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Date: 16 November 2026

Dear Member

PERSONNEL COMMITTEE - THURSDAY, 19 NOVEMBER 2026

Please find enclosed, for consideration at the Personnel Committee meeting on Thursday, 19 November 2026, the reports for Items 4 and 5. These were not available when the main agenda was published.

Agenda Item No:

4 **HMRC Mileage Rate for KCC Employees (Pages 1 - 4)**

5 **Workforce Update (Pages 5 - 18)**

Yours sincerely

Benjamin Watts
Deputy Chief Executive

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From:	Ben Watts, Deputy Chief Executive
To:	Personnel Committee
Date:	19 November 2026
Subject:	HMRC Mileage Rate for KCC Employees
Classification:	Unrestricted

Summary: This paper updates Personnel Committee on the revised HMRC-approved mileage rate and provides an opportunity for the Committee to discuss the decision to apply the new rate to employed KCC staff from 1 October 2026. It also sets out the financial and workforce context and introduces the officer working party to reduce business mileage and offset the additional cost.

1. Background

1.1 HM Revenue & Customs increased the approved mileage allowance payment for cars and vans from 45p to 55p per mile for the first 10,000 business miles in the 2026/27 tax year. The approved rate above 10,000 miles remains 25p per mile.

1.2 The HMRC rate is an approved tax-free ceiling rather than a mandatory employer reimbursement rate.

1.3 The matter was first considered by the Corporate Management Team in June 2026. At that point the Council was already operating in a challenging financial environment and the increased rate was not included in the allowances provided for in the 2026/27 KCC Budget. The Quarter 1 2026/27 monitoring forecast subsequently reported a £21.4m revenue overspend. This context has informed the careful consideration of an additional recurring employment cost.

1.4 Further work was requested on affordability, implementation and the practical ability of employees to recover Mileage Allowance Relief where an employer pays below the approved rate. Provision for the increased rate was not included when the budget was set in February 2026 because the rate increase was not known at that time.

1.5 KCC pays mileage where employees use their own vehicles for authorised journeys necessary to carry out Council duties. This is reimbursement of a business expense rather than additional pay: the allowance is intended to compensate for fuel and vehicle costs associated with business use, including wear and tear and servicing, with business-use insurance also reflected in the rate.

1.6 Ordinary travel between home and an employee’s permanent workplace is not reimbursed under the business mileage arrangements. Where an eligible business journey starts at home, KCC policy requires the normal commuting mileage to be deducted. Claims must be supported by sufficient journey details and approved by the manager; employees using their own vehicles must hold appropriate business-use

insurance. Before travelling, staff should consider whether the journey can be avoided and, if not, select the most cost-effective practical option, including public transport, car sharing and coordinated visits where suitable.

2. Decision, scope and impact

2.1 Following further consideration, investigation and discussion by the Corporate Management Team and in recognition of the impact on affected staff of the now continuing high cost of fuel, the improved financial position and mitigating steps to offset costs, the 55p rate will apply from 1 October 2026 for eligible business mileage undertaken by employed KCC staff.

2.2 CMT noted that increases in the cost of fuel were added to the immediate cost pressures facing employees who use their own vehicles for essential Council business and fell alongside servicing and other vehicle costs. Where an employer's mileage rate is below HMRC's approved rate, employees may claim Mileage Allowance Relief (MAR) from HMRC on the resulting shortfall but it was noted this does not give full recovery. This reinforced the importance of considering employee affordability as well as the Council's budget position.

2.3 Existing eligibility, authorisation and claims requirements will continue to apply. The change is limited to employed KCC staff. It does not automatically amend mileage arrangements for contractors, agency workers, volunteers, foster carers, service users, providers or other non-employed groups, whose arrangements are governed separately and will be reviewed as part of setting the 2027/28 budget.

2.4 Based on current mileage trends considered by CMT, the estimated additional full-year cost of moving from 45p to 55p is approximately £800,000. The indicative distribution is concentrated in Children, Young People and Education (£457,000, 57%) and Adult Social Care and Health (£253,000, 32%), with the balance across Growth, Environment and Transport (£59,000), the Chief Executive's Department (£21,000) and the Deputy Chief Executive's Department (£10,000).

2.5 A working group has been established by CMT to work through mitigations of the in-year cost of the increase and to fund any future element of the increase that fell outside pay negotiations. The work of the group will include improved management information, further challenge of avoidable journeys, further rollout of journey planning and sharing, public transport and active travel where practical, and service-specific action led by the directorates with the highest mileage.

