	8,000	(8,000)	-	9,277	9,277
-	1303	INSPIRE FUND	-	-	13	-	13	11,454	11,467
-	1304	AYLESHAM GARDEN VILLAGE	-	-	-	-	-	12,010	12,010
3,000	1309	SPORTS STRATEGY, IMPLEMENTATION & GRANTS	-	-	3,000	-	3,000	14,241	17,241
1,212	1318	SE STRATEGIC PARTNERSHIP MIGRATION	1	106,427	13	(109,047)	(2,607)	2,607	-
-	1320	ASPIRE PROJECT	-	-	-	-	-	10,365	10,365
113,720	1617	MAISON DIEU - DOVER	5	214,353	428,153	(290,400)	352,106	226,887	578,993
(39,479)	1698	KEARSNEY PARKS CAFÉ	15	536,220	303,414	(757,000)	82,634	67,295	149,929
107,189	1721	DOVER MUSEUM	-	2,000	168,003	(64,100)	105,903	435,071	540,974
28,530	1722	MUSEUMS - BRONZE AGE BOAT - EXHIBIT	-	-	25,500	(500)	25,000	44,107	69,107
945	1723	DOVER MUSEUM SCHOOLS	-	-	17,145	(16,200)	945	45,226	46,171
460	1725	CHANNEL SWIMMING	-	-	460	-	460	5,673	6,133
95,900	1726	MUSEUM COLLECTION STORAGE	-	-	59,556	38,000	97,556	57,107	154,663
3,821	1727	GRAND SHAFT-WESTERN HEIGHTS	-	-	3,098	-	3,098	7,020	10,118
-	1728	TOURISM DEVELOPMENT	-	-	52	-	52	448,404	448,456
-	1729	VIC GRANTS & HISTORIC PANELS	-	-	-	-	-	20,987	20,987
(500)	1730	CRUISE WELCOME OPERATION	-	-	-	(4,500)	(4,500)	8,501	4,001
(3,635)	1734	ROMAN PAINTED HOUSE	-	-	26,175	-	26,175	165,822	191,997
(6,000)	1754	AYLESHAM DEVELOPMENT	-	-	-	-	-	6,776	6,776
2,881	1766	OTHER REGENERATION PROJECTS	-	-	2,493	-	2,493	160,003	162,496
131,822	7040	HEAD OF GROWTH & INVESTMENT	1	134,990	2,263	-	137,253	(137,253)	-
791,673	7502	PLACEMAKING, TOURISM & ECONOMIC DEVELOPMENT	14	951,885	6,907	-	958,792	(895,286)	63,506
484,049	7503	COMMUNITY DEVELOPMENT TEAM	8	329,524	15,618	250	345,392	(347,162)	(1,770)
454,822	7518	MUSEUM TRADING ACCOUNT	9	473,666	1,083	-	474,749	(474,749)	-
345,268	7524	VENUES TEAM	3	140,189	693	-	140,882	(140,882)	-
-	7529	MAJOR PROJECTS TEAM	-	700	2,700	-	3,400	(3,400)	-
-	7532	VISITOR SERVICES TEAM	-	65,000	7,800	-	72,800	(72,800)	-
2,644,558		Total Place and Growth	56	2,956,554	1,201,498	(1,229,967)	2,928,085	347,859	3,275,944

Costs controlled by Head of Service

2025/26 Sub-total	Cost Centre	Description	FTE	Employees	Other Costs	Income	2026/27 Sub-total	Recharges and Other Adjustments	Total
155,972	1602	PUBLIC CONVENIENCES	-	-	305,604	(127,000)	178,604	120,791	299,395
450	1603	COAST PROTECTION	-	400	(450)	-	(50)	9,929	9,879
996	1604	SECTION 38	-	-	1,179	-	1,179	993	2,172
24,130	1605	STREET LIGHTING	-	-	65,300	-	65,300	81,672	146,972
4,000	1606	COUNTRYSIDE AND WATERWAYS	-	-	4,000	-	4,000	2,979	6,979
17,014	1607	BUS SHELTERS	-	-	20,592	-	20,592	9,644	30,236
23,010	1608	PRECINCTS - DEAL AND DOVER	-	-	11,773	-	11,773	46,534	58,307
-	1609	ENVIRONMENTAL IMPROVEMENTS	-	-	-	-	-	1,348	1,348
(518,800)	1610	GARAGES - GF	-	-	25,000	(498,800)	(473,800)	246,334	(227,466)
(122,847)	1611	SHOPS & SHOWROOMS - GF	-	-	11,564	(192,847)	(181,283)	27,590	(153,693)
1,034	1612	55-61 CASTLE ST (FORMER CO-OP)	-	-	-	-	-	18,251	18,251
(347,881)	1613	WHITFIELD COURT BUSINESS PARK	-	-	39,151	(362,271)	(323,120)	65,984	(257,136)
(1,190,773)	1614	B&Q RETAIL WAREHOUSE DOVER	-	-	19,295	(1,208,314)	(1,189,019)	14,423	(1,174,596)
(32,016)	1615	MISC PROPERTIES - GENERAL	-	-	70,417	(70,245)	172	789,491	789,663
-	1616	RELOCATION OF TRAVELLERS	-	-	-	-	-	15,346	15,346
(513)	1618	TIMEBALL TOWER, DEAL	-	-	150	-	150	4,964	5,114
854	1619	PUBLIC CLOCKS AND MEMORIALS	-	-	984	-	984	199	1,183
(39,059)	1620	DOLPHIN HOUSE	-	-	67,436	(115,680)	(48,244)	48,244	-
-	1621	ENERGY EFFICIENCY GRANTS	-	-	-	-	-	227,939	227,939
(87,895)	1622	BEACHES AND FORESHORES	-	-	41,869	(138,050)	(96,181)	62,964	(33,217)
82,108	1623	DEAL PIER	1	59,039	113,017	(140,547)	31,509	165,020	196,529
(6,126)	1624	SANDWICH QUAY	-	-	6,553	(17,830)	(11,277)	11,099	(178)
(943,130)	1627	DOVER LEISURE CENTRE	-	-	62,496	(1,100,000)	(1,037,504)	50,884	(986,620)
287,225	1628	DEAL LEISURE POOL - TIDES	-	-	84,856	-	84,856	165,068	249,924
47	1629	DEAL TENNIS CENTRE	-	-	52	-	52	15,678	15,730
563,000	1630	CORPORATE MAINTENANCE	-	-	476,650	-	476,650	21,870	498,520
30	1631	ACTIVITY PLAN - MAISON DIEU RESTORATION	-	-	377	-	377	8,406	8,783
772	1632	HOME UPGRADE GRANTS	-	33	-	-	33	-	33
496,975	7001	OFFICE ACCOMMODATION - WHITFIELD	1	24,884	445,862	-	470,746	(470,746)	-
1,207,877	7027	PROPERTY SERVICES	23	1,361,515	96,140	(1,725)	1,455,930	(1,455,930)	-
-	7028	ASSET MAINTENANCE TEAM	5	182,352	30,034	-	212,386	(212,386)	-
(14,153)	7030	THE DOVER GATEWAY (CASTLE ST)	-	-	21,926	(35,000)	(13,074)	13,074	-
9,188	7033	MAISON DIEU PREMISES - CAB OFFICES	-	-	13,062	(3,500)	9,562	(9,562)	-
1,428,373	7038	PROPERTY SERVICES HRA	26	1,455,873	34,334	-	1,490,207	(1,490,207)	-
999,862		Total Property Assets	56	3,084,096	2,069,223	(4,011,809)	1,141,510	(1,392,113)	(250,603)
16,936,061		Total Housing and Place	311	16,618,282	22,878,175	(21,621,180)	17,875,277	(2,768,725)	15,106,552

DIRECTOR OF CORPORATE RESOURCES

The Director of Corporate Resources (Deputy Chief Executive) is responsible for a number of service areas, the most significant of which are those summarised below.

DEMOCRATIC AND CORPORATE SERVICES

Democratic Services

The Democratic Services function provides support for elected Members, support for the offices of the Chairman of the Council and Leader of the Council and the provision of a secretariat for Council and Executive committees. The main areas are:

- The Member Support function provides support to all Members of the Council
- Provide an efficient and effective secretariat to all committees, sub-committees and project/policy advisory groups of the Council
- Administer the Notice of Forthcoming Key Decisions
- Administer Special Urgency and General Exception procedures as well the procedures for Leader of the Council decisions, delegated decisions by Members and officers, decisions between meetings and the notice of exempt meetings of the Executive
- Provide support for the overview and scrutiny function, including support for scrutiny reviews
- Maintain an archive of past Minutes of Council meetings
- Administering the Members' Allowances Scheme
- Administers outside body appointments for elected Members
- Organise the annual Town and Parish Council event
- Administers Leadership Forum and Housing Working Group
- Organise new Member induction following full Council elections and district by-elections
- Organise new Member induction and co-ordinate training and development for Members following the election. Organise the provision of equipment to enable the councillors to carry out their democratic role as elected representatives of the community
- Provide secretarial and administrative support to the Leader of the Council and the Chairman of the Council.
- Organise small civic events for the Chairman

Corporate Services

This Corporate Services function is responsible for a number of corporate services of which the main areas are:

- Administer all Freedom of Information and Data Protection requests responding to FOI requests within the time constraints laid down by the Information Commissioner
- Administer complaints made against the Council, including reporting statistical data to the Corporate Management Team, the Cabinet and Ombudsmen.

- Administer complaints made against elected Members for the Monitoring Officer
- Identification and mitigation of key corporate risks; maintain the Risk Registers
- Provide insurance cover for the Council's assets and liability risks
- Administration of the Breathing Space arrangements
- Administer RIPA (Regulation of Investigatory Powers Act) and SPOC (Single Point of Contact applications) – ensure that any surveillance work is properly authorised in accordance with legislation
- Act as the central point of reference to promote and advise on equality issues throughout the Council's services and maintain and update the Equality Policy and Objectives
- Administer the National Fraud Initiative schemes
- Provide other corporate services such as job evaluation & employment management support and numerous other areas.
- Preparation of the Corporate Plan
- Maintaining and reviewing the information that forms the Dover District Profile
- Provide administrative support to Corporate Management Team

Electoral Services

Electoral Services are responsible for the organisation and conduct of Parliamentary, Police and Crime Commissioner Elections, County Council, District Council and Parish Council elections and all associated by-elections within the district. Electoral Services are also responsible for the conduct of local and national referenda, parish polls and reviewing polling districts and places. The costs incurred in the conduct of elections are met by the body concerned. The Council is obliged to appoint an officer of the Council to act as Returning Officer (RO) to undertake their statutory duties. The officer acts as Acting Returning Officer at Parliamentary Elections, the Deputy Returning Officer at County Council Elections and the Local Returning Officer at Police and Crime Commissioner Elections.

The Council is also obliged to appoint an officer of the Council to act as Electoral Registration Officer (ERO) to undertake their statutory duties. The Electoral Services Team are responsible for maintaining the Register of Electors on behalf of the ERO throughout the year, which includes running a district wide canvass of all households from July to November and publish a new Register of Electors on 1 December each year. On behalf of the RO & ERO, the Elections Team will be processing Voter ID applications and postal/proxy applications as well as ensuring everything is updated in line with the latest legislation.

FINANCE AND INVESTMENT

Financial Administration

Section 151 Local Government Act 1972 requires the Council to make arrangements for the proper administration of its financial affairs and to make one of its officers responsible for the administration of those affairs. The Strategic Director is that officer.

Finance

The Accountancy team is responsible for the General Fund revenue accounts, the capital and project budgets, the Housing Revenue Account, supporting the regeneration and investment agenda and technical matters such as VAT and Treasury Management.

Although the team is responsible for a range of tasks, the main focus is on co-ordinating and consolidating the revenue and capital budgets, producing the Medium Term Financial Plan, undertaking in-year budget monitoring, producing the final accounts, completing statutory and other returns (including VAT), treasury management and supporting value for money achievement. The team also supports budget managers, corporate management team and Members through the provision of financial advice in relation to budgets, service reviews, recruitment decisions, projects, reports with financial implications, partnership working and associated matters.

The Creditors team are responsible for the accurate and timely processing of approved invoices, managing the payments process and producing the monthly returns to HMRC for the Construction Industry Scheme.

The Income team are responsible for the reconciliation of income receipts, updating the daily cash records and reconciling all entries to the bank statements. They also set up sundry income invoices for the Authority and manage rechargeable works.

Procurement

The Procurement team provides professional advice and guidance and is responsible for the delivery of the Council's Procurement Strategy, compliance with its constitution (Contract Standing Orders), Public Contract Regulations, other legislation and delivering procurement best practice. The team is responsible for the Council's procurement infrastructure, including development and delivery of corporate procurement systems, policies, processes and procedures. They also maintain the Council's Contracts Register and Forward Plan, publication of Supplier Spend Data (compliance with the Transparency Code) and administer the Government Procurement Card Scheme.

The Procurement Manager is also responsible for reviewing the Council's Anti-Fraud and Corruption Framework and, by liaising with the respective departments (e.g. Human Resources, Housing, etc), ensuring that the associated policies, processes and procedures remain fit for purpose and reflect any changes in legislation.

Parking Services

The Parking Services team is responsible for the management and operation of parking both on and off street across the district.

With regard to off-street parking, the Council provides a number of car parks spread across the district including maintenance and enforcement operations. The Council also manages car parks on behalf of English Heritage in Deal & Walmer and Eurotunnel at Samphire Hoe.

The management of on-street parking is carried out on behalf of KCC in accordance with the provisions set up within the Kent Parking agreement developed following the decriminalisation of parking operations within Kent in 2001.

The work of the team involves both “back office” functions associated with parking enforcement and dealing with all representations and challenges to the service of penalty charge notices and debt recovery.

Cash collection from all Pay and Display machines and counting is carried out “in house” by a small team.

SHARED SERVICES

East Kent Audit Partnership

This Council is the host of the East Kent Audit Partnership and therefore the team forms part of the directorate. The four East Kent authorities, Canterbury City Council, Dover District Council, Folkestone & Hythe District Council, and Thanet District Council formed the East Kent Audit Partnership (EKAP) to deliver a professional, cost effective, efficient, internal audit function.

A key aim for the EKAP is to build a resilient internal audit service that provides assurance on the risk, governance and control arrangements in place as well as providing opportunities to share best practice, acting as a catalyst for change and improvement. The service delivers an agreed annual internal audit plan, undertakes special investigations and reports an annual opinion to the s151 Officer and also independently to the Governance Committee.

In the Annual Report the Head of Audit (HOA) lists all recommendations raised in the course of their work for the year split over the 4 criticality ratings. The report also summarises the follow up process and the results of the follow up for the year, highlighting any areas that have low levels of assurance after follow up. The HOA has unfettered access to all required information and staff, and also inter alia to the three statutory officers, the leader of the Council and the Chair of Governance Committee.

PartnershipOne

The Director of Finance, Housing and Assets, or officers responsible to him, act as the lead officers for the following services which are provided jointly for Dover, Thanet & Canterbury by East Kent Services (EKS) under a joint committee arrangement, the East Kent Services Committee (EKSC). The services are fully delegated to the EKSC who in turn have delegated the full responsibility for the services to the Head of Shared Services. PartnershipOne is a Local Authority Trading Company (LATCO) fully owned by Dover District Council, Canterbury City Council and Thanet District Council. It provides Revenues, Benefits and Customer Services to the three councils.

Revenues

Council Tax has to be calculated, billed and collected for just under 56,000 dwellings within the district. Council Tax includes monies billed and collected for Dover District Council, Kent County Council, The Police & Crime Commissioner for Kent, Kent and Medway Fire and Rescue and the district's town and parish councils. The service target is to collect 96.84% of Council Tax in the year.

Business Rates / Non Domestic Rates (NDR) also have to be calculated, billed and collected for around 4,200 businesses in the district. NDR is distributed by the council to the Government, KCC, Police, Fire and Rescue. The service target is to collect at least 98.20% of NDR by end of the financial year.

Any shortfall in revenue collection continues to be collected or attempted to be collected beyond the end of the financial year.

Benefits

The service anticipates that it will pay out benefits and financial assistance to over 1,300 council tenants, just under 1,900 private tenants and just under 9,000 council tax payers.

Universal Credit (UC) has been in place in the district since 2017, and the service works with the Department for Work and Pensions (DWP) to move those currently claiming housing benefit onto UC between now and March 2026.

Customer Services

Customer Services provides on-line, telephone, and face to face service delivery for all customers.

The service is seeking to increase the level of electronic service provision and self-service by customers. Innovation around electronic service provision for the council as a whole, seeking to drive through efficiency and service transformation, will be integrated with coordination of the Local Land and Property Gazetteer. In addition, the service will continue to work with us to develop our website and further develop the system to enable increased self-service and reduced paper transactions.

The service also administers various ad hoc schemes initiated by the Government from time to time, as required.

HUMAN RESOURCES, PAYROLL AND CORPORATE COMMUNICATIONS

Human Resources

This service provides HR services to the Council and is responsible for advising on all HR matters including recruitment, retention, absence performance management, and disciplinary and grievance matters, together with more strategic work such as succession planning and learning and development.

Payroll

Dover District Council is the host Authority for the East Kent Shared Payroll & Systems Service, which is a shared service governed under a Joint Committee arrangement (East Kent Services Committee) and shared with Canterbury and Thanet Councils. This provides and manages a full Payroll provision for the Council and the other partner councils in the shared arrangement.

This payroll service includes payment of staff, statutory and other deductions, production of interfaces to the general ledger, the production of statutory returns and liaison with statutory bodies. System security is managed within the team, by a dedicated payroll system support function for all partner councils.

In addition to providing payroll services for partner councils, the Shared Payroll and System service also provides payroll services to the Marlowe Theatre Trust, and subject to contract, the Local Authority Trading Company, "Partnership One" which generates additional income for the Councils.

