

By: Director of Finance

To: Kent and Medway Fire and Rescue Authority – 18 February 2026

Subject: **ADDENDUM** – DRAFT REVENUE AND CAPITAL BUDGETS  
2026/27 AND DRAFT MEDIUM-TERM FINANCIAL PLAN 2026-30

Classification: Unrestricted

## **FOR DECISION**

### **SUMMARY**

Subsequent to the publication of the initial Budget Report, the Ministry of Housing, Communities and Local Government released the Final Local Government Finance Settlement on 9 February 2026. This settlement confirms the funding for the 2026/27 financial year and provides indicative projections for the 2027/28 and 2028/29 financial years.

Additionally, several billing authorities (District and Borough Councils) have since submitted finalised data regarding Business Rates and Collection Fund surpluses/deficits. These updates replace the provisional estimates used in the original report.

The key adjustments resulting from these late announcements are summarised as follows:

#### **2026/27**

- Revenue Support Grant (RSG) has increased by £521k (from £18.601m at Provisional Settlement to £19.122m at Final Settlement).
- Retained Business Rates income has increased by £68k (from £10.238m to £10.306m now that provisional estimates from billing authorities have been updated with final figures).
- The Business Rates Collection Fund deficit has increased by £52k (resulting in the Net Surplus on Collection Funds reducing from £604k to £552k now that all billing authorities have provided final figures).

The combination of these funding changes results in the proposed 2026/27 net revenue budget increasing by £537k, from £102.203m to £102.740m. This additional funding has reduced the amount required to be drawn down from Earmarked Reserves in 2026/27 to balance the net revenue budget, from £2.061m to £1.524m.

## **2027/28**

- Revenue Support Grant (RSG) has increased by £263k (from £17.745m at Provisional Settlement to £18.008m at Final Settlement).

This funding change results in the projected savings to be identified to balance the 2027/28 budget reducing from £2.169m to £1.906m.

## **2028/29**

- No change to funding.

Although the funding projections for 2028/29 have not changed, the increase in Revenue Support Grant (RSG) in 2027/28 means there will be £263k less funding available in 2028/29 than in 2027/28 so the projected funding surplus in this financial year has reduced from £489k to £226k.

## **2029/30**

- No change to funding.

## **Outstanding Specific Grant Funding Notifications for 2026/27**

While the Core Settlement has now been confirmed, formal confirmation of the Authority's 2026/27 allocations for several specific grants remains outstanding. This includes funding in relation to; Fire Pensions, National Resilience and, Protection Uplift. The draft budget proposals assume funding will continue at 2025/26 levels.

## **RECOMMENDATION**

As a result of the above, one recommendation in the report needs to be updated, and as such the updated recommendation is detailed below for Members approval;

1. Approve the revenue budget proposals and the resulting net revenue budget requirement of £102.740m for 2026/27 (paragraphs 10 and 15 and **Appendix 2** refer).

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**BACKGROUND PAPERS:** None