SCRUTINY COMMITTEE

Monday, 3rd August, 2026

10.30 am

Council Chamber, Sessions House, County Hall, Maidstone

Kent County Council
kent.gov.uk

AGENDA

SCRUTINY COMMITTEE

Monday, 3rd August, 2026, at 10.30 am	Ask for:	**Anna Taylor**
Council Chamber, Sessions House, County Hall, Maidstone	Telephone:	**03000 416478**

Membership

Reform UK (7)	Mr J Defriend, Mr J Eustace, Mr T Mallon, Mr T Mole, Mr T L Shonk, Dr G Sturley and Mr D Truder
Liberal Democrat (2):	Mr R G Streatfeild, MBE (Chair) and Mr A J Hook
Restore Britain (1)	Mr P Thomas
Conservative (1):	Mrs S Hudson
Green (1):	Mr M A J Hood
Labour (1):	Mr A Brady (Vice-Chair)
Church Representatives (3):	Mr J Constanti, Mr M Reidy and Mr Q Roper
Parent Governor (2):	Ms R Ainslie-Malik and Ms H Carter

County Councillors who are not Members of the Committee but who wish to ask questions at the meeting are asked to notify the Chairman of their questions in advance.

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UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

A - Committee Business

A1 Apologies and Substitutes

A2 Declarations of Interests by Members in items on the Agenda for this Meeting

A3 Minutes of the meeting held on 11 June 2026 (Pages 1 - 6)

B - Any items called-in

C - Any items placed on the agenda by any Member of the Council for discussion

C1 Revenue and Capital Budget Monitoring Report – Outturn 2025-26 (Pages 7 - 84)

C2 SFI Executive Response (Pages 85 - 118)

C3 Leader's Report - one year on (Pages 119 - 126)

D - To Note

D1 Work Programme (Pages 127 - 130)

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Benjamin Watts
Deputy Chief Executive
03000 416814

Friday, 24 July 2026

KENT COUNTY COUNCIL

SCRUTINY COMMITTEE

MINUTES of a meeting of the Scrutiny Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 11 June 2026.

PRESENT: Mr R G Streatfeild, MBE (Chair), Mr J Defriend, Ms S Emberson (Substitute for Mr T L Shonk), Mr J Finch (Substitute for Mr J Eustace), Mr M A J Hood, Mrs S Hudson, Mr T Mole, Miss D Morton (Substitute for Mr W Chapman), Mr T Prater (Substitute for Mr A J Hook), Dr G Sturley, Mr P Thomas and Mr D Truder

ALSO PRESENT: Mr S Dixon, Mr P Osborne and Mr R Yates

IN ATTENDANCE: Miss M Bundy (Democratic Services Officer), Mr S Bushell (Head of Public Transport), Mr S Jones (Corporate Director of Growth, Environment and Transport), Mr S Pay (Public Transport Planning and Operations Manager) and Mrs A Taylor (Assistant Democratic Services Manager (Scrutiny))

UNRESTRICTED ITEMS

Chair's Introduction

The Chair set out the reasons for the Scrutiny meeting, which had been convened at shorter notice than 5 clear working days. These were to ensure that, whatever the outcome of the Committee's discussion, the Kent Travel Saver scheme could progress to allow passes to be issued to pupils in time for the new school year in September.

52. Apologies and Substitutes
(Item A1)

Apologies were received from Mr Chapman, for whom Miss Morton was substituting, Mr Eustace, for whom Mr Finch was substituting, Mr Shonk, for whom Mrs Emberson was substituting, Mr Hook, for whom Mr Prater was substituting and Mr Brady.

53. Declarations of Interests by Members in items on the Agenda for this Meeting
(Item A2)

Mr Defriend declared that his children benefitted from the Kent Travel Saver (KTS) Scheme.

Mr Prater declared that a member of his household was a recipient of the Kent Travel Pass.

54. Call-in of Decision 26/00020- Kent Travel Saver - Price Increase
(Item B1)

1. The Chair set out the format of the meeting and invited Rob Yates, one of the call-in Members to provide reasons for the call-in. Mr Yates raised concerns about the

fairness of the proposed bus fare increases, particularly the higher percentage increase for low- income families compared to full fee payers. He questioned the lack of clear justification for a flat rate approach and highlighted that a proportionate model could achieve the same revenue more equitably. Mr Yates emphasised the importance of fairness and encouraged the Committee to vote that the decision be reconsidered by the Cabinet Member.