The team are also the responsible administrator for the partners of the Local Government Pension Scheme (LGPS) in conjunction with the administering body, Kent County Council, developing employer scheme discretions and management and staff information for all partners.

Corporate Health & Safety

The Council is responsible for ensuring the health, safety and welfare of its staff and all those impacted by its undertaking. The team ensures the Council complies with its legal obligations as set out in various acts of law and provides a service design to identify and mitigate risks and upskill employees in risk prevention and reporting.

Communications, Public Relations

The PR & Communications Team provides a comprehensive range of support services to the Council, including handling all press and media enquiries, and the promotion of Council services. The team is responsible for, press releases, social media, the Council's Keep Me Posted e-mail alert service, and the DDC e-newsletter. The team's primary functions can be divided into:

Internal communications - Responsible for corporate internal communications to keep employees informed about council policies, important events, and service news.

Corporate communications - Deliver proactive communications to increase public awareness of council policies, initiatives, and service updates, and maintain a strong corporate identity across the council, ensuring high-quality and consistent communications.

Public Relations - Responsible for promoting the council to the public through local, regional, and national print and broadcast media and building relationships with editors and journalists to ensure fair and accurate coverage of council news.

Creative Services

The Creative Services Team strive to deliver efficient, effective and productive in-house creative, print, mail and post services across the Council. Central services that directly support other DDC functions with the aim of creating a better and fairer future for our communities, and that also help to position the district as a greater place to live, work, visit, learn and invest.

The team's work also includes:

- Branding, Corporate Identity and Brand Guardianship
- Graphic Design
- Photography
- Videography
- Drone Services

Continuous Improvement

This team was implemented in November 2024. The team's primary purpose is to:

- Lead cross-functional teams to develop and implement innovative solutions and best practices.
- Establish key performance indicators (KPIs) and metrics to track progress and measure the impact of improvement initiatives.
- Collaborate with internal and external stakeholders to gather feedback, build consensus, and drive change.
- Advise the Council on industry trends, emerging technologies, and best practices in continuous improvement to continuously Council processes to increase performance and efficient delivery of services to residents and staff.

LEGAL SERVICES

Monitoring Officer

The Monitoring Officer is the statutory officer responsible for the legal governance of a local authority. The functions of the Monitoring Officer, (who is the Solicitor to the Council) are set out in Article 12.03 of the Constitution and are primarily concerned with reporting to the full Council or to the Leader and executive in relation to an executive function if he or she considers that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration in accordance with section 5 of the Local Government and Housing Act 1989.

The Monitoring Officer also has a role in advising where particular decisions were, or are likely to be, contrary to or not in accordance with the budget and policy framework. In addition, she also has responsibilities (deriving from Part 7 of the Localism Act 2011) in relation to the promotion and maintenance of the ethical standard of councillors serving on the District Council and the 35 town and parish council within the District Council's administrative area. This includes the initial consideration of complaints made about District, Town and Parish Councillors.

Although the Monitoring Officer sits within the Directorate, the Strategic Director of Corporate and Regulatory is not responsible for discharging the functions of the Monitoring Officer as the Monitoring Officer is a Statutory Officer.

Data Protection Officer

Article 37 of the UK General Data Protection Regulation (UK GDPR) requires a public authority to designate a Data Protection Officer.

Under Article 39 of the UK GDPR, the Data Protection Officer shall have at least the following tasks:

- To inform and advise the organisation and its employees of their obligations under the UK GDPR and other data protection laws.
- To monitor compliance with the UK GDPR and other data protection laws, and with the policies of the organisation in relation to the protection of personal data, including the assignment of responsibilities, awareness-raising and training of staff involved in processing operations, and the related audits.
- To provide advice on data protection impact assessments.
- To cooperate with the supervisory authority.
- To act as the contact point for the supervisory authority and for individuals regarding all issues related to the processing of their personal data and the exercise of their rights.

The Data Protection Officer must be able to perform their duties in an independent manner and the Council may not give the Data Protection Officer instruction on exercising their role.

The Information Governance Manager is the Council's designated Data Protection Officer. Although the Data Protection Officer sits within the Directorate, The Strategic Director of Corporate and Regulatory is not responsible for discharging the functions of the Data Protection Officer.

Legal Services

This section is responsible for providing a full legal service to the Council. This includes corporate and service specific legal advice, together with legal support to the Monitoring Officer and legal advice and support to the Executive and all Committees of the Council. The legal service includes planning law, conveyancing, housing, contract, employment law, property law and support for the Council's regulatory functions (including both civil and criminal court work). The Legal team continues to be heavily involved in supporting the regeneration agenda and advising on numerous matters including a number of housing development schemes, major projects, contracts and disputes arising therefrom, housing disrepair and enforcement matters.

Licensing

The Council is responsible for the issuing and enforcement of local licences including:

- Alcohol, public entertainment and late-night refreshments, including Temporary events
- Gambling
- Private Hire and Hackney Carriages vehicles, drivers and operators
- Animals - boarding and breeding establishments, Riding establishments, Zoo's, Pet Shops, Dangerous Wild animals
- Beauty Treatments – Tattooing, piercing, acupuncture, electrolysis etc
- Street Trading consents
- Scrap Metal
- Street Furniture and Pavement Permits
- Sex Establishments

PORT HEALTH AND ENVIRONMENTAL SERVICES

Environmental Protection

Pollution Control - the primary aim of the service is to facilitate acceptable standards for those living, working or visiting the district in respect of air, land and water quality. In particular, the team has a key role in fulfilling the Council's statutory duties in relation to Air Quality Management, Contaminated Land and Drinking and Bathing Water Quality.

Environmental Protection - the team responds to service requests relating to a range of public health and environmental issues. There is a statutory duty to investigate potential statutory nuisances, which include noise (from commercial and domestic premises, burglar and car alarms etc.), dust, smoke (e.g., bonfires), odours, fumes, animals, etc. In addition, service requests relating to matters including drainage, rodents, accumulations on private land, filthy and verminous premises and dark smoke from industrial/commercial premises are also responded to.

Public Health Act Burials – the team is responsible for arranging funerals undertaken under relevant Public Health legislation.

Environmental Crime

The team seek to promote behavioural change through a range of enforcement and educative activities with the aim of creating a cleaner, safer and greener environment. The work of the team is supplemented and enhanced by partnership working with Kent Police, KCC, Parish Councils etc. The principal focus of the team's work is to tackle environmental non-compliance in the areas of:

- Littering
- Enforcement of the Council's PSPO e.g., Dog Fouling
- Stray Dogs
- Fly tipping
- Trade waste
- Accumulations of rubbish

Private Sector Housing

Services provided by the Private Sector Housing team comprise:

- Tackling rogue landlords and improving the private rented sector through legal/formal action to require owners/landlords meet the minimum Health and safety requirements laid down in the Housing Act 2004 and other regulations.
- Investigation and prevention of illegal evictions.
- The licensing of Houses in Multiple Occupation.
- The provision of Mandatory Disabled Facilities Grants and other discretionary grants and loans to adapt homes for independent living.
- The provision of financial housing assistance to vulnerable owner occupiers living in substandard homes.
- The licensing of Caravan Sites.
- Bringing empty homes back into use.

Most enforcement work relating to housing conditions takes place in Dover where a significant proportion of the housing stock is in poor condition due to its age and where there are relatively high numbers of privately rented properties.

The service has been very successful over the years in bringing long term empty properties back into use. It works closely with KCC on a partnership project which provides funding to bring empty property back into use.

Public Protection

Food Safety and Hygiene Controls - This team undertakes visits and inspections of food establishments on a programmed, risk rated basis, to ensure that appropriate standards of food hygiene are maintained. It also operates the National Food Hygiene Rating Scheme throughout the district, as well as investigating complaints of unsound food / unhygienic premises and potentially infectious staff within the district (including within the Port district).

Infectious Diseases – This team is also responsible for investigating and enforcing infectious disease controls, including new and emerging diseases such as COVID. Notifications of infectious diseases are received via the UK Health Security Agency, the Coroner, Coast Guard, Trading Standards, Border Force and the Police within the district and Port district.

Health and Safety (H&S) at Work - This team is also responsible for H&S enforcement for retail, wholesale distribution and warehousing, hotel and catering premises, offices, and the consumer/leisure industries within the district. This team is also responsible for investigating complaints and accidents (including fatalities), occupational diseases and dangerous occurrences. Interventions made to regulate and influence businesses in the management of health and safety risks include:

- Provision of advice and guidance to individual businesses or groups
- Proactive interventions including inspection
- Reactive interventions e.g., to investigate an accident or complaint
- Inspectors may use enforcement powers, including formal enforcement notices, to address occupational health and safety risks and secure compliance with the law

Port Health – Maritime & Imported Food Controls

Dover District Council is the Port Health Authority for the Port of Dover and the frontier of the Channel Tunnel. This team is responsible for the Port Health function, which includes maritime activities within the Port District, such as water samples, waste and pest control, and the inspections of vessels (fishing boats, ferries, tugs and cruise ships) to ensure that infectious diseases are controlled, food hygiene standards are maintained and to issue Ship Sanitation Certificates to demonstrate that vessels are free from pests and infection.

To safeguard the nation and mitigate the incursion of disease.

Port Health – Imported Food Controls

This department is also responsible for Imported Food Controls to ensure that food imported into the UK via Dover Port, are compliant and safe to eat. This is achieved through the examination of imported food documentation, and when required the physical inspection and sampling of imported food that falls within our enforcement remit.

Illegal Food/Meat Controls – This team is also responsible for detecting and removing illegal food/meat controls at the border of Dover and Coquelles. To date the Dover Port Health Authority have overseen the removal of over 290 tonnes of illegal food/meat at Dover alone, with just 20% operational coverage since September 2022. This is a critical service that provides national protection to GB biosecurity and public health. As such this service has been funded centrally to date.

ICT & DIGITAL

Digital and Technology

The Digital and Technology Team shape and implement the Council's digital vision and use of technology/IT. The role of the service includes:

- Maintaining and developing the Council's websites to meet customer needs and deliver business objectives to change behaviours and achieve channel shift.
- Influencing the Council's approach to digital and technology, using insight and analytics to understand the customer.
- Providing strategic and operational support for various types of technology used across the Council.
- Technology Support team provide weekday support on systems and end user devices.
- Providing advice and guidance to ensure the Council's digital initiatives are aligned and customer focussed.
- Supporting departments in implementing new ways of working via digital reviews, to replace outdated legacy systems and processes.
- Monitoring use of technology for cyber security threats and vulnerabilities, ensuring the threat attack surface is as small as possible.
- Security and Compliance team work closely with DPO and regularly report to Senior Information Risk Officer (SIRO).
- Responsible for co-ordinating the delivery of new and improved cost-effective ways of working and developing digital support services across the organisation.
- Responsible for increasing the quality and quantity of online services.
- Project management of major system implementations
- Installation/maintenance of IT infrastructure and networks.

Community Safety

The Council facilitates the Dover District Community Safety Partnership (CSP), a group of agencies including Dover District Council, Kent Police, Kent County Council, Kent Fire and Rescue Service, the Probation Service (encompassing National Offender Management and Community Rehabilitation Company) and the Clinical Commissioning Groups. The Kent Police and Crime Commissioner provides the funding for this partnership.

The Dover District Community Safety partnership is a group of agencies who come together to ensure Dover district remains a safe place to live, work and visit. The Partnership funds many initiatives across the district, tackling community safety issues identified by our communities.

We have an excellent record of working together and Dover district is one of the safest places to live, work and visit in the county. We are determined to continue to improve our performance and are confident that with the continued commitment of our partners and by improving our work within the communities, we will succeed in making Dover district a safer place. The Council is continuing to embed crime reduction activities in all its services.

The Community Safety and Resilience Team are also responsible for DDC's approach to Unauthorised Encampments, Emergency Planning, Business Continuity and all Safeguarding issues (Child and Adult Protection). The team are also responsible for the planning and response as a local authority to the EU Entry and Exit System due to be implemented in October 2025.

CCTV

We have operated a Closed-Circuit Television (CCTV) system since 1994. Cameras are strategically located around the town centres in Dover, Deal, Aylesham, Sandwich and Wingham. The camera network is recorded 24 hours a day, 365 days a year. CCTV has proved itself in recent years to be a powerful weapon in the continuing fight against crime, particularly when integrated with other crime reduction methods such as retail 'radio-link' systems.

The system is used to help provide a safer environment for everyone by:

- Helping to reduce the fear of crime.
- Assisting partner agencies to help those most at risk including missing and vulnerable persons.
- Helping to detect and prosecute those who commit crime or public order offences.
- Providing evidential material for court proceedings.
- Assisting with traffic flow through the town but not to enforce minor traffic laws.
- Assisting in the detection and prevention of crime.
- Delivery of the councils 24/7 out-of-hours functions for all LA services.

The performance of the unit is reported upon on an annual basis following an independent audit of the section's activities and this report is in the public domain.

Corporate Resources

Budget 2026/27

Costs controlled by Head of Service								Recharges and Other Adjustments	Total
2025/26 Sub-total	Cost Centre	Description	FTE	Employees	Other Costs	Income	2026/27 Sub-total		
164,694	7080	STRATEGIC DIRECTOR - CORPORATE RESOURCES	1	161,228	5,100	-	166,328	(166,328)	-
164,694		Total Office of the Strategic Director	1	161,228	5,100	0	303,581	(166,328)	-
-	1031	ELECTIONS - ADMIN	-	-	-	-	-	151,926	151,926
112,580	1032	ELECTORAL REGISTRATION	-	5,800	106,285	(1,000)	111,085	327,055	438,140
1,000	1033	COST OF ELECTIONS HELD	-	10,000	618	(10,000)	618	-	618
50	1076	CORPORATE PLANNING	-	-	7	-	7	118,942	118,949
-	1077	HEALTH PROJECTS	-	-	-	-	-	13,915	13,915
-	1380	COUNCIL, CABINET & COMMITTEES	-	-	-	-	-	503,119	503,119
9,064	1381	CHAIRMANS ACCOUNT	-	-	9,307	-	9,307	38,502	47,809
276,746	1382	MEMBERS ACCOUNT	-	5,000	267,269	(3,500)	268,769	129,822	398,591
867	1601	CIVIC CAR	-	-	654	-	654	10,073	10,727
-	1635	CORPORATE RELATED INSURANCE	-	-	-	-	-	47,917	47,917
25	7008	COMMUNITY AND ENGAGEMENT	-	-	-	-	-	-	-
197,648	7022	CORPORATE SUPPORT TRADING ACCT	3	199,227	6,867	-	206,094	(206,094)	-
311,595	7501	ELECTORAL SERVICES	5	317,980	5,721	-	323,701	(323,701)	-
277,055	7507	DEMOCRATIC SERVICES	5	305,163	21,993	-	327,156	(327,156)	-
1,186,630		Total Corporate Services & Democracy	13	843,170	418,721	(14,500)	1,247,391	484,320	1,731,711
26,923	1073	UNAPPORTIONABLE OVERHEADS	-	-	28,079	-	28,079	68,946	97,025
100,500	1340	SPECIAL FEES AND PAYMENTS	-	-	101,100	(6,000)	95,100	-	95,100
35,000	1341	TREASURY MANAGEMENT	-	-	52,500	-	52,500	7,011	59,511
1,523,612	1342	BACKFUNDING & OTHER PENSION COSTS	-	1,914,710	-	-	1,914,710	-	1,914,710
270,125	1344	GRANTS TO VOLUNTARY ORGANISATIONS	-	-	270,125	-	270,125	7,100	277,225
41,360	1345	OFFICE TELEPHONES HOLDING ACCOUNT	-	-	24,200	(24,200)	-	-	-
351,978	1440	COUNCIL TAX-COST OF COLLECTION	-	-	724,790	(289,466)	435,324	26,349	461,673
(35,453)	1441	NNDR - COST OF COLLECTION	-	-	158,040	(196,000)	(37,960)	16,068	(21,892)
1,187,090	1442	BENEFITS & SUBSIDIES	-	-	20,607,395	(19,481,120)	1,126,275	28,392	1,154,667
-	1669	ACCOUNTABLE BODY RECHARGES	-	-	-	-	-	107,748	107,748
19,888	1688	FREE CAR PARKS	-	-	18,280	-	18,280	57,819	76,099
(1,687,596)	1689	OFF STREET CAR PARKS	-	-	412,525	(2,058,930)	(1,646,405)	310,293	(1,336,112)
(858,997)	1690	ON STREET PARKING	-	20,000	111,863	(1,020,000)	(888,137)	618,905	(269,232)
(10,259)	1700	ELECTRICAL VEHICLE CHARGING BAYS	-	-	26,465	(24,000)	2,465	2,068	4,533
131,648	7006	STRATEGIC DIRECTOR - FINANCE & HOUSING	1	158,619	3,265	-	161,884	(161,884)	-
129,283	7015	HEAD OF FINANCE & INVESTMENT	1	132,754	228	-	132,982	(132,982)	-
945,308	7021	ACCOUNTANCY TRADING ACCOUNT	14	771,381	261,112	-	1,032,493	(1,035,954)	(3,461)
313,038	7024	FINANCE TRADING ACCOUNT	6	259,937	474	-	260,411	(260,411)	-
183,157	7026	CORPORATE INCOME COLLECTION	-	-	176,340	-	176,340	(176,340)	-
165,004	7032	DDC @ YOUR SERVICE	-	-	161,070	-	161,070	(161,070)	-
90,967	7036	TRANSPORT AND PARKING MANAGER	1	93,950	283	-	94,233	(94,233)	-
-	7044	PARTNERSHIP ONE COSTS	-	-	29,826	-	29,826	(29,826)	-
-	7045	PROCUREMENT	3	180,700	3,940	(26,500)	158,140	(158,140)	-
134,825	7515	PARKING SERVICE ADMINISTRATION	3	158,418	11,416	-	169,834	(169,834)	-
535,586	7516	PARKING OPERATIONS AND ENFORCEMENT	11	398,513	50,878	-	449,391	(449,424)	(33)
3,592,987		Total Finance and Investment	40	4,088,982	23,234,194	(23,126,216)	4,196,960	(1,579,399)	2,617,561