2.6 The officer working party has been established to identify reductions in business mileage sufficient to offset, as far as practicable, the financial implications of the higher rate on the in-year financial position pending discussions as part of the budget setting for 2027/28.

2.7 The working party will ensure that reductions are not pursued in a way that compromises statutory duties, safeguarding, urgent operational response, employee safety or effective support to vulnerable residents. Progress and savings will be reported through established corporate financial and workforce governance.

3. Legal and governance implications

3.1 The revised HMRC rate is not itself a statutory requirement on KCC. The Council may determine the reimbursement rate for its employees subject to contractual, collective consultation, equality and employment law considerations with anything above the HMRC rate being taxable.

3.2 Personnel Committee is therefore invited to note the agreed implementation arrangements and comment on the accompanying approach to affordability, employee impact and mileage reduction.

3.3 Applying the 55p rate from 1 October 2026 restores alignment with the HMRC-approved rate for employed KCC staff and responds to significant employee concern. The majority of public sector bodies and all Councils in Kent have now adopted the rate which provides alignment in that regard as well.

3.4 However, the decision creates an additional financial pressure at a time when the Council is forecasting a material overspend. The officer working party will therefore seek practical and sustainable reductions in business mileage, with appropriate safeguards for statutory and frontline services.

3.5 Following the meeting of Personnel Committee, communication will be sent to staff setting out the detail of the change to arrangements.

Recommendations:

Personnel Committee is asked to:

- NOTE that the HMRC-approved rate of 55p per mile for the first 10,000 business miles will apply to employed KCC staff from 1 October 2026, with the rate above 10,000 miles remaining unchanged;
- NOTE that the change applies prospectively and to employed KCC staff only;
- NOTE the estimated financial implications
- NOTE the establishment of an officer working party to identify and deliver reductions in business mileage to offset those implications; and
- COMMENT on the proposed approach and the matters set out in this report.

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By: **Ben Watts; Deputy Chief Executive**

To: **Personnel Committee**

Date: **19 November 2026**

Subject: **Workforce Update**

Classification: **Unrestricted**

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1. Introduction

1.1 Members of the Personnel Committee have raised questions about the impact that uncertainty associated with LGR may have on KCC's ability to recruit and retain staff, and the actions being taken in response. This report provides an update on that activity.

1.2 The report seeks to pull together responses to the questions asked and provides detailed information to support the discussion, which Members will find included in the appendices.

1.3 It is recognised that given the current position on LGR means that the period of uncertainty continues at the time of this meeting.

2. Purpose, context and workforce resilience

2.1 Members of the Personnel Committee have raised questions about the impact that uncertainty associated with LGR may have on KCC's ability to recruit and retain staff, and the actions being taken in response. This report provides an update on that activity.

2.2 The impact also needs to be considered in the wider financial context facing both KCC and the local government sector. The Council continues to operate under significant financial pressure and is required to deliver savings and maintain tight control over its workforce and expenditure. The response to recruitment and retention pressures therefore cannot simply be to increase staffing levels or financial incentives. The Council has instead sought to maintain essential organisational capacity, retain critical skills and support service continuity while continuing to exercise appropriate restraint over recruitment and workforce costs.

2.3 Against this background, KCC has continued to recruit where vacancies need to be filled. Existing recruitment arrangements provide a range of options including apprenticeships, graduate recruitment, flexible deployment, temporary and fixed-term arrangements and, where justified, market premiums.

2.4 An important element of the Council's response has been to make best use of its existing workforce. Workforce planning guidance encourages managers to consider succession planning, flexible deployment, secondments, apprenticeships and development opportunities. Flexible deployment can enable employees to move more quickly between roles, helping the Council retain skills and experience while responding flexibly to changing and often challenging organisational requirements. This approach is particularly relevant in the current financial and operating environment because retention and redeployment of existing capability can, where appropriate, provide an alternative to external recruitment.

2.5 Targeted financial measures remain available, but their use is deliberately controlled. The Council's market premium arrangements enable additional payments in defined circumstances where posts have proved demonstrably difficult to recruit to or where the loss of existing employees would create skills shortages that would affect business operations. Approval requirements are built into the arrangements. Service-specific measures also continue in areas experiencing established labour-market pressures, including Adult Social Care and Children's Services.