2. Mark Hood, another call-in Member, highlighted that the proposed flat increase would place a disproportionate burden on lower- income families and questioned why a tiered approach had not been pursued.

3. Another call-in Member, Tim Prater, drew attention to the disproportionate impact of the proposals on those eligible for free school meals. He also questioned the overall level of the increase, pointing out that the additional costs to parents appeared to exceed the identified rise in scheme costs and that the papers did not clearly justify this difference.

4. Paul Thomas, another call-in Member, questioned whether the Cabinet Member's decision had been based on sufficient information and explanation, raising concerns about gaps in the supporting evidence. These included the absence of clearly referenced budget considerations, impact assessments across income groups, and projected pupil numbers in the Medium-Term Financial Plan (MTFP). He also raised concerns about the lack of detailed justification for additional costs and the limited consideration of meaningful alternative options, particularly proportionate models. It was added that, while concerns remained, it was positive that the scheme would continue to provide a level of service.

5. Peter Osborne, Cabinet Member for Highways and Transport, confirmed that he had been satisfied with the information presented when making the decision. He stated that the scheme remained comparatively inexpensive and that the increase equated to approximately 18p per school day.

6. The Chair invited questions and comments from Members, and the subsequent discussion covered the following:

    a) Shane Bushell, Head of Public Transport, explained that the Council had no statutory duty to provide concessionary travel, but that the Travel Saver scheme supported parental choice by offering subsidised travel. He stated that, despite recent increases, the scheme continued to provide significant financial benefit compared to commercial fares, particularly for low- income families and those in care, who received greater levels of subsidy or full support.

    b) Mr Bushell detailed that increases reflected rising costs, demographic pressures and a growing number of low- income and free- pass users, alongside a decline in full- fare payers. He also provided an overview on how in recent years, full- fare payers had experienced substantially higher increases than low- income families, and that the current proposals sought to address this imbalance.

c) Mr Osborne reiterated that he was content with the information provided when he made his decision and highlighted that a further officer explanation had also been given during the meeting.

d) The clerk clarified the relevant constitutional procedures, including the Chair's authority and the application of the call- in procedures.

e) Mr Osborne indicated that it was inequitable for a larger number of families to subsidise a smaller group. Spencer Dixon, Deputy Cabinet Member for Highways and Transport, added that applying similar increases across categories would maintain the gap and that the approach had been calculated to be fair and sustainable.

f) Steve Pay, Public Transport Planning and Operations Manager, advised that cost projections for the KTS scheme were based on a snapshot in time, with usage and passholder numbers subject to change. He explained that the apparent surplus was theoretical, as updated projections indicated increased operating costs, and pricing decisions were based on best estimates to maintain alignment between income and scheme costs.

g) Mr Bushell advised that, while detailed breakdowns were not included, the introductory section of the Cabinet Committee report did outline that increases were driven by inflationary pressures and a rise in the number of users within low- income and free pass categories.

h) Mr Bushell clarified that the level of detail requested had not been included in previous Cabinet Committee reports on this subject and therefore the reports provided were consistent with prior reporting practice.

i) Mr Bushell explained that current data had only recently been received and still required analysis and reconciliation. He highlighted that insufficient time had been available to validate the information and it would not be appropriate to present unconfirmed figures to the Committee.

j) Mr Osborne confirmed that the option of a percentage-based increase had been considered but would have maintained the existing gap between charges. Mr Bushell added that multiple options had been explored and presented to Cabinet Members before a final decision was taken.

k) Mr Pay advised that the KTS scheme would need to continue in the short term, but without the price increase there would be a financial shortfall. He explained that this pressure would need to be met from elsewhere within the Council's budgets, potentially impacting other services.

l) Mr Bushell explained that projections for the KTS scheme were reviewed and updated as part of the Medium-Term Financial Plan (MTFP) review process. This work was currently ongoing and would inform future cost projections and the sustainability of the scheme.