2025/26 Sub-total	Cost Centre	Description	FTE	Employees	Other Costs	Income	2026/27 Sub-total	Recharges and Other Adjustments	Total
139,998	7019	AUDIT PARTNERSHIP	7	597,482	4,450	(453,315)	148,617	(148,617)	-
100	7020	AUDIT TRADING ACCOUNT	-	-	109	-	109	(109)	-
140,098		Total East Kent Audit Partnership	7	597,482	4,559	(453,315)	148,726	(148,726)	0
(7,933)	1074	PHOTOCOPIERS HOLDING ACCOUNT	-	-	19,150	(28,068)	(8,918)	8,918	-
-	1075	MAIL ROOM POSTAGE ACCOUNT	-	-	77,950	(70,700)	7,250	-	7,250
-	1091	LOCAL GOVERNMENT REFORM	-	-	-	-	-	34,316	34,316
16,900	1316	CORPORATE PRESS AND PUBLICITY	-	-	19,800	-	19,800	167,113	186,913
121,674	7004	DESIGN STUDIO	2	120,536	7,290	-	127,826	(127,826)	-
91,174	7005	MAIL ROOM TRADING ACCOUNT	2	84,560	4,680	-	89,240	(89,239)	-
413,032	7011	HR TRADING ACCOUNT (OLD SHARED SERV)	7	417,391	2,255	20,427	440,073	(440,107)	(34)
95,952	7012	PAYROLL AND SYSTEMS SHARED SERVICES	6	317,404	141,143	(366,620)	91,927	(91,927)	-
425,200	7013	CORPORATE HR TRADING ACCOUNT	-	415,148	59,167	-	474,315	(474,315)	-
151,305	7017	CORPORATE HEALTH & SAFETY	3	139,859	22,310	-	162,169	(162,169)	-
24,725	7025	PRINT UNIT TRADING ACCOUNT	-	200	38,239	(11,000)	27,439	(27,439)	-
109,139	7043	CONTINUOUS IMPROVEMENT	2	127,785	394	-	128,179	(128,179)	-
179,019	7505	FUNDING & COMMUNICATIONS	4	216,856	570	-	217,426	(217,427)	-
1,620,187		Total Human Resources, Payroll and Communications	26	1,839,739	392,948	(455,961)	1,776,726	(1,548,281)	228,445
(108,900)	1410	LICENSING	-	-	-	(108,900)	(108,900)	184,454	75,554
(11,800)	1411	MISCELLANEOUS LICENSING	-	-	3,300	(15,860)	(12,560)	83,769	71,209
(15,374)	1412	GAMBLING ACT 2005	-	-	-	(14,075)	(14,075)	19,435	5,360
(66,580)	1413	HACKNEY CAR & PRIVATE HIRE	-	-	17,500	(85,800)	(68,300)	179,905	111,605
184,537	7016	GOVERNANCE AND DATA PROTECTION	1	90,527	26,779	-	117,306	(117,306)	-
671,559	7018	LEGAL TRADING ACCOUNT	10	796,024	101,498	(40,700)	856,822	(856,822)	-
263,331	7513	LICENSING ADMIN TRAD ACCOUNT	5	261,931	11,911	-	273,842	(273,842)	-
916,773		Total Legal and Licensing	16	1,148,482	160,988	(265,335)	1,044,135	(780,407)	263,728
(596,066)	1090	PORT HEALTH AUTHORITY GRANT	25	1,812,049	710,040	(3,100,000)	(577,911)	577,911	-
10,881	1402	ENV PROTECTION ENFORCEMENT	-	2,500	35,353	(24,950)	12,903	244,985	257,888
7,750	1403	DOG CONTROL MEASURES	-	-	13,750	(6,000)	7,750	94,606	102,356
(3,475)	1404	ENVIRONMENTAL CRIME	-	-	-	(1,300)	(1,300)	273,977	272,677
373,871	1406	PRIVATE SECTOR HOUSING (incl. Renov'n Grants)	6	394,986	25,030	(30,100)	389,916	129,266	519,182
360	1407	FOOD SAFETY AND HYGIENE	-	-	2,400	(3,834)	(1,434)	421,291	419,857
-	1408	HEALTH AND SAFETY AT WORK	-	-	-	-	-	120,606	120,606
(170,677)	1409	PORT HEALTH	-	9,000	10,573	(182,542)	(162,969)	60,326	(102,643)
45	1414	CALL OUT PAYMENTS - NOISE POLLUTION	-	-	26	-	26	-	26
130,893	7041	HEAD OF PORT HEALTH	1	133,178	1,428	-	134,606	(134,606)	-
304,605	7509	ENVIRONMENTAL CRIME TRADING ACCOUNT	5	291,733	35,473	-	327,206	(327,206)	-
230,240	7510	ENVIRONMENTAL PROTECTION	4	213,131	24,598	-	237,729	(237,729)	-
526,545	7511	PUBLIC PROTECTION	7	468,327	11,637	-	479,964	(479,964)	-
814,972		Total Port Health and Environmental Services	48	3,324,904	870,308	(3,348,726)	846,486	743,463	1,589,949
32,780	1071	EMERGENCY PLANNING	-	25,000	9,072	-	34,072	134,753	168,825
-	1072	BUSINESS CONTINUITY	-	-	-	-	-	45,313	45,313
86,120	1310	CCTV	-	1,000	71,396	-	72,396	301,844	374,240
(20,683)	1311	COMMUNITY SAFETY	-	-	240	(14,700)	(14,460)	239,581	225,121
5,187	1312	ANTI-SOCIAL BEHAVIOUR	-	-	-	-	-	-	-
1,274,127	7009	DIGITAL SERVICES	16	1,090,656	249,516	-	1,340,172	(1,340,172)	-
525,204	7010	COMPUTER SERVICES TRADING	-	-	544,429	-	544,429	(544,429)	-
472,245	7504	COMMUNITY SAFETY & CCTV TRADING	10	562,174	13,625	-	575,799	(575,799)	-
2,374,980		Total Technology and Resilience	26	1,678,830	888,278	(14,700)	2,552,408	(1,738,909)	813,499
10,811,321		Total Corporate Resources	248	13,682,817	25,975,096	(27,678,753)	11,979,160	(4,734,267)	7,244,893

EARMARKED RESERVES

The following earmarked reserves are held:

1. Special Projects & Events Reserve

This reserve is set aside to continue to fund one-off General Fund projects as they arise and to support major events in the district. The contributions and applications from this reserve are detailed in the Special Projects summary (Annex 6B).

2. Periodic Operations Reserve

This reserve is to cover costs of cyclical / periodic events, such as elections, and to hold grants or other income streams for specific purposes, such as Section 106 funding, New Burdens grants and On-Street parking surpluses. Approval of expenditure from this reserve is delegated to the Section 151 Officer and the Portfolio Holder responsible for Finance.

3. Regeneration Reserve

This reserve is set aside to support the Local Plan process. Historic funding held in this reserve to support regeneration projects has been transferred to the Special Projects & Events Reserve to bring all project funding together. Approval of expenditure from this reserve is delegated to the Section 151 Officer and the Portfolio Holder responsible for Finance.

4. Smoothing Reserve

This reserve is to mitigate the risk and the volatility of the budget to enable the council to take a measured approach to the forecast pressures. This will enable the projections for future revenue budgets to be based on “mid case” assumptions, and if subsequently an overspend is incurred due to unanticipated pressures, this will be met from the Smoothing Reserve and remedial action (including rebuilding of the Smoothing Reserve) will be planned for future years.

5. Digital & ICT Equipment & Servers

The Digital & ICT Equipment & Servers reserve is held to support the requirements of the current and future digital strategies. The applications from this reserve are detailed in the Digital & ICT project summary (Annex 6C). Approval of expenditure from this reserve is delegated to the Digital Services Manager, in consultation with the Section 151 Officer and the Portfolio Holder responsible for ICT.

6. Business Rates & Council Tax Support Reserve

This reserve was set up to allow for the risk of unforeseen pressures from the Redistribution of Business Rates, the Council Tax Support scheme and changes for Universal Credit. The reserve is mainly used to smooth the impact of timing fluctuations associated with the complex accounting of NDR to prevent erratic impacts on the GF budget.

7. Operational and Fee Income Reserve

This reserve is required to provide flexibility to cope with areas of fee income uncertainty, including the volume of fees raised, the fee level per transaction and therefore the total income stream, the cost base and any more significant structural changes to services that may arise.

8. Capital Receipts

This reserve is required to provide flexibility to cope with areas of fee income uncertainty, including the volume of fees raised, the fee level per transaction and therefore the total income stream, the cost base and any more significant structural changes to services that may arise.

Notes	Earmarked Reserve Forecast 2026/27 as at 26 Jan 2026	Balance 2024/25	Contrib- ution 2025/26	Transfers 2025/26	Applica- tion 2025/26	Balance 2025/26	Contrib- ution 2026/27	Applica- tion 2026/27	Balance 2026/27	Contrib- ution Future	Applica- tion Future	Balance Future	Comments	Ringfenced	Non Ringfenced
1	Special Projects & Events	(22,198)	(1,172)	(2,785)	12,567	(13,588)	0	996	(12,592)	0	6,221	(6,372)	Project & Event funding	0	(6,372)
2	Periodic Operations	(5,674)	(344)	251	1,482	(4,286)	(335)	1,094	(3,526)	(282)	1,277	(2,532)	Held for cyclical & ringfenced requirements	(2,532)	0
3	Dover Regeneration	(3,368)	(85)	3,014	0	(439)	0	0	(439)	0	0	(439)	Funding for future Local Development Plans	(439)	0
4	Smoothing Reserve	(2,720)	(800)	(480)	0	(4,000)	0	0	(4,000)	0	0	(4,000)	Increased to support balancing of the GF	(4,000)	0
5	ICT Equipment & Servers	(1,400)	0	0	572	(828)	0	351	(478)	0	(35)	(513)	To support on-going digital projects	(513)	0
6	Business Rates & Council Tax	(4,286)	(200)	0	990	(3,496)	0	1,530	(1,965)	0	0	(1,965)	Held for NDR deficit smoothing	(1,965)	0
7	Operational and Fee Income	(4,843)	0	0	325	(4,518)	0	325	(4,193)	0	2,869	(1,324)	Funding of DPH requirements & Tides	(1,324)	0
Earmarked Reserves Total		(44,488)	(2,602)	0	15,936	(31,155)	(335)	4,295	(27,194)	(282)	10,331	(17,145)		(10,773)	(6,372)

HRA BUDGET SUMMARY

Annex 5

<u>2024/25 Actuals</u>		<u>2025/26 Original Budget</u>	<u>2025/26 Q2 Projected Outturn</u>	<u>2026/27 Budget</u>
£000		£000	£000	£000
6,761	Repairs and Maintenance	6,094	6,094	7,218
2,354	Supervision and Management	9,041	8,704	9,527
74	Rents, Rates, Taxes and Other Charges	154	154	54
4,510	Capital Works Programme	6,685	6,685	6,295
27	Debt Management Expenses	79	79	59
(125)	Bad Debt Provision	182	182	204
5,608	HRA Share of Corporate charges	328	338	315
3,459	Interest Payable and Similar Charges	3,342	3,569	4,472
187	Pension Liability	0	0	0
22,854	Net Operating Expenditure	25,905	25,806	28,144
	Income received:			
(23,906)	Dwelling Rents	(24,873)	(24,873)	(26,330)
(1,079)	Tenant Charges for Services and Facilities	(1,006)	(1,006)	(1,033)
(802)	Leaseholder Charges for Services and Facilities	(521)	(521)	(472)
(17)	Interest and Investment Income	(26)	(26)	(26)
(25,804)	Total Income Received	(26,426)	(26,426)	(27,861)
(2,950)	Underlying (Surplus) / Deficit	(521)	(620)	283
2,950	Contribution to/(from) Reserves:			
	Housing Initiatives Reserves (HIR)	520	630	(283)
0	HRA Deficit/(Surplus) for the Year	(1)	10	0
(1,014)	HRA Balance at Start of Year	(1,014)	(1,014)	(1,004)
(1,014)	Leaving Year End Balances of	(1,015)	(1,004)	(1,004)

HOUSING INITIATIVES RESERVE				
(16,296)	HIR Balance at Start of Year	(20,061)	(20,581)	(21,211)
(2,950)	(Contribution) / Application in year	(520)	(630)	283
(815)	Contribution from MRP reserve	0	0	0
(20,061)	Forecast Year End Balance	(20,581)	(21,211)	(20,928)

FOUR YEAR HOUSING REVENUE ACCOUNT BUDGET FINANCIAL PROJECTION

Notes	2025/26 Projected Outturn £000	2026/27 Forecast £000	2026/27 Forecast £000	2027/28 Forecast £000	2028/29 Forecast £000
1	(26,426) Income	(27,861)	(27,861)	(27,861)	(27,861)
	Income Adjustments				
2	Rent increases at CPI + 1% from 2020/21		(790)	(1,603)	(2,442)
3	Impact of Right to Buy sales on rental income		43	87	133
4	Forecast rent from new stock		(500)	(1,000)	(1,500)
5	Inflation on leasehold & service charges		(55)	(111)	(169)
	(26,426) Total	(27,861)	(29,163)	(30,488)	(31,838)
6	19,269 Expenditure	23,357	23,357	23,357	23,357
	Expenditure Adjustments				
7	Repairs and Maintenance (3% inflation)		144	292	442
8	Supervision and Management (3% inflation & increase in Housing team will be needed as the amount of Council stock increases)		241	486	736
9	Other Misc expenditure inflation		12	20	29
	19,269 Total	23,357	23,754	24,155	24,565
10	6,536 Other Charges	4,787	4,787	4,787	4,787
11	Increase of interest on borrowing for housing development projects		1,000	2,000	3,000
	6,536 Total	4,787	5,787	6,787	7,787
12	Net (Increase)/Decrease in the Housing Revenue Account Balance (621) before transfers to or from reserves	283	378	454	514
13	630 Transfer to/(from) Housing Initiatives reserve	(283)	(380)	(450)	(515)
14	9 NET (SURPLUS) / DEFICIT	0	(2)	4	(1)
	Impact on Reserves :-				
	Projected HRA Balance				
	(1,014) Opening balance	(1,005)	(1,005)	(1,007)	(1,003)
15	(1,005) Closing Balance	(1,005)	(1,007)	(1,003)	(1,004)
	Projected Housing Initiatives Reserve Balance				
	(20,581) Opening balance	(21,211)	(20,928)	(20,548)	(20,098)
	(630) Contribution to reserve				
	Proposed application of reserve to projects	283	380	450	515
16	(21,211) Closing Balance	(20,928)	(20,548)	(20,098)	(19,583)

FOUR YEAR REVENUE BUDGET FINANCIAL PROJECTION

Notes

- 1 The gross income budget is taken from the 2025/26 budget at Annex 5.
- 2 The Social Rent increase is of CPI plus 1% from 2020/21 (4.8% for 2026/27) with a prediction of 3% ongoing, Affordable rents will be staying the same as per the LHA rates for Dover and Shared Ownership rents will be increasing by RPI plus 0.5% (5.0% for 2026/27)
- 3 Right to Buy sales have a negative impact on rent income. Based on current levels this has been assumed to reduce rent income by 0.1% per annum.
- 4 Additional income forecast as a result of the proposed increases in stock from the Housing Development projects.
- 5 Tenant and Leasehold service charges are a cost recovery exercise for the previous year so will increase with the inflation costs previously, also added is income from the new housing development properties which may have service charges or estate charges.
- 6 The gross expenditure budget is taken from the 2025/26 budget at Annex 5.
- 7 It is assumed that repairs & maintenance expenditure will increase in line with inflation.
- 8 It is assumed that supervision & management expenditure will increase in line with inflation and a provision has been added for when the team increases due to the number of properties.
- 9 Inflationary increases on other expenditure areas.
- 10 Other charges are taken from the 2025/26 budget at Annex 5. These include capital works, which increase in line with inflation, and interest payable & receivable.
- 11 Increase of interest on borrowing for housing development projects
- 12 Net increase/decrease in the HRA Balance before transfers to/from reserves
- 13 Transfer to/from Housing Initiatives Reserve.
- 14 Forecast (surplus) / deficit.
- 15 Forecast HRA closing balance
- 16 Forecast Housing Initiatives Reserve Balance.