2.6 The Council has also continued to focus on development and internal career opportunities as a means of retaining capability without relying solely on financial incentives. KCC's workforce approach includes learning and development, flexible deployment, secondments and apprenticeships. During 2026, employees have also been signposted to resources, which include guidance on CVs, applications and interview preparation, alongside coaching and other development opportunities to help support staff ahead of time with concerns they may have around possible implications of LGR.

2.7 Alongside these measures, considerable emphasis has been placed on communication and engagement. During a period in which definitive answers have not always been available, the Council has sought to provide colleagues with confirmed information rather than speculate about individual or organisational outcomes. Dedicated LGR information has been made available through KNet, supported by manager communications and engagement activity. Communications associated with the Service Complexity Assessments also made clear that these were fact-finding exercises rather than restructuring or performance exercises.

2.8 Employees have had opportunities to raise questions through State of the Sector sessions hosted by the Chief Executive, where staff also receive a briefing on the current position. Wider engagement across Kent and Medway has also taken place.

2.9 The annual data shows an improvement in retention across the non-schools workforce: rolling turnover reduced from 13.4% in March 2025 to 10.7% in March 2026. These figures should not be attributed solely to particular interventions, but they provide useful context when considering the concerns raised by Members. Section 3 and Appendix 2 provide further turnover information, including the available 2026/27 data.

2.10 LGR nevertheless creates a continuing workforce risk. As the programme develops, uncertainty about future organisational structures and individual roles (alongside opportunities in other areas) may affect both recruitment decisions and employees' willingness to remain with KCC, particularly in specialist and hard-to-fill areas. The Council will therefore continue monitoring turnover, vacancies and employee feedback to plan carefully and respond proportionately where evidence of particular recruitment or retention pressures emerges.

2.11 Overall, KCC's approach has been to balance three objectives: maintaining the workforce and skills necessary to deliver services safely; supporting and retaining employees through a period of significant organisational uncertainty; and ensuring that recruitment and retention activity remains proportionate to the very significant financial pressures facing the Council. This balance will become increasingly important following any final decision on progressing LGR where the Council moves closer to implementation.

3. Turnover

3.1 Members particularly asked to see data regarding turnover of staff and a range of information is provided in the appendices to this paper.

3.2 Rolling turnover decreased during 2025/26, falling to 10.7% in March 2026 from 13.4% in March 2025 although it is currently running a little higher.

3.3 The Chief Executive's Department recorded the lowest turnover rate at 8.7% with Children, Young People and Education (CYPE) continuing to have the highest turnover rate, at 12.4%. However, this has also reduced during the past year when compared with 16.1% in 2024/25.

3.4 Appendix 2 provides rolling turnover data for the non-schools workforce, including separate measures with and without CRSS staff and a historical series extending into 2026/27.

3.5 Resignation was the main reason for leaving, accounting for 60.7% of leavers. Retirement and redundancy were the next most common reasons, each accounting for 13.7%.

3.6 During 2025/26, 164 employees left KCC due to redundancy, compared with 154 in 2024/25. Appendix 3 provides a breakdown of leavers by leaving reason. The analysis relates solely to employees who left the authority.

3.7 During 2025/26, there were 178 apprenticeship training starts in the non-schools workforce.

4 Social care recruitment, retention and locality pressures

4.1 Recruitment and workforce pressures are evident across ASCH and vary by service, profession and locality. In response to the specific question asked by Members, the available data therefore does not demonstrate that recruitment challenges are unique to West Kent or concentrated solely in that locality.

4.2 We are working with ASCH to review Market Premium Payments following feedback. The review will benchmark current arrangements against the external market to ensure they remain appropriate and effective in supporting attraction and retention.

4.3 There is further work ongoing through the ASCH Workforce Strategy which focuses on retention and the 'grow your own' pipeline. This work is intended to strengthen workforce sustainability, improve career pathways and configure services to meet future demand.

4.4 Historically, CYPE has experienced social worker retention pressures in North Kent because of its proximity to London. East and South Kent have also faced challenges associated with their coastal location and the lack of neighbouring authorities from which to attract staff and students for placements. West Kent has typically been more stable.

4.5 Workforce development initiatives seek to address these pressures and reduce reliance on agency workers. KCC has a Memorandum of Understanding with South East local authorities to set agency worker pay rates. The change to statutory guidance requiring agency social workers to be four years post-qualified has led some to move into permanent posts.