m) It was advised that the scheme's sustainability was reviewed annually as part of the Council's budget-setting process and that decisions on pricing were ultimately a matter of political decision- making, with the level of detail provided in reports subject to ongoing consideration.

n) It was explained that, while a proportional increase could achieve the same overall income, it would widen the gap between full- fee and low- income charges, resulting in a greater subsidy from full- fee payers. Mr Dixon added that fairness needed to be considered across the scheme as a whole, rather than just from a single perspective.

o) Mr Pay clarified that the scheme, under its various names, had been in place for approximately 20 years and was subject to annual review, typically resulting in proposed price increases. It was also confirmed that a related decision had previously been called in to Scrutiny.

7. Following the questions, the Chair welcomed comments and views from the Committee about the call-in. These included:

   a) A Member argued that the report lacked sufficient information to enable proper scrutiny and suggested that Cabinet Members had access to more comprehensive information than presented. They highlighted an alternative proposal to apply a percentage increase rather than a fixed charge and stressed the importance of the scrutiny process. They concluded by emphasising the need to justify the proposed increase to residents, raising potential concerns about fairness.

   b) It was acknowledged that there may be a reducing disparity between charges for low-income and full-fee payers, but this rationale was not clearly set out in the report.

   c) A Member questioned why the level of detail was being challenged, stating that the approach appeared consistent with previous years, and highlighted that the scheme had been in place since 2017 with incremental increases.

   d) Guidance on the call-in process was provided by the Chair including the distinct role of the Scrutiny Committee in independently assessing the merits of call- ins.

   e) A Member reiterated opposition to the fixed £35 increase, highlighting that alternative options and funding sources could have been explored, and argued that greater transparency on these options would have avoided the call-in while raising concerns about the potential disproportionate impact on less affluent families.

   f) A Member highlighted the importance of efficient decision- making and urged the Committee to proceed to a decision in order to provide clarity to residents ahead of application deadlines.

   g) A Member stated that the call-in was justified due to insufficient evidence that the decision was sustainable and deliverable, raising concerns about the lack of clarity on how the chosen option was reached and whether alternative options had been adequately considered. They also emphasised that clearer information at the Cabinet Committee stage could have avoided the need for scrutiny.

8. The Chair called on the call-in Members and the Cabinet Member to present their final comments in response to the debate. These included the following:

    a) Mr Yates highlighted the relevance of the call-in in the context of the cost-of-living crisis, emphasising the impact on low- income families and advocating for a lower percentage increase as a fairer option.

    b) Mr Hood urged the Committee to support recommending that the Cabinet Member reconsider the decision, arguing that a percentage increase would be fairer than a flat £35 increase and expressing concern about the impact on residents during the cost-of-living crisis.

    c) Mr Prater expressed his disagreement with the Cabinet Member's decision and stated that the report and decision were deficient due to the failure to clearly set out and assess alternative options. Therefore, he urged the Committee to recommend that the Cabinet Member reconsider the decision on the basis of all the available options.

    d) Mr Thomas stated that the call- in sought greater clarity and evidence on the financial assumptions underpinning the decision, expressing concern that insufficient information had been provided to assess its sustainability and therefore he supported the recommendation for reconsideration to obtain a more robust evidence base.

    e) Mr Osborne concluded by stating that he believed the decision was fair and appropriate and offered the best approach for all clients.

9. The Chair summarised the debate and outlined that, while additional information provided at the meeting would help to reassure Members and residents, its absence from the original report justified the call-in. He highlighted the difficulty in setting scheme prices due to the reliance on previous year information, referencing the £96,000 discrepancy. He stated that efforts should be made to close the gap between available information and decision-making, and that this information should be shared with Members outside of Committee. The Chair acknowledged the value of previous informal Member engagement and concluded that, while concerns should be taken into account to improve transparency, the matter did not meet the threshold for escalation to Full Council.