ANNEX 5B

REVENUE WORKS PROGRAMME	ACTUAL 2024/25 £000's	ORIGINAL BUDGET 2025/26 £000's	AMENDED BUDGET 2025/26 £000's	PROPOSED BUDGET 2026/27 £000'S
Term Maintenance	3,140	2,435	2,435	2,500
External Decorations	279	350	300	400
Drainage Works	41	25	25	25
Communal TV Aerials Works	7	5	5	5
Electrical Safety Inspections & Works	279	340	900	165
Health and Safety Water Inspections & Works	83	63	63	95
Void Properties	1,847	1,500	1,700	1,700
Heating Servicing & Inspections	808	845	845	850
Lift Maintenance & Inspections	36	71	71	43
Disabled Hoists & Lifts	17	42	42	30
Fire Alarm Servicing & Inspections	84	83	83	115
Door Entry	24	30	30	30
Tenant Compensation	34	50	50	50
Tenants Compact - Dover / Deal / Sandwich & Rural	8	20	25	20
Window Repairs	10	0	0	0
Damp and Mould Maintenance	172	150	150	150
Stock Condition Survey	58	80	370	1,000
Fire Risk Assessments	0	-	-	40
TOTAL REVENUE WORKS PROGRAMME	6,927	6,089	7,094	7,218

CAPITAL WORKS PROGRAMME	ACTUAL 2024/25 £000's	BUDGET 2025/26 £000's	AMENDED BUDGET 2025/26 £000'S	PROPOSED BUDGET 2026/27 £000'S
Reroofing	1,118	1,000	1,000	1000
Replacement Doors and Windows	185	150	150	150
Door Entry System Installations	18	30	30	30
Fire Precaution Works	118	300	300	700
Heating Renewals	454	450	450	500
Asbestos Inspection & Works Programme	351	320	320	320
Structural Repairs	332	200	200	75
Electrical Rewiring Programme	-	20	20	300
Kitchen Replacement Programme	780	400	400	400
Lift Refurbishment	-	30	30	30
Bathroom Replacement Programme	467	350	350	350
Adaptations for Disabled Persons	379	325	325	350
Restorative & Carbon Neutral Programme	-	500	500	500
Integrated Reception Systems Upgrade	13	10	10	10
Estate Paving	74	100	100	100
Internal Block Flooring	-	50	50	50
Going Digital	-	100	100	80
Major Works Voids	222	350	350	350
Stock Condition Survey Works		2,000	1,000	1,000
Capital Works Programme Total	4,511	6,685	5,685	6,295
Financed By:				
Capital Receipts	-	-		
Major Repairs Reserve	3,150	3,086	3,086	3,181
Direct Revenue Financing (HRA)	1,361	3,599	2,599	3,114
Total Financed By (Capital Works)	4,511	6,685	5,685	6,295
FULL PROGRAMME TOTAL	11,438	12,774	12,779	13,513

MEDIUM TERM CAPITAL PROGRAMME - including 2026/27 MTFP proposals							
Projects included in the programme	2025/26 QTR 3	PROPOSED BUDGET					
	Total £000	Previous years £000	Estimate 2025/26 £000	Estimate 2026/27 £000	Estimate 2027/28 £000	Future Years £000	Total £000
Committed HRA Projects							
Development Projects:-							
HRA Property Purchases	3,000	N/A	1,500	1,500	0	0	3,000
Poulton Close	6,418	88	140	6,190	0	0	6,418
Poulton Close- site preparation	626	85	541	0	0	0	626
Grove Rd, Preston	3,150	23	103	3,024	0	0	3,150
Military Rd, Dover	2,150	294	1,856	0	0	0	2,150
Mongeham Rd, Deal	1,890	89	0	1,801	0	0	1,890
Local Authority Housing Fund - Round 3	1,771	16	1,755	0	0	0	1,771
Willowbank, Sandwich	5,570	34	688	4,848	0	0	5,570
Self Build Plots - capital works	121	62	59	0	0	0	121
Easole Street, Nonnington	1,000	92	909	0	0	0	1,000
Sandwich Road Sholden	1,913	34	1,879	0	0	0	1,913
Walters Field, Deal	1,434	6	328	1,100	0	0	1,434
Albany Place, Dover	106	12	94	0	0	0	106
Sholden Meadows, Sandwich Road, Sholden	8,109	15	8,094	0	0	0	8,109
Cavell Square, Deal	1,135	12	1,123	0	0	0	1,135
Cross Road, Walmer	4,556	0	4,556	0	0	0	4,556
Stanhope Road, Dover	8,741	0	874	7,867	0	0	8,741
Richmond Park, Archers Court Rd, Whitfield	1,026	0	103	924	0	0	1,026
Greenways. Colliers Way, Betteshanger	5,748	0	575	5,173	0	0	5,748
Sholden Meadows, (Phase 2) Sandwich Road, Sholden	9,358	0	504	8,854	0	0	9,358
HRA Improvement works	6,685	0	6,685		0	0	6,685
Total of committed HRA Development Projects	74,507	862	32,364	41,280	0	0	74,507
Grand total of committed Capital Projects	74,507	862	32,364	41,280	0	0	74,507
Proposed Projects							
HRA:-							
HRA Property Purchases	0	0	0	0	1,500	1,500	3,000
Proposed Housing Development	2,000	0	2,000	0	0	0	2,000
District Development Sites	1,297	0	1,297	0	0	0	1,297
Major Developments	6,060	0	6,060	0	0	0	6,060
Section 106 Purchases	5,861	0	5,861	0	0	0	5,861
HRA Improvement works - TBA	0	0	0	6,295	0	0	6,295
New bids - HRA							
District Development Sites			0	35,683	40,000	0	75,683
Total of Proposed Capital Projects	15,218	0	15,218	41,978	41,500	1,500	100,196
Grand Total	89,725	862	47,583	83,258	41,500	1,500	174,703
Financed by:							
Capital projects financed in previous financial years	862	862	0	0	0	0	862
Capital receipts - Excess Right to Buy Receipts (HRA)	6,531	n/a	1,516	5,015	600	600	7,731
Capital receipts - Shared Ownership sales	6,165	n/a	2,571	3,594	0	0	6,165
Direct Revenue Financing:-							
HRA Improvement Works 25/26	3,629	n/a	3,629	0	0	0	3,629
HRA - NEW BIDS 26/27		n/a		3,114	0	0	3,114
Section 106 Funding	7,208	n/a	6,058	700	0	0	6,758
Grants:-							
Homes England-Housing Support Fund (HRA)	1,460	n/a	1,460	0	0	0	1,460
Brownfield Land Release Grant (HRA)	395	n/a	395	0	0	0	395
Local Authority Housing Fund - Round 3 (HRA)	1,755	n/a	1,755	0	0	0	1,755
Homes England-Housing Support Fund (HRA)	2,900	n/a	874	2,026	0	0	2,900
DLUHC	59	n/a	59	0	0	0	59
Other reserves:-							
- Major Repairs Reserve (Depreciation - HRA)	3,056	n/a	3,056	3,181	0	0	6,237
					0	0	0
PWLB borrowing - Property Acquisition (HRA)	55,705	n/a	26,210	65,628	40,900	900	133,638
Unsupported borrowing		n/a	0	0			0
Total	89,725	862	47,583	83,258	41,500	1,500	174,703

MEDIUM TERM CAPITAL PROGRAMME - including 2026/27 MTFP proposals

CAPITAL - Included in the programme					Financed by							
					Total Spent Prior Years	2025/26 Estimate	2026/2027 Estimate	Project Total £	Total 2025/26 & Future Spend	DDC Resource	External Funding	Borrowing
Dover Beacon Project												
1	Bench St Land Assembly - land purchase	2,595	0	0	2,595	0	0	0	0	0	0	0
2	Bench St Land Assembly - other associated costs	98	0	0	98	0	0	0	0	0	0	0
3	Bench St demolition	427	0	0	427	0	0	0	0	0	0	0
4	Dover Beacon - Project Enabling	2,697	11,733	2,500	16,931	14,233	183	14,050	0	0	0	0
5	Future High Streets Fund - Capital Works	3,194	1,140	312	4,646	1,452	1,452	0	0	0	0	0
6	Future High Streets Fund - Capital Works	250	0	0	250	0	0	0	0	0	0	0
Dover Beacon - sub-total					9,263	12,873	2,812	24,948	15,685	1,635	14,050	0
7	Dover Fastrack Project (BRT)	24,123	1,696	0	25,820	1,696	1,696	0	0	0	0	0
8	Maison Dieu major restoration works(Dover Town Hall) - Delivery	13,930	918	0	14,848	918	764	130	24	0	0	24
9	Purchase of Refuse & Recycling Vehicles - see note 5	3,954	155	391	4,500	546	0	0	546	0	0	546
10	Discovery Park - Grant no.2 (100% grant funded)	0	0	2,722	2,722	2,722	0	2,722	0	0	0	0
11	Aylesham Regeneration Project	3,120	30	0	3,150	30	30	0	0	0	0	0
12	Tides LC refurbishment	948	172	0	1,120	172	172	0	0	0	0	0
13	Sandwich Guildhall Forecourt improvement works	1,203	47	0	1,250	47	47	0	0	0	0	0
14	Mandatory Disabled Facilities Grants	n/a	1,905	0	1,905	1,905	92	1,813	0	0	0	0
15	Dover Discovery Centre refurbishment	0	550	150	700	700	700	0	0	0	0	0
16	Tides Leisure Centre replacement	1,202	19,798	0	21,000	19,798	3,567	0	16,231	0	0	16,231
17	Old Dover Leisure Centre demolition	430	20	100	550	120	120	0	0	0	0	0
18	Parks & Open Spaces - Grounds Maintenance Equipment Replacement	320	174	0	494	174	174	0	0	0	0	0
19	Rural England Prosperity Fund	400	120	0	520	120	0	120	0	0	0	0
20	Renovation/PSH Loans	0	546	0	546	546	546	0	0	0	0	0
21	Empty Homes Loans	0	168	0	168	168	168	0	0	0	0	0
22	St Margarets Bay sea defences (100% grant funded)	111	14	0	125	14	0	14	0	0	0	0
23	Building Foundations for Growth Grant - unallocated funding	0	0	21	21	21	0	21	0	0	0	0
24	Deal Beach Management Study 2023	37	0	44	80	44	0	44	0	0	0	0
25	Deal Beach Mgmt Plan 2023-2026	174	205	70	449	275	205	70	0	0	0	0
26	Dover Museum Roof Repairs	0	0	100	100	100	100	0	0	0	0	0
27	Deal Pier - Structural Repairs	0	150	850	1,000	1,000	1,000	0	0	0	0	0
28	Replacement of CCTV Software & Hardware	0	30	0	30	30	30	0	0	0	0	0
29	Warn Home Local Grant	0	713	1,473	2,186	2,186	0	2,186	0	0	0	0
Total Capital - Approved (in progress)					49,953	27,411	5,921	83,285	33,332	9,411	7,120	16,801
CAPITAL - Not Approved												
30	Regeneration Projects	0	2,776	0	2,776	2,776	2,776	0	0	0	0	0
31	Dolphin House - balconies	0	200	0	200	200	0	200	0	0	0	0
32	8 Bench St	0	175	0	175	175	175	0	0	0	0	0
33	CCTV and OOH systems Upgrade and Refresh	0	75	15	90	90	90	0	0	0	0	0
34	Beach Huts	0	130	0	130	130	130	0	0	0	0	0
New bids - General Fund												
35	Deal Leisure Centre Remedial works- Tennis & Sports Hall	0	0	700	700	700	700	0	0	0	0	0
36	Dover District Leisure Centre - Lighting Control System	0	0	250	250	250	250	0	0	0	0	0
37	Deal Leisure Centre Landscaping	0	0	80	80	80	80	0	0	0	0	0
Total Capital - Not Approved					0	3,356	1,045	4,401	4,401	4,201	200	0
Capital - Grand Total					59,216	43,640	9,778	112,634	53,418	15,247	21,370	16,801

SPECIAL REVENUE PROJECTS - including 26/27 MTFP proposals

SPECIAL REVENUE PROJECTS - Included in programme					Financing for 25/26 & Future Years			
					Total Spent Prior Years	Estimate 2025/2026 £000	Estimate 2026/2027 £000	Total £
1	Corporate Assets Repairs & Maintenance	52	31	0	82	31	21	10
2	Food Waste Promotion	34	13	0	47	13	13	0
3	Dover Regeneration - enabling costs	299	155	339	793	494	494	0
4	Butts - access bridge works	54	32	0	86	32	32	0
5	Beach Huts - refurbishments	46	4	0	49	4	4	0
6	Sandwich Dredging & Desilting Works 2021	5	20	0	25	20	20	0
7	Dover Strategic Parking Strategy	18	2	0	20	2	2	0
8	Kearsney Park - remedial works	44	26	80	150	106	106	0
9	UK Shared Prosperity Fund	841	327	0	1,168	327	0	327
10	Russell Gardens Pond & Bridge Repairs	110	21	370	500	391	391	0
11	Public conveniences refurbishments	21	29	0	50	29	29	0
12	Museum Storage Facility Moves	10	34	0	43	34	34	0
13	Museum Essential Repairs	0	60	300	360	360	360	0
14	Garden Waste Containerisation Project	237	17	0	253	17	17	0
15	Local Cycling and Walking Implementation Plan (LCWIP)	31	4	0	34	4	4	0
16	Western Heights - HE Grant	43	155	99	298	255	127	128
17	Play Area - Bulwarks, Sandwich	0	58	0	58	58	30	28
18	Play Area - Markewood, Walmer	0	88	0	88	88	40	48
19	Play Area - Travers Road, Deal	0	34	0	34	34	0	34
20	Roman Painted House - Works - (request to rename to Roman Dover)	37	89	54	180	143	143	0
21	Roman Painted House - Dover Collections Reboxing	12	3	0	15	3	3	0
22	Council Catering Kitchen at DDC's Whitfield Offices	0	48	0	48	48	48	0
23	Connaught Park Tennis Court Refurbishment	53	10	0	63	10	5	5
24	Dover Museum Cinema	0	0	35	35	35	35	0
25	Kearsney Abbey - Play Area & Roof Screen	0	0	155	155	155	135	20
26	Paths & Car Park resurfacing	0	65	0	65	65	65	0
27	PlayZones - MUGA's	0	235	705	940	940	59	881
28	Development of a New Playing Pitch and Outdoor Sports Facility Strategy	0	41	0	41	41	41	0
29	Office Moves at Whitfield	0	50	0	50	50	50	0
30	Climate Change Initiatives	0	27	0	27	27	27	0
31	DDC Museums & Venue Security - CCTV System	0	75	0	75	75	75	0
32	Reactive and emergency tree works	0	70	0	70	70	70	0
33	Project feasibility costs - Elvington site	72	4	0	77	4	4	0
34	Cost of Living Grants Scheme	0	25	0	25	25	25	0
Total Special Revenue - Approved (in progress)		2,017	1,852	2,137	6,006	3,989	2,508	1,481
Capital projects in capital programme financed from reserve:								
Provision allocated to capital programme to finance capital projects - WIP & Proposed		2,060	6,504	0	8,564	6,504	6,504	0
		4,077	8,356	2,137	14,570	10,493	9,012	1,481

SPECIAL REVENUE PROJECTS - including 26/27 MTFP proposals

SPECIAL REVENUE PROJECTS - Included in programme					Financing for 25/26 & Future Years						
					Total Spent Prior Years	Estimate 2025/2026 £000	Estimate 2026/2027 £000	Total £	Total 2025/26 & Future Spend	DDC Resource	External Funding
SPECIAL REVENUE - Proposed											
35	Special Revenue Contingency	0	83	0	83	83	83	0			
36	Closed churchyard repairs	0	50	0	50	50	50	0			
37	Aylesham Leisure allocation	0	0	200	200	200	0	200			
38	Climate change initiatives	0	154	0	154	154	154	0			
39	Victoria Park	0	40	0	40	40	40	0			
40	Organisational Development	0	550	0	550	550	550	0			
41	Asset Safeguarding works	0	25	0	25	25	25	0			
42	Dover District Design Code	0	40	0	40	40	40	0			
43	Conservation Area Appraisal	0	20	0	20	20	20	0			
44	Corporate Assets Repairs & Maintenance	0	19	17	36	36	36	0			
45	Football pitch renovation	0	25	0	25	25	25	0			
46	Public Convenience refurbishment	0	25	0	25	25	25	0			
47	Grounds Maintenance Team - Facilities & Equipment security improvements	0	150	0	150	150	150	0			
48	Garage Stock Works	0	150	0	150	150	150	0			
49	Parking Services Safety Equipment Improvement	0	18	0	18	18	18	0			
50	Homeless projects	0	0	1,000	1,000	1,000	1,000	0			
51	Roman Painted House - Emergency Repairs	0	150	0	150	150	150	0			
52	Roof Repairs - Crabble Pavillion	0	87	0	87	87	87	0			
53	Whitfield Offices Fire Alarm	0	80	0	80	80	80	0			
54	Cost of Living Grants Scheme & Community Grants Scheme	0	45	0	45	45	45	0			
55	Whitfield Urban Expansion Delivery	0	50	0	50	50	50	0			
56	Accessible Platform to Beach	0	50	0	50	50	50	0			
57	Gypsy & Traveller Accommodation Assessment	0	40	0	40	40	40	0			
58	Display Cases for Museum	0	30	0	30	30	30	0			
59	Recycling Projects	0	0	20	20	20	20	0			
60	Garden Waste Containerisation Project	0	0	98	98	98	98	0			
61	Cash Counting Machine	0	19	0	19	19	19	0			
62	Digital Visitor Permits	0	13	0	13	13	13	0			
New bids - General Fund -2026/2027											
63	Dolphin House	0	0	700	700	700	0	700			
64	Closed churchyards (wall repairs) repairs	0	0	450	450	450	450	0			
65	Recyclables Collections at Communal Properties	0	0	200	200	200	200	0			
66	Corporate Repairs & Maintenance	0	0	150	150	150	150	0			
67	Climate change Initiatives	0	0	100	100	100	100	0			
68	Active Team Initiatives	0	0	50	50	50	50	0			
69	Cost of Living Grants Scheme & Community Grants Scheme	0	0	70	70	70	70	0			
70	Food Waste	0	0	58	58	58	0	58			
71	Options Review - Waste Service delivery	0	0	50	50	50	50	0			
72	Emergency Tree Works	0	0	50	50	50	50	0			
73	Elms Vale Play Area	0	0	40	40	40	40	0			
74	Deal Town FC Tarmac Works	0	0	30	30	30	30	0			
75	Roman Dover - Engagement & Community Liason	0	0	30	30	30	30	0			
76	Parking Project	0	0	25	25	25	25	0			
77	Elvington Project	0	0	25	25	25	25	0			
78	Inspire Active	0	0	15	15	15	15	0			
79	Football pitch renovations	0	0	15	15	15	15	0			
80	Bover Beacon (The Bench Building) Engagement & Community Liason	0	0	10	10	10	10	0			
Total Special Revenue - Proposed					0	1,913	3,403	5,316	5,316	4,358	958
Special Revenue - Grand Total					4,077	10,269	5,540	19,886	15,809	13,370	2,439