4.6 CYPE's Strategic Workforce Plan prioritises recruitment and retention in hard-to-recruit roles, workforce development and appropriate pay and reward arrangements. Current activity includes:

a. Benchmarking market premiums and allowances against neighbouring authorities. The recent review concluded that the total reward package is competitive for frontline social workers.
b. Proactively monitoring social worker recruitment and retention through the County Resources group to identify emerging issues and initiatives.
c. A ‘grow our own’ approach to training social workers and supporting retention, including the apprenticeship degree programme funded through the levy and the government-funded Approach Social Work programme.

5 Recommendation

The Personnel Committee is asked to discuss and NOTE the update

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Appendix 1 – Contract Types

A1.1 Directorates: Staff by Contract Type (Grouped)

Directorates	Permanent Mar-25	Permanent Mar-26	Temporary Mar-25	Temporary Mar-26	Fixed-term Mar-25	Fixed-term Mar-26	CRSS Mar-25	CRSS Mar-26
ASCH	91.4%	**90.5%**	0.0%	**0.0%**	2.9%	**3.1%**	5.7%	**6.4%**
CED	88.0%	**95.9%**	0.2%	**0.0%**	10.9%	**3.7%**	0.9%	**0.4%**
CYPE	82.9%	**85.8%**	0.0%	**0.0%**	4.9%	**5.0%**	12.0%	**9.2%**
DCED	95.6%	**87.2%**	0.0%	**0.0%**	4.4%	**12.1%**	0.0%	**0.7%**
GET	83.6%	**82.9%**	0.0%	**0.0%**	4.3%	**4.3%**	12.1%	**12.8%**

Appendix 2 – Turnover

A2.1 Non-Schools Workforce: Turnover (12 Month Rolling Average)

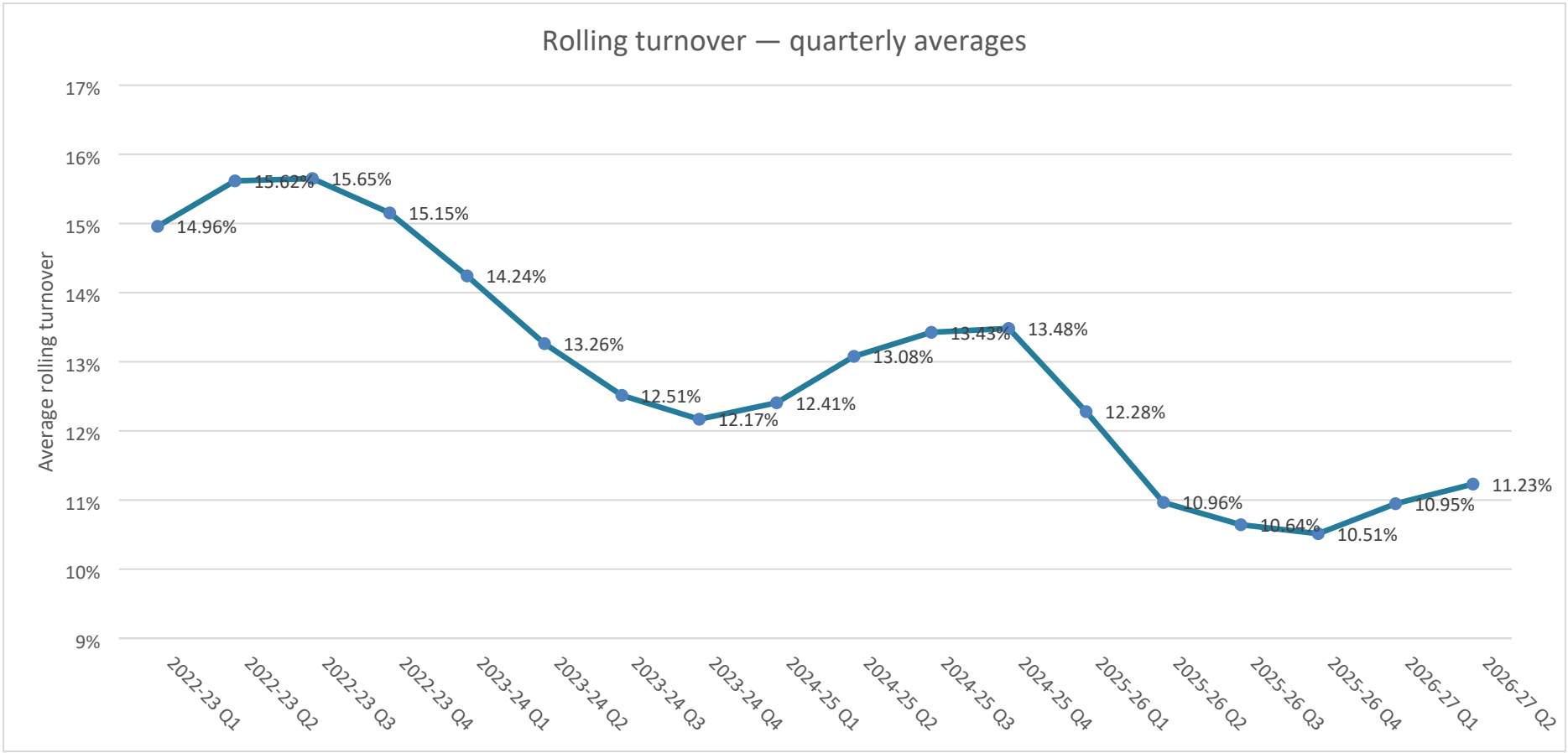
	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Including CRSS	13.9%	13.3%	12.8%	12.7%	12.4%	12.3%	12.3%	12.0%	11.8%	11.8%	11.8%	**12.0%**
Excluding CRSS	12.9%	12.3%	11.6%	11.2%	10.9%	10.9%	10.9%	10.6%	10.4%	10.5%	10.4%	**10.7%**
Excluding CRSS and excluding Compulsory*	12.0%	11.5%	11.0%	10.9%	10.6%	10.6%	10.6%	10.3%	10.1%	10.2%	10.1%	**10.3%**

** The following leaving reasons have been excluded: Compulsory Redundancy, Employee Transfer, School Closure resulting from Academy conversion, School Closure, and TUPE Transfer.*

A2.2 Historical Rolling Turnover

FY	Qtr	Month	Rolling Turnover
2022-23	Q1	Apr	14.62%
2022-23	Q1	May	15.14%
2022-23	Q1	Jun	15.12%
2022-23	Q2	Jul	15.41%
2022-23	Q2	Aug	15.66%
2022-23	Q2	Sep	15.78%
2022-23	Q3	Oct	15.73%
2022-23	Q3	Nov	15.63%
2022-23	Q3	Dec	15.60%
2022-23	Q4	Jan	15.21%
2022-23	Q4	Feb	15.19%
2022-23	Q4	Mar	15.06%
2023-24	Q1	Apr	14.52%
2023-24	Q1	May	14.02%
2023-24	Q1	Jun	14.19%
2023-24	Q2	Jul	13.74%
2023-24	Q2	Aug	13.17%
2023-24	Q2	Sep	12.88%
2023-24	Q3	Oct	12.57%
2023-24	Q3	Nov	12.48%
2023-24	Q3	Dec	12.49%
2023-24	Q4	Jan	12.50%
2023-24	Q4	Feb	12.16%
2023-24	Q4	Mar	11.85%
2024-25	Q1	Apr	12.09%
2024-25	Q1	May	12.49%
2024-25	Q1	Jun	12.65%
2024-25	Q2	Jul	12.96%

FY	Qtr	Month	Rolling Turnover
2024-25	Q2	Aug	13.15%
2024-25	Q2	Sep	13.12%
2024-25	Q3	Oct	13.24%
2024-25	Q3	Nov	13.44%
2024-25	Q3	Dec	13.60%
2024-25	Q4	Jan	13.60%
2024-25	Q4	Feb	13.45%
2024-25	Q4	Mar	13.40%
2025-26	Q1	Apr	12.93%
2025-26	Q1	May	12.29%
2025-26	Q1	Jun	11.61%
2025-26	Q2	Jul	11.15%
2025-26	Q2	Aug	10.88%
2025-26	Q2	Sep	10.86%
2025-26	Q3	Oct	10.89%
2025-26	Q3	Nov	10.65%
2025-26	Q3	Dec	10.39%
2025-26	Q4	Jan	10.45%
2025-26	Q4	Feb	10.41%
2025-26	Q4	Mar	10.67%
2026-27	Q1	Apr	10.67%
2026-27	Q1	May	10.98%
2026-27	Q1	Jun	11.19%
2026-27	Q2	Jul	11.37%
2026-27	Q2	Aug	11.27%
2026-27	Q2	Sep	11.05%