Remaining balance in Special Projects reserve	
Balance at 1 April 2025	15,740
Transfers from reserves 25/26	2,643
Allocation to projects in 25/26	(9,189)
Allocation from General Fund for 25/26	620
Balance at 31 March 2026	9,814
Proposed allocation to projects in 26/27 & future years	(3,808)
Balance after future years allocations	6,006

DIGITAL REVENUE PROJECTS	Total Approved Budget £000	Prior Years Exp £000	Estimate 2025/26 £000	Estimate 2026/27 £000	Estimate 2027/28 £000	Total Revised Budget £000
<u>Infrastructure Investment - Approved Projects</u>						
Website Redesign	100	3	70	30	0	103
CRM	300	0	200	50	50	300
Network Switches	70	59	70	0	0	129
IDOX System Upgrades - Public Access and ArcSDE	8	8	8	0	0	16
True Compliance	50	0	50	0	0	50
DocuSign	64	38	32	0	0	70
New Door Access System - Whitfield Offices	61	0	61	0	0	61
Housing SSO Implementation	5	0	5	0	0	5
Migrate Legacy Infrastructure to MS Azure	40	0	40	0	0	40
Iken to Cloud	31	0	31	0	0	31
IDOX IDMT Module	7	0	7	0	0	7
Electoral Software	35	0	35	0	0	35
Objective Keyplan Single Sign On	3	0	3	0	0	3
HR System (total cost split with Thanet and Canterbury)	150	0	150	0	0	150
Total - approved projects	924	108	762	80	50	1,000
<u>Infrastructure Investment - Proposed Projects</u>						
Image Database	5		5	0	0	5
Press Campaign Software	1		1	0	0	1
Replace Legacy Systems to Cloud	39		39	0	0	39
Flexi/TOIL System	25		0	25	0	25
Digital Archive System	30		0	30	0	30
Technology One Development	25		25	0	0	25
Ad-hoc unknown projects (remaining from £100k budget)	50		50	0	0	50
Total - committed projects	175	0	120	55	0	175
<u>Infrastructure Investment - New Bids 2026/27</u>						
Firewall Replacement	30		0	30	0	30
Mobile Phone Replacement	25		0	25	0	25
iTrent Development	30		0	30	0	30
Digitalising Dover	50		0	50	0	50
Ad-hoc Unknown Projects	100		0	100	0	100
Total - new bids	235	0	0	235	0	235
GRAND TOTAL	1,334	108	882	370	50	1,410
<u>Digital Projects Financing</u>						
Projects financed in previous years		108				108
Digital & ICT Reserve			608	283	35	930
Port Health Funding			70	29	5	104
HRA Funding			204	58	10	272
TOTAL		108	882	370	50	1,410

Remaining Balance in Digital & ICT Reserve	£000
Balance at 1 April 2024	1,400
Allocation to Revenue projects in 25/26	(608)
Allocation from General Fund for 25/26	0
Allocation from Special Project Reserve for 25/26	0
Balance at 31 March 2024	792
Proposed allocation to Revenue projects in 26/27 & future years	(318)
Allocation from General Fund for 26/27	0
Allocation from Special Project Reserve for 26/27	0
Balance after future years allocations	474

Notes

Ad-hoc project budget is a recurring bid of £100k each year. This is for projects which are unknown about at the time of the bid process, due to unforeseen circumstances.

Any underspend in the current financial year is returned to the ICT reserve at closing.

Capital Receipts Summary as at 31 January 2026

Capital Receipt Category	2025/26 Opening Balance £000	2025/26 Forecast Receipts £000	MTCP Project Funding £000	Anticipated Future Income £000	New Bids 2026/27 MTFP £000	Other - 141 Repayment / Contingency £000	Available funding £000
Ring Fenced for 1:4:1 Affordable Housing	(3,733)	(5,252)	716	(200)	5,715	535	(2,219)
Ring fenced for Private Sector Housing	(776)	(714)	714	0	0	0	(776)
Ring fenced for Aylesham contractual commitments	(230)	0	0	0	0	0	(230)
Ring fenced for DFGs	(112)	0	0	0	0	0	(112)
Ring fenced for Shared Ownership & Private Sales	(229)	(972)	1,201	(2,894)	2,894	0	0
Un-ringfenced capital receipts	(12,024)	(380)	7,522	0	1,030	3,000	(852)
Total	(17,103)	(7,318)	10,153	(3,094)	9,639	3,535	(4,188)

Capital Strategy Report 2026/27

1. Introduction

- 1.1. This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.
- 1.2. Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

2. Capital Expenditure and Financing

- 2.1. Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10k are not capitalised and are charged to revenue in year.
- 2.2. In 2026/27, the Council is planning capital expenditure of £93m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

	2024/25 actual *	2025/26 forecast	2026/27 budget	2027/28 budget	2028/29 budget
	£000	£000	£000	£000	£000
General Fund services	21,768	50,144	9,778	0	0
Council housing (HRA)	19,477	47,583	83,258	41,500	1,500
TOTAL	41,245	97,727	93,036	41,500	1,500

- 2.3. The main General Fund capital projects include the Dover Beacon Project and Future High Street Funding, Tides Leisure Centre Replacement, Deal Pier Structural Repairs and regeneration projects.
- 2.4. The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes Affordable Housing developments, property purchases, District Development Sites, Section 106 Purchases and HRA Stock Improvement Works

- 2.5. **Governance:** Service managers bid annually in August to include projects in the Council's capital programme. Bids are collated by Accountancy who calculate the financing cost (which can be nil if the project is fully externally financed). The Corporate Management Team appraises all bids based on a comparison of service priorities against financing costs and makes recommendations to Cabinet. The final capital programme is then presented to Cabinet in February and to Council in March each year.
- 2.6. For full details of the Council's capital programme, including the project appraisals undertaken, see Annex 6A and Annex 5C.
- 2.7. All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing

	2024/25 actual *	2025/26 forecast	2026/27 budget	2027/28 budget	2028/29 budget
	£000	£000	£000	£000	£000
Capital receipts	4,591	9,173	11,199	600	600
Grants and Contributions	20,746	18,936	7,943		
Reserves and Revenue	7,093	14,435	6,445		
Borrowing	2,572	7,903	2,532	1,816	1,779
TOTAL	35,002	50,448	28,120	2,416	2,379

- 2.8. Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP)/loans fund repayments. Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP / repayments and use of capital receipts are as follows:

Table 3: Replacement of prior years' debt finance

	2024/25 actual *	2025/26 forecast	2026/27 budget	2027/28 budget	2028/29 budget
	£000	£000	£000	£000	£000
Minimum revenue provision (MRP)	1,752	1,772	1,793	1,816	1,839
Capital receipts	4,591	9,173	11,199	600	600
TOTAL	6,343	10,945	12,993	2,416	2,439

- 2.9. The Council's full minimum revenue provision statement is available at Annex 7D.
- 2.10. The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP/loans fund repayments and capital receipts used to replace debt. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement

	2024/25 actual *	2025/26 forecast	2026/27 budget	2027/28 budget	2028/29 budget
	£000	£000	£000	£000	£000
General Fund services	52,531	73,600	72,889	71,073	69,234
Council housing (HRA)	98,021	124,231	189,859	230,759	231,659
TOTAL CFR	150,552	197,831	262,748	301,832	300,893

3. Asset management: To ensure that capital assets continue to be of long-term use, the Council has an asset management strategy in place.

- 3.1. The AMP is used as a management tool to assist in ensuring that the Council's property assets meet the objectives set out in the Council's Corporate Property Strategy. It covers: Revenue maintenance requirements; Capital works programmes; Data on performance of significant corporate assets; and Properties identified for disposal. Expenditure on repairs and maintenance forms a direct link with the revenue budget, which contains the resources to meet the programme of repairs and maintenance. Standards of maintenance, and therefore of required expenditure, are to some extent subjective. The Director (Finance and Housing) confirms that there are sufficient resources to keep properties in a basic state of repair, but it continues to be a challenge to maintain all buildings without deterioration. Continuing with this approach increases the risk, but it ensures that the limited budget focuses mainly on essential maintenance.
- 3.2. Property Assets are currently working on previously identified priorities and note the need to prepare a new AMP and review corporate priorities moving forward.
- 3.3. **Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Council anticipates receiving £3m of capital receipts.
- 3.4. Restrictions apply to the use of capital receipts generated from HRA 'Right to Buy' asset sales meaning they can only be used to support further HRA capital investment.

4. Treasury Management

- 4.1. Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 4.2. Due to decisions taken in the past, the Council currently has £62.60m long-term borrowing at an average interest rate of 3.4% and £47.58m long term treasury investments at an average rate of 4.51%.

- 4.3. **Borrowing strategy:** The Council’s main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between flexible short-term loans and longer-term fixed rate loans where the future cost is known but committed for longer periods.
- 4.4. The Council does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.
- 4.5. Projected levels of the Council’s total outstanding borrowing is shown below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	31.3.2025 actual	31.3.2026 forecast	31.3.2027 budget	31.3.2028 budget	31.3.2029 budget
	£000	£000	£000	£000	£000
Debt	102,489	125,144	121,937	119,031	116,031
Capital Financing Requirement	150,552	197,831	262,748	301,832	300,893

- 4.6. Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.
- 4.7. **Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 8: Prudential Indicators: Authorised limit and operational boundary for external debt

	31.3.2025 actual	31.3.2026 forecast	31.3.2027 budget	31.3.2028 budget
	£m	£m	£m	£m
Authorised limit - borrowing	338.5	338.5	338.5	338.5
Operational boundary - borrowing	333.0	333.0	333.0	333.0

- 4.8. Further details on borrowing can be found the treasury management strategy - Annex 7B.
- 4.9. **Treasury investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 4.10. The Council’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of

loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Table 9: Treasury management investments in £millions

	31.3.2025 actual	31.3.2026 forecast	31.3.2027 budget	31.3.2028 budget
Longer-term investments	46.1	47.6	47.6	47.6

- 4.11. Further details on treasury investments can be found in treasury management strategy (Annex 7B).
- 4.12. **Risk management:** The effective management and control of risk are prime objectives of the Council's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.
- 4.13. The treasury management prudential indicators are included in the Treasury Management Strategy (Annex 7B).
- 4.14. **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director Housing, Finance and Assets and staff, who must act in line with the treasury management strategy approved by the Council. Quarterly reports on treasury management activity are presented to Governance Committee. The Overview & Scrutiny Committee is responsible for scrutinising treasury management decisions.

5. Investments for Service Purposes

- 5.1. The Council makes investments to assist local public services, including making loans to local service providers, local small businesses to promote economic growth, the Council's subsidiaries that provide services.
- 5.2. **Risk management:** In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to a profit after all costs.
- 5.3. **Governance:** Decisions on service investments are made by the relevant service manager in consultation with the Director Housing, Finance and Assets and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure, and purchases will therefore also be approved as part of the capital programme. by Director Housing, Finance and Assets is responsible for ensuring that adequate due diligence is carried out before investment is made.
- 5.4. Further details on service investments are included in the investment strategy - Annex 7C.

6. Commercial Activities

- 6.1. With central government financial support for local public services declining, the Council in commercial property purely or mainly for financial gain and to lend to its housing company

(once established) for the same reason. Total commercial investments are currently valued at £17.5m with the largest being B&Q (£13.2m) and Whitfield Court (£4.3m). The principal risk exposures include changes in 100 interest rates, properties voids, tenant business failure and non-payment of rent. These risks are managed by the Property Investment Group comprising officers from Legal, Finance and Property Services. In order that commercial investments remain proportionate to the size of the Council, these are subject to an overall maximum investment limit of £200m.

- 6.2. **Risk management:** With financial return being the main objective, the Council accepts higher risk on commercial investment than with treasury investments. The principal risk exposures include In order that commercial investments remain proportionate to the size of the Council, and to ensure that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services.
- 6.3. **Governance:** Decisions on commercial investments are made by Director Housing, Finance and Assets in line with the criteria and limits approved by Council in the Investment strategy. Property and most other commercial investments are also capital expenditure, and purchases will therefore also be approved as part of the capital programme. The Director Housing, Finance and Assets is responsible for ensuring that adequate due diligence is carried out before investment is made.
- 6.4. Further details on commercial investments, activities and limits on their use are included in the Investment Strategy – Annex 7C.
- 6.5. The Council also has commercial activities in directly owned properties (B&Q and Whitfield Court) generating £1.5m net income in FY 25/26 but exposing it to normal commercial risks.

Table 10: Prudential indicator: Net income from commercial and service investments to net revenue stream

General Fund	2024/25 actual *	2025/26 forecast	2026/27 budget	2027/28 budget	2028/29 budget
	£000	£000	£000	£000	£000
Total net income from service and commercial investments	1,491	1,491	1,491	1,491	1,491
Proportion of net revenue stream	7.08%	7.35%	6.74%	6.49%	6.24%

7. Other Liabilities

- 7.1. In addition to debt above, the Council is committed to making future payments to cover its pension fund deficit (valued at £16.5m). It has also set aside £2m to cover risks of NDR appeals and Municipal Mutual Insurance claims. The Council is also at risk of having to pay for costs towards termination of its Kent wide housing Private Finance Initiatives, further claims from Municipal Mutual Insurance and relating to the Civica pension schemes. The Council has not put aside any money because the risks of these events occurring continue to be assessed as very remote (see the Statement of Accounts for further information).
- 7.2. **Governance:** Decisions on incurring new discretionary liabilities are taken by Heads of Service in consultation with the Director of Housing, Finance and Assets. The risk of liabilities

crystallising and requiring payment is monitored by Accountancy and reported quarterly to Governance. New liabilities exceeding £5m would be reported to full Council for approval/notification as appropriate, it is considered unlikely that any significant liabilities would be undertaken in 2026/27.

8. Revenue Budget Implications

- 8.1. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP / loans fund repayments are charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants

Table 11: Prudential Indicator: Proportion of financing costs to net revenue stream

General Fund	2024/25 actual	2025/26 forecast	2026/27 budget	2027/28 budget	2028/29 budget
	£000	£000	£000	£000	£000
Financing costs	3,183	2,637	2,828	2,851	2,874
Proportion of net revenue stream	15.12%	12.99%	12.79%	12.90%	13.00%

- 8.2. Further details on the revenue implications of capital expenditure are included in the Capital and Special Revenue section of the 2025/26 Budget and MTFP.
- 8.3. **Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Section 151 Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable.

9. Knowledge and Skills

- 9.1. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Section 151 is a qualified accountant, the Director of Environment & Place is a qualified solicitor, all with many years' experiences. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, ACT (treasury), CIMA.
- 9.2. Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

Treasury Management Strategy Statement 2026/27

1. Introduction

- 1.1. Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.
- 1.2. Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.
- 1.3. Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy. (See Annex 7C)

2. External Context

- 2.1. **Economic background:** The most significant impacts on the Council's treasury management strategy for 2026/27 are expected to include: the influence of the government's 2025 Autumn Budget, lower short-term interest rates alongside higher medium- and longer-term rates, slower economic growth, together with ongoing uncertainties around the global economy, stock market sentiment, and geopolitical issues.
- 2.2. The Bank of England's (BoE) Monetary Policy Committee (MPC) cut bank rate to 3.75% in December 2025, as expected. The vote to cut was 5-4, with the minority instead favouring holding rates at 4.0%. Those members wanting a cut judged that disinflation was established while those preferring to hold Bank Rate argued that inflation risks remained sufficiently material to leave rates untouched at this stage.
- 2.3. Figures from the Office for National Statistics showed that the UK economy expanded by 0.1% in the third quarter of the calendar year, this was unrevised from the initial estimate. The most recent Monetary Policy Report (November) projected modest economic growth, with GDP expected to rise by 0.2% in the final calendar quarter of 2025. Annual growth is forecast to ease from 1.4% before improving again later, reflecting the delayed effects of lower interest rates, looser monetary conditions, stronger global activity, and higher consumer spending. The view of modest economic growth going forward was echoed by the Office for Budget Responsibility in its Economic and fiscal outlook published in line with the Autumn Statement which revised down its estimate of annual real GDP to around 1.5% on average between 2025 and 2030.
- 2.4. CPI inflation was 3.2% in November 2025, down from 3.6% in the previous month and below the 3.5% expected. Core CPI eased to 3.2% from 3.4%, contrary to forecasts of remaining at 3.6%. Looking forward, the MPC continues to expect inflation to fall, to around 3% in calendar Q1 2026, before steadily returning to the 2% target by late 2026 or early 2027.

- 2.5. The labour market continues to ease with rising unemployment, falling vacancies and flat inactivity. In the three months to October 2025, the unemployment rate increased to 5.1%, higher than the level previously expected by the BoE, while the employment rate slipped to 74.9%. Pay growth for the same period eased modestly, with total earnings (including bonuses) growth at 4.7% and while regular pay was 4.6%.
- 2.6. The US Federal Reserve also continued to cut rates, including reducing the target range for the Federal Funds Rate by 0.25% at its December 2025 meeting, to 3.50%-3.75%, in line with expectations. The minutes of the meeting noted that most Fed policymakers judged that further rate cuts would be likely in 2026 if inflation continues to ease, however they were still divided in their assessment of the risks between inflation and unemployment.
- 2.7. The European Central Bank (ECB) kept its key interest rates unchanged in December for a fourth consecutive meeting, maintaining the deposit rate at 2.0% and the main refinancing rate at 2.15%. The ECB maintained that future policy decisions will remain data-dependent, that inflation is close to its 2% target and that the euro area economy continues to expand despite a challenging global environment, including heightened geopolitical risks and trade tensions.
- 2.8. **Credit outlook:** Credit Default Swap (CDS) prices, which spiked in April 2025 following President Trump's 'Liberation Day' tariff announcements, have since trended lower, returning to levels broadly consistent with their 2024 averages. Although CDS prices rose modestly during October and November, the overall credit outlook remains stable, and credit conditions are expected to remain close to the range seen over the past two years.
- 2.9. While lower interest rates may weigh on banks' profitability, strong capital positions, easing inflation, steady economic growth, low unemployment, and reduced borrowing costs for households and businesses all support a favourable outlook for the creditworthiness of institutions on (the Council's treasury management advisor) Arlingclose's counterparty list. Arlingclose's advice on approved counterparties and recommended investment durations is kept under continuous review and will continue to reflect prevailing economic and credit conditions.
- 2.10. Interest rate forecast (22nd December 2025): Arlingclose, the Council's treasury management adviser, currently forecasts that the Bank of England's Monetary Policy Committee will continue to reduce Bank Rate in 2026, reaching around 3.25%. This forecast reflects amendments made following the Autumn Budget and an assessment of the fiscal measures and their market implications, and following the BoE MPC meeting held on 18th December.
- 2.11. Long-term gilt yields, and therefore interest rates payable on long-term borrowing, are expected to remain broadly stable on average, though with continued volatility, and to end the forecast period marginally lower than current levels. Yields are likely to stay higher than in the pre-quantitative tightening era, reflecting ongoing balance sheet reduction and elevated bond issuance. Short-term fluctuations are expected to persist in response to economic data releases and geopolitical developments.
- 2.12. A more detailed economic and interest rate forecast provided by Arlingclose is in Appendix A.
- 2.13. For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 4.7% and that new long-term loans will be borrowed at an average rate of 4.8%

3. Local Context

- 3.1. On 31st December 2025], the Council held £102m of borrowing and £47.6m of treasury investments. This is set out in further detail at Appendix B. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	31.3.25 Actual £000	31.3.26 Estimate £000	31.3.27 Forecast £000	31.3.28 Forecast £000	31.3.29 Forecast £000
Capital financing requirement	150,552	197,831	262,748	301,832	300,893
Less: Other debt liabilities *	60	60	60	60	60
Loans CFR	150,493	197,772	262,688	301,772	300,833
Less: External borrowing	102,489	125,145	121,937	119,031	116,031
Internal (over) borrowing	48,004	72,627	140,751	182,741	184,802
Less: Balance sheet resources	102,000	93,800	80,200	80,200	80,200
Treasury investments (or New borrowing)	54,000	21,173	60,551	102,541	104,602

* leases and PFI liabilities that form part of the Council's total debt

- 3.2. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying sums available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 3.3. The Council has an increasing CFR due to the increased scope of the proposed capital programme and may therefore be required to increase its external borrowing over the forecast period; this is after maximising the use of internal borrowing.
- 3.4. CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Councils expects to comply with this recommendation during 2026/27.
- 3.5. **Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.
- 3.6. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 2: Prudential Indicator: Liability benchmark

	31.3.25 Actual £000	31.3.26 Estimate £000	31.3.27 Forecast £000	31.3.28 Forecast £000	31.3.29 Forecast £000
Loans CFR	150,493	197,772	262,688	301,772	300,833
Less: Balance sheet resources	102,000	93,800	80,200	80,200	80,200
Net loans requirement	48,493	103,972	182,488	221,572	220,633
Plus: Liquidity allowance	10,000	10,000	10,000	10,000	10,000
Liability benchmark	58,493	113,972	192,488	231,572	230,633

3.7. The Council's level of existing external borrowing remains significantly above the liability benchmark over the forecast period due to historic borrowing decisions.

4. Borrowing Strategy

4.1. The Council currently holds £42.5m of short-term loans, an increase of £5.5m on the previous year. The balance sheet forecast in table 1 shows that the Council expects to borrow up to £62m in 2026/27. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £338.5million.

4.2. **Objectives:** The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

4.3. **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates are currently have fallen over the past year, and are expect to fall a little further, and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead. The risks of this approach will be managed by keeping the Council's interest rate exposure within the limit set in the treasury management prudential indicators, see below.

4.4. By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2026/27 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

4.5. The Council has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity to retain its access to PWLB loans.

- 4.6. Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 4.7. In addition, the Council may borrow further short-term loans to cover unplanned cash flow shortages.
- 4.8. **Sources of borrowing:** The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
 - National Wealth Fund Ltd (formerly UK Infrastructure Bank Ltd)
 - Any institution approved for investments (see below)
 - Any other bank or building society or insurance company authorised to operate in the UK
 - Any other UK public sector body
 - Retail investors via a regulated peer-to-peer platform
 - UK public and private sector pension funds (except Kent Pension Fund)
 - Capital market bond investors
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- 4.9. **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- Leasing
 - Hire purchase
 - Private Finance Initiative
 - Sale and leaseback
 - Similar asset based finance
- 4.10. **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.
- 4.11. **Short-term and variable rate loans:** These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).
- 4.12. **Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

5. **Treasury Investment Strategy**

- 5.1. The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council’s treasury investment balance has ranged between £46.4m and £47.6m, and similar levels are expected to be maintained in the forthcoming year.
- 5.2. **Objectives:** The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.
- 5.3. **Strategy:** As demonstrated by the liability benchmark above, the Council expects to be a long-term investor and treasury investments will therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.
- 5.4. The CIPFA Code does not permit local authorities to both borrow and invest long-term for cash flow management. But the Council may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to the strategic pooled fund portfolio.
- 5.5. **ESG policy:** Environmental, social and governance (ESG) considerations are increasingly a factor in global investors’ decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council’s ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.
- 5.6. **Business models:** Under the IFRS 9 standard, the accounting for certain investments depends on the Council’s “business model” for managing them. The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 5.7. **Approved counterparties:** The Council may invest its surplus funds with any of the counterparty types in table 3 below, subject to the limits shown.

Table 3: Treasury investment counterparties and limits

Sector	Time limit †	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a

Local authorities & other government entities	25 years	£10m	Unlimited
Secured investments - government collateral	25 years	£10m	Unlimited
Secured investments - other collateral*	10 years	£10m	Unlimited
Banks (unsecured) *	13 months	£10m	Unlimited
Building societies (unsecured) *	13 months	£8m	£8m
Money market funds *	n/a	£12m	Unlimited
Strategic pooled funds	n/a	£10m	£10m per fund

This table must be read in conjunction with the notes below

- 5.8. *** Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
- 5.9. **† Time limits:** These start on the earlier of date that the Council is committed to make the investment and the date that cash is transferred to the counterparty.
- 5.10. **UK Government:** Sterling-denominated investments with or explicitly guaranteed by the UK Government, including the Debt Management Account Deposit Facility, treasury bills and gilts. These are deemed to be zero credit risk due to the government's ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.
- 5.11. **Local authorities and other government entities:** Loans to, and bonds and bills issued or guaranteed by, other national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk.
- 5.12. The counterparty limit for loans to local authorities will be increased to an unlimited amount where (a) the government has announced that this authority will merge with the borrowing authority and (b) the loan is scheduled to be repaid after the expected date of the merger.
- 5.13. **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments. A higher limit applies for investments fully secured on UK or other government collateral
- 5.14. **Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine

that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

- 5.15. **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 5.16. **Strategic pooled funds:** Bond, equity and property funds, including exchange traded funds, that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but can be either withdrawn after a notice period or sold on an exchange, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
- 5.17. **Operational bank accounts:** The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £20m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.
- 5.18. **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
 - any existing investments that can be recalled or sold at no cost will be, and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 5.19. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
- 5.20. **Other information on the security of investments:** The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- 5.21. **Reputational aspects:** The Council is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or

otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

- 5.22. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.
- 5.23. Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £20m in operational bank accounts count against the relevant investment limits.
- 5.24. Limits are also placed on fund managers, investments in brokers’ nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Additional investment limits

	Cash limit
Any group of pooled funds under the same management	£20m per manager

- 5.25. **Liquidity management:** The Council uses cash flow estimates and forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council’s medium-term financial plan and cash flow forecast.
- 5.26. The Council will spread its liquid cash over at least three providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

6. Treasury Management Prudential Indicators

- 6.1. The Council measures and manages its exposures to treasury management risks using the following indicators.
- 6.2. **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit score	6.0

6.3. **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

Liquidity risk indicator	Target
Total cash available within 3 months	£8m

6.4. **Interest rate exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit £000
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	750
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	750

6.5. The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

6.6. **Maturity structure of borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

6.7. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

6.8. **Long-term treasury management investments:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments will be:

Price risk indicator	2024/25	2025/26	2026/27	No fixed date
Limit on principal invested beyond year end	£55m	£55m	£55m	£55m

6.9. Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

7. Related Matters

- 7.1. The CIPFA Code requires the Council to include the following in its treasury management strategy.
- 7.2. **Financial derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
- 7.3. The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 7.4. Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.
- 7.5. In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.
- 7.6. **Housing Revenue Account:** On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Where the value of the HRA loans pool is below the HRA capital financing requirement, interest on this "under-borrowing" will be charged to the HRA at the Council's average rate of [short-term] borrowing. Interest on any "over-borrowing" above the HRA capital financing requirement, and on balances in the HRA, its earmarked reserves and the major repairs reserve will be credited to the HRA at the Council's average interest rate on treasury investments excluding strategic pooled funds and REITS, adjusted for credit risk.
- 7.7. **Markets in Financial Instruments Directive:** The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Director of Housing, Finance and Assets believes this to be the most appropriate status.

8. Financial Implications

- 8.1. The budget for investment income in 2026/27 is £2.4m based on an average investment portfolio of £59.7m at an interest rate of 4.5%. The budget for debt interest paid in 2026/27 is £3.9m based on an average debt portfolio of £3.4m at an average interest rate of 4.7%. If actual levels of

investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

- 8.2. Where investment income exceeds budget, e.g. from higher risk investments including pooled funds, or debt interest paid falls below budget, e.g. from cheap short-term borrowing, then the revenue savings will be transferred to a treasury management reserve to cover the risk of capital losses or higher interest rates payable in future years.

9. Other Options Considered

- 9.1. The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Housing, Finance and Assets, having consulted the Cabinet Member for Finance, Governance, Digital and Climate Change, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A - Arlingclose Economic & Interest Rate Forecast - 22nd December 2025

Underlying assumptions:

- The Bank of England duly delivered on expectations for a December rate cut, but, despite softer economic data over the past two weeks, the minutes highlighted increased caution surrounding both the inflation outlook and the speed of future easing. With a close vote of 5-4 in favour of a rate reduction, this suggests that the bar for further monetary easing may be higher than previously thought despite the possibility of the CPI rate falling to target in 2026.
- Budget policies and base effects will mechanically reduce the CPI rate in 2026, on top of the downward pressure arising from soft economic growth and the looser labour market. However, many policymakers appear concerned that household and business inflation and pricing expectations are proving sticky following recent bouts of high price and wage growth, which may allow underlying inflationary pressure to remain elevated. While, the Bank's measure of household expectations ticked lower in December, it remains above levels consistent with the 2% target at 3.5%.
- While policymakers hold valid concerns, these appear somewhat out of line with current conditions; CPI inflation fell to 3.2% in November, private sector wage growth continued to ease amid the highest unemployment rate since the pandemic, and the economy contracted in October after barely growing in Q3. Business surveys pointed to marginally stronger activity and pricing intentions in December but also suggested that the pre-Budget malaise was not temporary. These data are the latest in a trend suggesting challenging economic conditions are feeding into price and wage setting.
- Risks to the growth and inflation outlook lie to the downside, which may ultimately deliver lower Bank Rate than our central case. However, the minutes suggest that the bar to further rate cuts beyond 3.25% is higher and the near-term upside risks to our Bank Rate forecast have increased. Having said that, we believe inflation expectations will naturally decline alongside headline inflation rates.
- Investors appear to have given the UK government some breathing space following the Budget, with long-term yields continuing to trade at slightly lower levels than in late summer/early autumn. Even so, sustained heavy borrowing across advanced economies, the DMO's move towards issuing more short-dated gilts and lingering doubts about the government's fiscal plans will keep short to medium yields above the levels implied by interest rate expectations alone.

Forecast:

- In line with our long-held forecast, Bank Rate was cut to 3.75% in December.
- Continuing disinflation, rising unemployment, softening wage growth and low confidence suggests that monetary policy will continue to be loosened.
- Arlingclose expects Bank Rate to be cut to 3.25% by middle of 2026. However, near-term upside risks to the forecast have increased.
- Medium and long-term gilt yields continue to incorporate premia for UK government credibility, global uncertainty and significant issuance. These issues may not be resolved quickly and we expect yields to remain higher
-

	Current	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
Official Bank Rate													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	3.75	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
3-month money market rate													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	3.82	3.55	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.35	3.35	3.35
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	3.96	3.85	3.80	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.80	3.80	3.80
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
10yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.52	4.40	4.35	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.35	4.35	4.35
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
20yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	5.16	5.00	4.95	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.95	4.95	4.95
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
50yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.74	4.65	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.65	4.65	4.65
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85

PWLB Standard Rate = Gilt yield + 1.00%

PWLB Certainty Rate = Gilt yield + 0.80%

PWLB HRA Rate = Gilt yield + 0.40%

National Wealth Fund (NWF) Rate = Gilt yield + 0.40%

Appendix B - Existing Investment & Debt Portfolio Position

	31 December 2025 Actual portfolio £m	31 December 2025 Average rate %
External borrowing:		
Public Works Loan Board	64.0	4.51
Local authorities	35.5	4.74
Total external borrowing	99.5	
Treasury investments:		
Banks (unsecured)	0.7	3.97
Money market funds	2.7	4.87
Strategic pooled funds	46.7	6.41
Total treasury investments	51	
Net debt	48.5	

Non-Treasury Investment Strategy Report 2026/27

1. Introduction

1.1 The Council invests its money for three broad purposes:

1.1.1 because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as treasury management investments),

1.1.2 to support local public services by lending to or buying shares in other organisations (service investments), and

1.1.3 to earn investment income (known as commercial investments where this is the main purpose).

1.2 This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

1.3 The statutory guidance defines investments as “all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios.” The Council interprets this to exclude (a) trade receivables which meet the accounting definition of financial assets but are not investments in the everyday sense of the word and (b) property held partially to generate a profit but primarily for the provision of local public services. This aligns the Council’s definition of an investment with that in the 2021 edition of the CIPFA Prudential Code, a more recent piece of statutory guidance.

2. Treasury Management Investments

2.1 The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £47m and £60m during the 2026/27 financial year.

2.2 **Contribution:** The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

2.3 **Further details:** Full details of the Council’s policies and its plan for 2025/26 for treasury management investments are covered in a separate document, the treasury management strategy, are covered in Annex 7B.

3. Service Investments: Loans

3.1 **Contribution:** The Council can lend money to its subsidiaries, its suppliers, local businesses, local charities, housing associations, local residents and its employees to support local public services and stimulate local economic growth. The Council currently holds Private Sector Housing loans of c.£3.1m (of which £0.4m is allocated to the Financial Instruments Loss Allowance and £2.7m is the resultant net value in the accounts). The Council has approved the establishment of a property

company to develop, acquire and manage property investments at arm’s length from the Council; it may therefore make loans to this subsidiary to fund proposed projects.

3.2 Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes in £ millions

Category of borrower	2026/27
	Approved Limit
Subsidiaries	100.0
Local businesses	3.0
Local charities	0.5
Housing associations	2.0
Private Sector Housing	4.0
TOTAL	109.5

3.3 Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council’s statement of accounts are shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

3.4 Risk assessment: The Council assesses the risk of loss before entering into and whilst holding service loans by undertaking thorough due diligence on any proposals, securing the loan against assets where possible and seeking external advice when necessary.

4. Service Investments: Shares

4.1 Contribution: The Council invests in the shares of its subsidiaries, its suppliers, and local businesses to support local public services and stimulate local economic growth. The Council does not currently hold any such shares but is in the process of establishing a property company to develop, acquire and manage property investments at arm’s length from the Council to provide a vehicle to invest in both private residential and commercial primarily to support regeneration. It is proposed that the Council will be the sole shareholder and will initially invest £100 in share capital in the company. Any further investment in subsidiaries would be subject to approval in accordance with the Property Investment Strategy.

4.2 **Security:** One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in subsidiaries is set at £100m.

Table 2: Shares held for service purposes

Category of company	31.3.2025 actual			2026/27
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
PartnershipOne	£1,000	0	£1,000	100

4.3 **Risk assessment:** The Council assesses the risk of loss before entering into and whilst holding shares by undertaking thorough due diligence and seeking external advice as appropriate.

4.4 **Liquidity:** set out the procedures for determining the maximum periods for which funds may prudently be committed and state what those maximum periods are and how the local authority will stay within its stated investment limits.

4.5 **Non-specified Investments:** Shares are the only investment type that the Council has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Council's upper limits on non-specified investments. The Council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

5. Commercial Investments: Property

5.1 **Contribution:** The Council invests in local commercial and residential property in order to support its long-term strategic regeneration and economic development objectives with the income received from the properties used to support service delivery in the meantime.

Table 3: Property held for investment purposes in £ millions

Property	Actual	31.3.2025 actual		31.3.2026 expected	
	Purchase cost	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
B&Q	17.2	4.0	13.2	0.0	13.2
Whitfield Court	4.5	0.2	4.3	0.0	4.3
TOTAL	21.7	4.2	17.5	0.0	17.5

5.2 **Security:** In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

5.3 *Where value in accounts is at or above purchase cost:* A fair value assessment of the Council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2025/26 year-end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full Council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

5.4 **Risk assessment:** The Council assesses the risk of loss before entering into and whilst holding property investments by undertaking thorough due diligence and seeking external advice as appropriate.

5.5 **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Council intends to keep the investment in property for a minimum of ten years and use short-term borrowing to support cash flow needs. It will not dispose of the properties unless market conditions are favourable.