Rolling turnover — quarterly averages
Average rolling turnover
17%
16%
15%
14%
13%
12%
11%
10%
9%
14.96%
15.62%
15.65%
15.15%
14.24%
13.26%
12.51%
12.17%
12.41%
13.08%
13.43%
13.48%
12.28%
10.96%
10.64%
10.51%
10.95%
11.23%
2022-23 Q1
2022-23 Q2
2022-23 Q3
2022-23 Q4
2023-24 Q1
2023-24 Q2
2023-24 Q3
2023-24 Q4
2024-25 Q1
2024-25 Q2
2024-25 Q3
2024-25 Q4
2025-26 Q1
2025-26 Q2
2025-26 Q3
2025-26 Q4
2026-27 Q1
2026-27 Q2

A2.3 Directorates: Turnover (12 Month Rolling Average – Including CRSS Staff)

	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
ASCH	12.4%	11.7%	11.6%	10.6%	9.9%	10.1%	9.9%	9.8%	9.4%	9.5%	9.6%	9.9%
CED	7.8%	7.4%	7.8%	7.8%	7.9%	8.7%	8.4%	8.3%	8.0%	8.6%	8.6%	8.7%
CYPE	16.6%	16.2%	15.2%	15.8%	15.8%	15.4%	15.4%	14.9%	14.8%	14.7%	14.6%	15.1%
DCED	10.8%	10.5%	10.0%	9.2%	8.4%	9.0%	9.8%	9.6%	10.0%	10.5%	10.3%	11.2%
GET	13.2%	12.5%	12.2%	11.9%	11.4%	11.2%	11.1%	11.2%	10.9%	10.6%	10.7%	10.3%

A2.4 Directorates: Turnover (12 Month Rolling Average – Excluding CRSS Staff)

	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
ASCH	12.1%	11.4%	11.2%	10.2%	9.6%	9.7%	9.6%	9.4%	9.0%	9.1%	9.3%	9.5%
CED	7.8%	7.4%	7.8%	7.8%	8.0%	8.7%	8.4%	8.3%	8.0%	8.6%	8.7%	8.7%
CYPE	15.3%	14.7%	13.2%	12.8%	12.8%	12.5%	12.7%	12.2%	12.0%	12.0%	11.9%	12.4%
DCED	10.8%	10.5%	10.0%	9.2%	8.4%	9.0%	9.8%	9.6%	9.9%	10.5%	10.3%	11.2%
GET	11.9%	11.2%	11.0%	11.1%	10.7%	10.5%	10.5%	10.5%	10.2%	10.0%	9.9%	9.6%

Appendix 3 – Leavers Listed by Leaving Reason

The analysis of leaving reasons relates solely to employees who have left the authority.

A3.1 Detailed Leaving Reasons

Leaving Reason	Grouping	Total
Resignation - New Employment	Resignation	336
Resignation - Other	Resignation	264
Retirement - Normal	Retirement	151
Voluntary Redundancy	Redundancy	83
Compulsory Redundancy	Redundancy	81
End of Fixed Term Contract	Other	55
Resignation - Personal /Domestic Reasons	Resignation	53
Resignation - Career Development	Resignation	33
Mutual Termination	Other	23
Contract Terminated within Probation	Dismissal	19
Resignation - During formal process	Resignation	16
Unknown	Other	14
Resignation - Nature of Work	Resignation	12
Dismissal - SOSR	Dismissal	9
Deceased	Other	8
Dismissal - Capability - Performance	Dismissal	7
Voluntary Early Retirement	Retirement	7
Resignation - Conditions of employment	Resignation	6
Resignation - Pay	Resignation	5
PR/Casual - Not Claimed in the last 12 months	Other	4
Early Retirement - Ill Health (Tier 1)	Retirement	4
Resignation - Competition from other employers	Resignation	4
End of Temporary Contract	Other	2
Early Retirement - Ill Health (Tier 3)	Retirement	1
Termination of Supply/Sessional Staff	Dismissal	1
Dismissal - Conduct	Dismissal	1
Early Retirement - Efficiency of the Service	Retirement	1
Dismissal - Capability - Statutory Prohibition/Ban	Dismissal	1
	Total	**1,201**

A3.2 Leaving Reasons by Group

Grouping	Headcount	Proportion
Dismissal	38	3.2%
Redundancy	164	13.7%
Resignation	729	60.7%
Retirement	164	13.7%
Other	106	8.8%
Total	**1,201**	**100.0%**

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