6. Proportionality

6.1 The Council is dependent on profit generating investment activity to achieve a balanced revenue budget. Table 4 below shows the extent to which the expenditure planned to meet the service delivery objectives and/or place making role of the Council is dependent on achieving the expected net profit from investments over the lifecycle of the Medium Term Financial Plan. Should it fail to achieve the expected net profit, the Council has contingency plans for continuing to provide these services. These plans include the transfer of surplus income to earmarked reserves, diversification of its portfolio to protect against loss in a particular sector, lease monitoring and review and monitoring of borrowing options and costs.

Table 4: Proportionality of Investments

	2024/25 Actual	2025/26 Forecast	2026/27 Budget	2027/28 Budget	2028/29 Budget
	£000	£000	£000	£000	£000
Investment income	1,491	1,491	1,491	1,491	1,491
Gross service expenditure	21,050	20,294	22,108	22,970	23,909
Proportion	7.08%	7.35%	6.74%	6.49%	6.24%

7. Capacity, Skills and Culture

7.1 **Elected members and statutory officers:** The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Council establishes project teams from all the professional disciplines from across the Council and as and when required. External professional advice is taken where required and will always be sought in consideration of any major property investment decision. The Council currently employs Arlingclose Limited as treasury management advisers and utilises various other professional advisors as appropriate. Training and briefings are offered to support project team members in maintaining up to date knowledge and expertise to understand and challenge.

7.2 **Commercial deals:** Full due diligence is undertaken for all major schemes that the Council decides to purchase. This includes appropriate legal and other professional advice to ensure that the Council complies with current guidance and that the scheme is in the best interests of the Council. The finance team works with service managers to assess the viability for any commercial deals. Finance staff attend regular training course and have access to the prudential framework to ensure principles of the framework are adhered to.

7.3 **Corporate governance:** On 30 November 2016 Council approved the Property Investment Strategy. This approved investing up to £200m in commercial and residential property, either directly or through a property company, primarily in order to increase economic regeneration and also to generate returns. This strategy delegated the approval of these investments to the Portfolio Holder responsible for Finance, advised by Project Advisory Groups where required.

8. Investment Indicators

8.1 The Council has set the following quantitative indicators to allow elected members and the public to assess the Council’s total risk exposure as a result of its investment decisions.

8.2 **Total risk exposure:** The first indicator shows the Council’s total exposure to potential investment losses.

Table 5: Total investment exposure in millions

Total investment exposure	31.03.2025 Actual	31.03.2026 Forecast	31.03.2027 Forecast
Treasury management investments	46.1	47.6	47.6
Service investments: Loans (PSH)	2.7	2.7	2.7
Non treasury investments	21.7	21.7	21.7
TOTAL INVESTMENTS	70.5	72.0	72.0

8.3 **How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. At present, the Council does not hold any investments funded by borrowing. The Council’s investments are funded by usable reserves and income received in advance of expenditure.

Minimum Revenue Provision Statement 2026/27

Annual Minimum Revenue Provision Statement 2026/27

- 1.1 Where the Council funds capital expenditure with debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to *the Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in April 2024.
- 1.2 The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is aligned with that over which the capital expenditure provides benefits.
- 1.3 The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year and provides a number of options for calculating a prudent amount of MRP but does not preclude the use of other appropriate methods.
- 1.4 MRP is calculated by reference to the capital financing requirement (CFR) which is the total amount of past capital expenditure that has yet to be permanently financed, noting that debt must be repaid and therefore can only be a temporary form of funding. The CFR is calculated from the Council's balance sheet in accordance with the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Expenditure in Local Authorities, 2021 edition.
 - 1.4.1 For capital expenditure incurred before 1st April 2008 [and for supported capital expenditure incurred on or after that date,] MRP will be determined as 4% of the CFR in respect of that expenditure.
 - 1.4.2 For assets acquired by leases MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
 - 1.4.3 Where former operating leases have been brought onto the balance sheet due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the MRP charges will be adjusted so that the overall charge for MRP over the life of the lease reflects the value of the right-of-use asset recognised on transition rather than the liability.
- 1.5 **Capital loans**
 - 1.5.1 For capital expenditure on loans to third parties which were made primarily for financial return rather than direct service purposes, MRP will be charged in accordance with the policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. This MRP charge will be reduced by the value any repayments of loan principal received during in the year, with the capital receipts so arising applied to finance the expenditure instead.
 - 1.5.2 For capital expenditure on loans to third parties which were made primarily for service purposes, the Council will make nil MRP except as detailed below for expected credit

losses. Instead, the Council will apply the capital receipts arising from the repayments of the loan principal to finance the expenditure in the year they are received.

1.5.3 For capital loans made on or after 7th May 2024 where an expected credit loss is recognised during the year, the MRP charge in respect of the loan will be no lower than the loss recognised. Where expected credit losses are reversed, for example on the eventual repayment of the loan, this will be treated as an overpayment.

1.5.4 For capital loans made before 7th May 2024 and for loans where expected credit losses are not applicable, where a shortfall in capital receipts is anticipated, MRP will be charged to cover that shortfall over the remaining life of the assets funded by the loan.

1.6 Housing Revenue Account

1.6.1 No MRP will be charged in respect of assets held within the Housing Revenue Account but depreciation on those assets will be charged instead in line with regulations.

1.7 Capital expenditure incurred during 2026/27 will not be subject to a MRP charge until 2027/28 or later.

1.8 Based on the Council's latest estimate of CFR on 31st March 2026, the budget for MRP has been set as follows:

	31.03.2026 Estimated CFR £000	2026/27 Estimated MRP £000
Capital expenditure before 01.04.2008	7,880	247
Supported capital expenditure after 31.03.2008	54,821	1,546
Total General Fund	62,701	1,793
Assets in the Housing Revenue Account		
HRA subsidy reform payment	124,231	0
Total Housing Revenue Account	124,231	0
Total	186,932	1,793

1.9 Capital receipts

1.9.1 Proceeds from the sale of capital assets are classed as capital receipts and are typically used to finance new capital expenditure. Where the Council decides instead to use capital receipts to repay debt and hence reduce the CFR, the calculation of MRP will be adjusted as follows:

1.9.1.1 Capital receipts arising on the repayment of principal on capital loans to third parties will be used to lower the MRP charge in respect of the same loans in the year of receipt, if any.

1.9.1.2 Capital receipts arising on the repayment of principal on finance lease receivables will be used to lower the MRP charge in respect of the acquisition of the asset subject to the lease in the year of receipt, if any.

1.9.1.3 Capital receipts arising from other assets which form an identified part of the Council's MRP calculations will be used to reduce the MRP charge in respect of the same assets over their remaining useful lives, starting in the year after the receipt is applied.

1.9.1.4 Any other capital receipts applied to repay debt will be used to reduce MRP in 10 equal instalments starting in the year after receipt is applied.

1.10 Appropriations to/from the Housing Revenue Account

1.10.1 Where assets are transferred from the Housing Revenue Account to the General Fund, for the purposes of the MRP calculation, this will be treated as new General Fund capital expenditure.

1.10.2 Where assets are transferred from the General Fund to the Housing Revenue Account, for the purposes of the MRP calculation, this will be treated as a capital receipt applied to repay debt.

Resolution to set the Council Tax

COUNCIL 4 MARCH 2026

The Council is recommended to resolve the following in relation to Council Tax for 2026/27

These determinations are consequent upon the adoption of the budget recommended by Cabinet for that financial year:

(1) It be noted that on 28th January 2026 the Council calculated the Council Tax Base for 2026/27

- (a) as 42,551.70 for the whole Council area [Item T in the formula in Section 31B(1) of the Local Government Finance Act 1992, as amended (the "Act")] and,
- (b) for dwellings in those parts of its area to which a Parish precept relates, as follows:

Part of the Council's Area	Tax Base
Alkham	343.77
Ash	1,321.84
Aylesham	1,787.08
Capel-le-Ferne	720.45
Deal	7,425.78
Denton-with-Wootton	187.61
Dover	8,542.39
Eastry	860.90
Eythorne	820.52
Goodnestone	206.50
Great Mongeham	339.04
Guston	475.54
Hougham-without	185.15
Langdon	243.61
Lydden	308.55
Nonington	328.55
Northbourne	319.18
Preston	405.66
Ringwould-with-Kingsdown	1,177.75
Ripple	157.22
River	1,502.48
St Margarets-at-Cliffe	1,394.52
Sandwich	2,211.31
Shepherdswell-with-Coldred	821.28
Sholden	828.83
Staple	276.13
Stourmouth	116.35
Sutton-by-Dover	338.72
Temple Ewell	693.51
Tilmanstone	161.46
Walmer	3,561.56
Whitfield	2,621.52
Wingham	801.77
Woodnesborough	528.95
Worth	536.22
	42,551.70

(2) That the Council Tax requirement for the Council's own purposes (excluding Parish precepts) for 2026/27 is calculated as:

£9,673,703

(3) That the following amounts be calculated by the Council for the year 2026/27 in accordance with Sections 31 to 36 of the Act:

- (a) £116,629,832 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
- (b) £103,090,564 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £13,539,268 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B(1) of the Act).
- (d) £318.18 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £3,865,565 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
- (f) £227.34 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates. (*Council Tax at Band D for District Excluding Parish Precepts*).

Town and Parish Councils	£
Alkham	293.95
Ash	307.29
Aylesham	384.07
Capel-le-Ferne	317.56
Deal	309.52
Denton-with-Wootton	302.54
Dover	354.65
Eastry	314.79
Eythorne	291.62
Goodnestone	272.70
Great Mongeham	262.06
Guston	319.39
Hougham-without	309.77
Langdon	301.64
Lydden	302.08
Nonington	270.10
Northbourne	313.06
Preston	293.50
Ringwould-with-Kingsdown	280.81
Ripple	263.84
River	273.34
St Margarets-at-Cliffe	332.75
Sandwich	384.74
Shepherdswell-with-Coldred	328.06
Sholden	284.49
Staple	275.80
Stourmouth	321.19
Sutton-by-Dover	276.68
Temple Ewell	278.90
Tilmanstone	290.07
Walmer	300.32
Whitfield	278.84
Wingham	301.70
Woodnesborough	273.94
Worth	289.62

being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

(3) (h)

	Valuation Bands							
	A	B	C	D	E	F	G	H
Town and Parish Councils	£	£	£	£	£	£	£	£
Alkham	195.97	228.63	261.29	293.95	359.27	424.59	489.92	587.90
Ash	204.86	239.00	273.15	307.29	375.58	443.86	512.15	614.58
Aylesham	256.05	298.72	341.40	384.07	469.42	554.77	640.12	768.14
Capel-le-Ferne	211.71	246.99	282.28	317.56	388.13	458.70	529.27	635.12
Deal	206.35	240.74	275.13	309.52	378.30	447.08	515.87	619.04
Denton-with-Wootton	201.69	235.31	268.92	302.54	369.77	437.00	504.23	605.08
Dover	236.43	275.84	315.24	354.65	433.46	512.27	591.08	709.30
Eastry	209.86	244.84	279.81	314.79	384.74	454.70	524.65	629.58
Eythorne	194.41	226.82	259.22	291.62	356.42	421.23	486.03	583.24
Goodnestone	181.80	212.10	242.40	272.70	333.30	393.90	454.50	545.40
Great Mongeham	174.71	203.82	232.94	262.06	320.30	378.53	436.77	524.12
Guston	212.93	248.41	283.90	319.39	390.37	461.34	532.32	638.78
Hougham-without	206.51	240.93	275.35	309.77	378.61	447.45	516.28	619.54
Langdon	201.09	234.61	268.12	301.64	368.67	435.70	502.73	603.28
Lydden	201.39	234.95	268.52	302.08	369.21	436.34	503.47	604.16
Nonington	180.07	210.08	240.09	270.10	330.12	390.14	450.17	540.20
Northbourne	208.71	243.49	278.28	313.06	382.63	452.20	521.77	626.12
Preston	195.67	228.28	260.89	293.50	358.72	423.94	489.17	587.00
Ringwould-with-Kingsdown	187.21	218.41	249.61	280.81	343.21	405.61	468.02	561.62
Ripple	175.89	205.21	234.52	263.84	322.47	381.10	439.73	527.68
River	182.23	212.60	242.97	273.34	334.08	394.82	455.57	546.68
St Margarets-at-Cliffe	221.83	258.81	295.78	332.75	406.69	480.64	554.58	665.50
Sandwich	256.49	299.24	341.99	384.74	470.24	555.74	641.23	769.48
Shepherdswell-with-Coldred	218.71	255.16	291.61	328.06	400.96	473.86	546.77	656.12
Sholden	189.66	221.27	252.88	284.49	347.71	410.93	474.15	568.98
Staple	183.87	214.51	245.16	275.80	337.09	398.38	459.67	551.60
Stourmouth	214.13	249.81	285.50	321.19	392.57	463.94	535.32	642.38
Sutton-by-Dover	184.45	215.20	245.94	276.68	338.16	399.65	461.13	553.36
Temple Ewell	185.93	216.92	247.91	278.90	340.88	402.86	464.83	557.80
Tilmanstone	193.38	225.61	257.84	290.07	354.53	418.99	483.45	580.14
Walmer	200.21	233.58	266.95	300.32	367.06	433.80	500.53	600.64
Whitfield	185.89	216.88	247.86	278.84	340.80	402.77	464.73	557.68
Wingham	201.13	234.66	268.18	301.70	368.74	435.79	502.83	603.40
Woodnesborough	182.63	213.06	243.50	273.94	334.82	395.69	456.57	547.88
Worth	193.08	225.26	257.44	289.62	353.98	418.34	482.70	579.24

being the amounts given by multiplying the amounts at 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- (4) That it be noted for the year 2026/27

that the Kent County Council, the Police & Crime Commissioner for Kent and the Kent and Medway Fire and Rescue Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings as shown below:

	Valuation Bands							
	A	B	C	D	E	F	G	H
Precepting Authority:	£	£	£	£	£	£	£	£
Kent County Council	1,172.40	1,367.80	1,563.20	1,758.60	2,149.40	2,540.20	2,931.00	3,517.20
The Police & Crime Commissioner for Kent	190.10	221.78	253.47	285.15	348.52	411.88	475.25	570.30
Kent & Medway Fire & Rescue Service	66.54	77.63	88.72	99.81	121.99	144.17	166.35	199.62

- (5) That, having calculated the amounts at 3(h) and 4 above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following aggregate amounts as the amounts of Council Tax for the year 2026/27

for each part of its area and for each of the categories of dwellings, as shown below:

	Valuation Bands							
	A	B	C	D	E	F	G	H
Town and Parish Councils	£	£	£	£	£	£	£	£
Alkham	1,625.01	1,895.84	2,166.68	2,437.51	2,979.18	3,520.84	4,062.52	4,875.02
Ash	1,633.90	1,906.21	2,178.54	2,450.85	2,995.49	3,540.11	4,084.75	4,901.70
Aylesham	1,685.09	1,965.93	2,246.79	2,527.63	3,089.33	3,651.02	4,212.72	5,055.26
Capel-le-Ferne	1,640.75	1,914.20	2,187.67	2,461.12	3,008.04	3,554.95	4,101.87	4,922.24
Deal	1,635.39	1,907.95	2,180.52	2,453.08	2,998.21	3,543.33	4,088.47	4,906.16
Denton-with-Wootton	1,630.73	1,902.52	2,174.31	2,446.10	2,989.68	3,533.25	4,076.83	4,892.20
Dover	1,665.47	1,943.05	2,220.63	2,498.21	3,053.37	3,608.52	4,163.68	4,996.42
Eastry	1,638.90	1,912.05	2,185.20	2,458.35	3,004.65	3,550.95	4,097.25	4,916.70
Eythorne	1,623.45	1,894.03	2,164.61	2,435.18	2,976.33	3,517.48	4,058.63	4,870.36
Goodnestone	1,610.84	1,879.31	2,147.79	2,416.26	2,953.21	3,490.15	4,027.10	4,832.52
Great Mongeham	1,603.75	1,871.03	2,138.33	2,405.62	2,940.21	3,474.78	4,009.37	4,811.24
Guston	1,641.97	1,915.62	2,189.29	2,462.95	3,010.28	3,557.59	4,104.92	4,925.90
Hougham-without	1,635.55	1,908.14	2,180.74	2,453.33	2,998.52	3,543.70	4,088.88	4,906.66
Langdon	1,630.13	1,901.82	2,173.51	2,445.20	2,988.58	3,531.95	4,075.33	4,890.40
Lydden	1,630.43	1,902.16	2,173.91	2,445.64	2,989.12	3,532.59	4,076.07	4,891.28
Nonington	1,609.11	1,877.29	2,145.48	2,413.66	2,950.03	3,486.39	4,022.77	4,827.32
Northbourne	1,637.75	1,910.70	2,183.67	2,456.62	3,002.54	3,548.45	4,094.37	4,913.24
Preston	1,624.71	1,895.49	2,166.28	2,437.06	2,978.63	3,520.19	4,061.77	4,874.12
Ringwould-with-Kingsdown	1,616.25	1,885.62	2,155.00	2,424.37	2,963.12	3,501.86	4,040.62	4,848.74
Ripple	1,604.93	1,872.42	2,139.91	2,407.40	2,942.38	3,477.35	4,012.33	4,814.80
River	1,611.27	1,879.81	2,148.36	2,416.90	2,953.99	3,491.07	4,028.17	4,833.80
St Margarets-at-Cliffe	1,650.87	1,926.02	2,201.17	2,476.31	3,026.60	3,576.89	4,127.18	4,952.62
Sandwich	1,685.53	1,966.45	2,247.38	2,528.30	3,090.15	3,651.99	4,213.83	5,056.60
Shepherdswell-with-Coldred	1,647.75	1,922.37	2,197.00	2,471.62	3,020.87	3,570.11	4,119.37	4,943.24
Sholden	1,618.70	1,888.48	2,158.27	2,428.05	2,967.62	3,507.18	4,046.75	4,856.10
Staple	1,612.91	1,881.72	2,150.55	2,419.36	2,957.00	3,494.63	4,032.27	4,838.72
Stourmouth	1,643.17	1,917.02	2,190.89	2,464.75	3,012.48	3,560.19	4,107.92	4,929.50
Sutton-by-Dover	1,613.49	1,882.41	2,151.33	2,420.24	2,958.07	3,495.90	4,033.73	4,840.48
Temple Ewell	1,614.97	1,884.13	2,153.30	2,422.46	2,960.79	3,499.11	4,037.43	4,844.92
Tilmanstone	1,622.42	1,892.82	2,163.23	2,433.63	2,974.44	3,515.24	4,056.05	4,867.26
Walmer	1,629.25	1,900.79	2,172.34	2,443.88	2,986.97	3,530.05	4,073.13	4,887.76
Whitfield	1,614.93	1,884.09	2,153.25	2,422.40	2,960.71	3,499.02	4,037.33	4,844.80
Wingham	1,630.17	1,901.87	2,173.57	2,445.26	2,988.65	3,532.04	4,075.43	4,890.52
Woodnesborough	1,611.67	1,880.27	2,148.89	2,417.50	2,954.73	3,491.94	4,029.17	4,835.00
Worth	1,622.12	1,892.47	2,162.83	2,433.18	2,973.89	3,514.59	4,055.30	4,866.36

- (6) That the Council's basic amount of Council Tax for 2026/27

is determined as not being excessive in accordance with principles approved under Section 52ZB of the Local Government Finance Act 1992.

Helen Lamb

Head of Finance & Investment & S151 Officer

PARISH AND TOWN COUNCILS**2026/27**

Item No	Town and Parish Councils	2025/26				2026/27				
		Total Requirement £	Precept £	Tax Base	Council Tax £	Total Requirement £	Precept £	Tax Base	Council Tax £	Council Tax Increase
1	Alkham	21,589.00	21,589.00	324.11	66.61	22,898.62	22,898.62	343.77	66.61	0.00%
2	Ash	102,417.30	102,417.30	1,324.59	77.32	105,681.11	105,681.11	1,321.84	79.95	3.40%
3	Aylesham	251,385.57	251,385.57	1,732.26	145.12	280,097.00	280,097.00	1,787.08	156.73	8.00%
4	Capel-le-Ferne	60,660.00	60,660.00	697.83	86.93	65,000.00	65,000.00	720.45	90.22	3.78%
5	Deal	590,217.78	590,217.78	7,437.22	79.36	610,218.00	610,218.00	7,425.78	82.18	3.55%
6	Denton-with-Wootton	14,109.00	14,109.00	191.38	73.72	14,109.00	14,109.00	187.61	75.20	2.01%
7	Dover	994,000.00	994,000.00	8,586.89	115.76	1,087,500.00	1,087,500.00	8,542.39	127.31	9.98%
8	Eastry	67,520.46	67,520.46	864.76	78.08	75,285.71	75,285.71	860.90	87.45	12.00%
9	Eythorne	50,231.50	50,231.50	818.48	61.37	52,744.00	52,744.00	820.52	64.28	4.74%
10	Goodnestone	8,589.82	8,589.82	189.37	45.36	9,366.84	9,366.84	206.50	45.36	0.00%
11	Great Mongeham	11,714.88	11,714.88	337.41	34.72	11,771.47	11,771.47	339.04	34.72	0.00%
12	Guston	43,773.00	43,773.00	460.24	95.11	43,773.00	43,773.00	475.54	92.05	-3.22%
13	Hougham-without	14,396.50	14,396.50	188.18	76.50	15,261.00	15,261.00	185.15	82.43	7.75%
14	Langdon	17,700.00	17,700.00	243.63	72.65	18,100.00	18,100.00	243.61	74.30	2.27%
15	Lydden	22,627.00	22,627.00	302.76	74.74	23,061.03	23,061.03	308.55	74.74	0.00%
16	Nonington	14,050.00	14,050.00	304.13	46.20	14,050.00	14,050.00	328.55	42.76	-7.45%
17	Northbourne	27,360.00	27,360.00	288.97	94.68	27,360.00	27,360.00	319.18	85.72	-9.46%
18	Preston	50,070.00	50,070.00	412.49	121.38	26,837.00	26,837.00	405.66	66.16	-45.49%
19	Ringwould-with-Kingsdown	62,836.00	62,836.00	1,170.28	53.69	62,970.00	62,970.00	1,177.75	53.47	-0.41%
20	Ripple	5,641.65	5,641.65	161.19	35.00	5,738.53	5,738.53	157.22	36.50	4.29%
21	River	67,474.35	67,474.35	1,499.43	45.00	69,114.08	69,114.08	1,502.48	46.00	2.22%
22	St Margarets-at-Cliffe	147,000.00	147,000.00	1,419.81	103.53	147,000.00	147,000.00	1,394.52	105.41	1.82%
23	Sandwich	330,520.51	330,520.51	2,204.94	149.90	348,049.14	348,049.14	2,211.31	157.40	5.00%
24	Shepherdswell-with-Coldred	79,537.50	79,537.50	816.17	97.45	82,719.52	82,719.52	821.28	100.72	3.36%
25	Sholden	43,550.79	43,550.79	780.97	55.76	47,370.95	47,370.95	828.83	57.15	2.49%
26	Staple	12,990.72	12,990.72	271.31	47.88	13,380.00	13,380.00	276.13	48.46	1.21%
27	Stourmouth	10,155.00	10,155.00	113.62	89.38	10,920.00	10,920.00	116.35	93.85	5.00%
28	Sutton-by-Dover	16,700.00	16,700.00	337.55	49.47	16,712.00	16,712.00	338.72	49.34	-0.26%
29	Temple Ewell	33,940.00	33,940.00	691.05	49.11	35,760.00	35,760.00	693.51	51.56	4.99%
30	Tilmanstone	9,647.93	9,647.93	162.94	59.21	10,128.70	10,128.70	161.46	62.73	5.94%
31	Walmer	261,312.20	261,312.20	3,580.60	72.98	259,922.65	259,922.65	3,561.56	72.98	0.00%
32	Whitfield	127,500.00	127,500.00	2,407.06	52.97	135,000.00	135,000.00	2,621.52	51.50	-2.78%
33	Wingham	56,929.16	56,929.16	729.00	78.09	59,620.65	59,620.65	801.77	74.36	-4.78%
34	Woodnesborough	24,619.25	24,619.25	528.31	46.60	24,649.07	24,649.07	528.95	46.60	0.00%
35	Worth	32,076.42	32,076.42	540.79	59.31	33,395.78	33,395.78	536.22	62.28	5.01%
		3,684,843.29	3,684,843.29	42,119.72	87.48	3,865,564.85	3,865,564.85	42,551.70	90.84	3.83%
					T&P Average				T&P Average	

2026/27 Precepts and the NDR Multiplier**The Council Tax Base**

The Council Tax base (in terms of the number of "Band D equivalent") has been resolved for the coming year at: 42,551.70

The District Council's Precept on the Collection Fund for it's Own Purposes

The District Council's precept upon the Collection Fund in 2026/27 for it's own purposes will be: £9,673,703.00

The Band D Council Tax for the District Council's own purposes will therefore be: £227.34

The Band D Council Tax for the District Council's own purposes last year was: £220.77

The increase in Council Tax for the District Council's own purposes is therefore: 2.98%

This is an annual increase of: £6.57

Or a weekly increase of: £0.13

Parish Council Precepts

The Parish Councils will, in total, precept: £3,865,564.85

Last year, Parish Councils precepted: £3,684,843.29

The ave. Band D Council Tax for the Parish Councils' own purposes will therefore be: £90.84

The ave. Band D Council Tax for the Parish Councils' own purposes last year was: £87.48

This is an increase of: 3.84%

The total precept, on the Collection Fund by the District Council, on behalf of itself and the Parish Councils will therefore be: £13,539,267.85

Kent County Council Precept

Excluding the Collection Fund Surplus, the precept upon the collection fund in 2026/27 will be: £74,831,420.00

Last year's precept was: £71,232,449.00

The Band D Council Tax will therefore be: £1,758.60

Last year's Band D Council Tax was: £1,691.19

The Band D Council Tax increase as a result of this precept is therefore: 3.99%

The Police & Crime Commissioner for Kent

Excluding the Collection Fund Surplus, the precept upon the collection fund in 2026/27 will be:	£12,133,617.00
Last year's precept was:	£11,378,642.00
The Band D Council Tax will therefore be:	£285.15
Last year's Band D Council Tax was:	£270.15
The Band D Council Tax increase as a result of this precept is therefore:	5.55%

Kent Fire & Rescue Service Authority Precept

Excluding the Collection Fund Surplus, the precept upon the collection fund in 2026/27 will be:	£4,247,085.00
Last year's precept was:	£3,995,477.00
The Band D Council Tax will therefore be:	£99.81
Last year's Band D Council Tax was:	£94.86
The Band D Council Tax increase as a result of this precept is therefore:	5.22%

Non-Domestic Rates

Non-domestic rates have been collected by billing authorities at a nationally prescribed rate in the pound, and have been paid into a central pool for redistribution. The prescribed 'lower' rate in 2025/26 for qualifying properties of less than £51,000 rateable value was:

	£0.499
And for these properties, the 2025/26 'higher' rate was:	£0.555

For the year 2026/27 the Multiplier for the Non Domestic Rates has been changed with various different Ratable Values now having rates applied as below:-

Small Business RHL Multiplier for 2026/27 (RV below £51,000)	£0.382
Standard Business RHL Multiplier for 2026/27 (RV between £51,000 & £499,999)	£0.430
Small Business non RHL Multiplier for 2026/27 (RV below £51,000)	£0.432
Standard Business non RHL Multiplier for 2026/27 (RV between £51,000 & £499,999)	£0.480
Large Business (all properties) Multiplier for 2026/27 (RV £500,000 and Above)	£0.508

GRANTS TO CONCESSIONARY RENTALS 2026-27

2025/26	% of Rent	2026/27	% of Rent	Organisation	Comments
£	%	£	%		
50	50%	0	0%	Sandwich Tennis Club	Lease Of Tennis Courts In Sandown Road, Sandwich - Rent is well below market rate therefore relief is not continued
75	50%	0	0%	Aylesham Parish Council	Lease Of 1.82 Acres At Market Square, Aylesham - Rent is well below market rate therefore relief is not continued
100	100%	50	50%	The Model Boat Association	Licence to station a sectional garage at Kearsney Abbey - Rent relief reduced to the standard 50% level
225	50%	TBC	50%	Dover Bowling Club	Lease Of Pavilion In Maison Dieu Gardens, Dover - (Discussions are underway for a new lease to be agreed, the value of the relief may change but the rate will remain at 50%)
355	50%	355	50%	Victoria Park Bowling Club	Lease Of Pavilion, Victoria Park, Deal
325	50%	325	50%	Deal & Walmer Angling Club	Lease Of Angling Cabin On Deal Pier
450	50%	450	50%	Capel-Le-Ferne Parish Council	Lease Of Land In Lancaster Avenue For Use Of Playing Field
1,225	50%	1,225	50%	Dover Rugby Football Club	Rent of Crabble Pavilion, River (One Half of The 7 Months @50% Of £4,200) - Discussions with the club regarding lease arrangements have commenced
1,750	100%	1,750	100%	Dover Rugby Football Club	Rent of Crabble Pavilion, River (We Pay The Remaining 5 Months @ 100% Of £4,200) - Discussions with the club regarding lease arrangements have commenced
1,250	50%	1,250	50%	Cinque Ports Sports Ltd	Licence for pitches at Marke Wood Walmer
1,056	0%	1,500	50%	Cinque Ports Sports Ltd	Lease of Marke Wood Pavillion - New rental arrangement agreed by Cabinet.
8,000	100%	8,000	100%	Dover Athletic Football Club	Lease Of Ground At Crabble Athletic, River - Discussions with the club regarding lease arrangements have commenced
0	0%	2,500	50%	Deal Football Club	Lease of access road to Charles Sports Ground has been agreed, subject to signature
11,800	100%	12,500	100%	Dover Citizen's Advice Bureau	Rent Of Ground now includes 1st Floor Dover Area Office - Rent review increase. Exceptional community benefit - 100% relief
3,250	100%	10,750	100%	Cross Links	9 Sheridan road - Rent review has increased the rent. Exceptional community benefit - 100% relief.
0	0%	750	50%	Deal Gymnastics Club	New lease arrangement to achieve market rent over 5 years, has been agreed subject to signature. Club previously paid a minimal fee with no rent relief
0	0%	650	50%	Gazen Salts Nature Reserve	Heads of terms for occupation of a new storage Hut have been agreed.
29,911		42,055			

2025/26	2026/27	Organisation	Comments
£	£		
104,163	0	Your Leisure	Grant for continuing operations at Tides Leisure Centre no longer expected for 2026/27
1,500	1,500	Pegasus Playscheme	Provision of a playscheme for children with disabilities. Under review
1,500	1,500	Age Concern	Provision of area office services.
3,000	3,000	Kent County Council	Contribution to Sports Partnership
4,500	4,500	Gazen Salts Nature Reserve	Grant toward nature reserve maintenance - increase due to amended lease arrangements.
21,340	19,590	Sandwich Town Cricket Club	To assist the Club towards grounds maintenance. Proposed reduction is the first step towards aligning this grant with the next highest sports club grant
10,000	10,000	Dover Outreach Centre	Grant towards the Winter Shelter costs.
15,600	15,600	Dover Rugby Club	Grant towards ground maintenance at Crabble Athletic Ground.
1,250	1,250	Cinque Ports Sports Ltd	Grant towards grounds maintenance at Marke Wood
1,000	1,000	Victoria Bowls	Grant towards grounds maintenance
1,000	1,000	Dover Bowling Club	Grant towards grounds maintenance
111,850	111,850	Dover Citizen's Advice Bureau	£101,850k CAB Core Funding grant inc £10.5k from HRA, plus £8,500 for full service charge contribution and £1,500 Other potential services. Under review
22,500	22,500	Neighbourhood Forums	Grant to support voluntary and community organisations. *Any variances will most likely be caused by extra money available due to money raised through the Dover Lotto
5,000	5,000	Deal Town Council	Astor Theatre grant
304,203	198,290		

SUMMARY OF RECOMMENDATIONS

Detailed below is a summary of all the recommendations included in the budget and MTFP:

General Fund (GF) Revenue Account

It is recommended that Cabinet:

- Approve the grants to organisations detailed at Annex 9
- Approve that the grants received from MHCLG for Homelessness and Rough Sleeping are allocated to support the efficient delivery of the grant requirements.

It is recommended that Council:

- Approve the General Fund Revenue budget for 2026/27.
- Approve the policies and protocols regarding the General Fund balances and earmarked reserves, and transfers between reserves as set out in Annex 4.
- Approve the Council Tax resolution as set out in Annex 8A.

The Housing Revenue Account (HRA)

It is recommended that Cabinet:

- Delegate the approval of initial assessment and viability works for Housing Development projects, up to £100k per project, to the Head of Finance and Investment in consultation with the Portfolio Holder responsible for Finance.

It is recommended that Council:

- Approve the HRA budget for 2026/27-
- Approve the HRA Capital and Revenue Works Programmes.

The Capital & Special Revenue Programmes

It is recommended that Cabinet:

- Delegate the approval of projects included in Annex 6C, the Digital & ICT Programme, to the Digital Services Manager, in consultation with the Head of Finance & Investment and the Portfolio Holder responsible for ICT.
- Delegate the approval for projects up to £50k that are included on the Capital and Special Revenue Programmes to the Head of Finance and Investment in consultation with the Portfolio Holder responsible for Finance.
- Delegate the approval for the project contingency budgets to the Head of Finance and Investment in consultation with the Portfolio Holder responsible for Finance.

It is recommended that Council:

- Approve the Capital, Special Revenue and Digital & ICT Programmes.
- Approve that capital resources required to finance new projects are secured before new projects commence.

Treasury Management and Capital Strategies

It is recommended that Council:

- Approve the Capital, Treasury Management and Investment Strategies, including the Prudential Indicators and Minimum Revenue Provision statement (Annexes 7A, 7B, 7C and 7D).

Council Tax Resolution

It is recommended that Council:

- Approve the Council Tax Resolution as set out at Annex 8A.
- Note that if the formal Council Tax Resolution at Annex 8A is approved, the total Band D Council Tax will be as follows:

	2025/26 £	2026/27 £	Increase %	2026/27 Proportion %
Dover District Council (proposed)	220.77	227.34	2.98	9.24
Kent County Council	1,691.19	1758.60	3.99	71.45
The Police & Crime Commissioner for Kent	270.15	285.15	5.55	11.58
Kent & Medway Fire & Rescue Authority	94.86	99.81	5.22	4.05
Sub-Total	2,276.97	2,370.90	4.13	96.32
Town & Parish Council (average)	87.48	90.84	3.84	3.68
Total Band D Council Tax	2,364.45	2,461.74	4.11	100.00

The Council Tax, by band, for the major preceptors will be as follows:

	Valuation Bands							
	A	B	C	D	E	F	G	H
Precepting Authority:	£	£	£	£	£	£	£	£
Kent County Council	1,172.40	1,367.80	1,563.20	1,758.60	2,149.40	2,540.20	2,931.00	3,517.20
The Police & Crime Commissioner for Kent	190.10	221.78	253.47	285.15	348.52	411.88	475.25	570.30
Kent & Medway Fire & Rescue Service	66.54	77.63	88.72	99.81	121.99	144.17	166.35	199.62
Dover District Council	151.56	176.82	202.08	227.34	277.86	328.38	378.90	454.68
Total	1,580.60	1,844.03	2,107.47	2,370.90	2,897.77	3,424.63	3,951.50	4,741.80