10. Following the concluding remarks, the Chair welcomed proposals from the Committee:

    a) The Committee was informed that if option (c) or (d) in the report were agreed, this would require further consideration by Cabinet, with subsequent steps depending on the response from Cabinet.

    b) Mr Hood proposed and Mr Prater seconded option (c) in the report to 'require implementation of the decision to be postponed pending reconsideration of the matter by the decision-maker in light of the Committee's comments'.

c) Members voted on the motion. The motion failed.

d) Mr Thomas proposed and Mr Prater seconded option (b) in the report to ‘express comments but not require reconsideration of the decision’. The Committee’s comments were reflected in the Chair’s summary of the debate.

e) Members voted on the motion. The motion failed.

f) Ms Emberson proposed and Dr Sturley seconded option (a) in the report to ‘make no comments’.

g) Members voted on the motion. The motion passed by majority vote.

RESOLVED that the Scrutiny Committee make no comments.

By: Anna Taylor, Assistant Democratic Services Manager (Scrutiny)

To: Scrutiny Committee, 3 August 2026

Subject: Revenue and Capital Budget Monitoring Report - Outturn 2025-2026

Summary: As requested by the Chair and Spokespeople, the Committee is asked to consider the Revenue and Capital Budget Monitoring Report – Outturn 2025-2026 and note or make any recommendations to the relevant Cabinet Member.

1. Introduction

a) The attached report was presented to Cabinet on 25 June 2026 and sets out the revenue and capital budget outturn position 2025-26, the delivery of savings in 2025-26 and the reserves and prudential indicators position as at 31 March 2026. Cabinet was asked to agree a number of actions as set out in the recommendations within the report.

b) The report sets out a revenue overspend of £22.7m (excluding schools) and a £33.0m overspend in the Schools' Delegated Budgets. The most significant pressure remains within Adult Social Care and Health, which reported a £42.9m overspend, driven by a combination of unmet savings targets and increasing demand, complexity and inflationary costs within care placements.

c) The report also highlights the continuing financial risks associated with the Dedicated Schools Grant (DSG) deficit. Despite progress, the DSG deficit remains a major financial risk due to uncertainty over future funding arrangements and reliance on successful delivery of the SEN reform plan.

d) The report also notes that Council-wide spending controls implemented during the year contributed to an improvement in the overall revenue position compared with previous forecasts.

e) The report provides details of the actions implemented to mitigate the revenue overspend, and Cabinet was asked to agree the revenue and capital budget adjustments set out in the report.

f) Scrutiny has a key role to play when considering the Executive's draft budget proposals in January but financial scrutiny is a continuing duty throughout the year. Through review of budget monitoring reports, the Committee can examine spending decisions, challenge assumptions underpinning financial forecasts and savings plans, and review how effectively resources are being directed to meet the Council's strategic priorities.

g) The Scrutiny Committee plays a vital role in ensuring transparency, accountability and continuous improvement in KCC's decision-making and service delivery. The Committee can add value by reviewing how resources are prioritised and allocated, reviewing the integration between financial and service planning and testing out whether the council is directing its resources effectively. The Committee, through scrutiny in a public forum, provides a challenge to the Executive's management of the Council's finances, building trust in the Council's financial governance.

h) The Scrutiny Committee considers the same report as presented to the Cabinet to reduce additional workload, this is in addition to the consideration of the draft budget proposals in January.

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2. Recommendation

The Scrutiny Committee is asked to discuss the Revenue and Capital Budget Monitoring Report – Outturn 2025-2026 and note or make any recommendations to the relevant Cabinet Member.

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3. Attached documents

a) Cabinet Revenue and Capital Budget Monitoring Report

b) Cabinet Record of Decision

4. Background documents

a) Agenda for Cabinet on Thursday, 25th June, 2026

Contact Details

Anna Taylor
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From:	Deputy Leader, Brian Collins Corporate Director Finance, Brendan Arnold
To:	Cabinet, 25 June 2026
Subject:	Revenue and Capital Budget Monitoring Report – Outturn 2025-26
Classification:	Unrestricted

Summary:

The attached report sets out the revenue and capital budget monitoring outturn position in 2025-26, savings delivery in 2025-26 and the reserves and prudential indicators position as at 31 March 2026.

Recommendation(s):

Cabinet is asked to:

a) NOTE the capital and revenue outturn position for 2025-26

b) AGREE that £0.8 million is rolled forward to fund existing criteria (see Roll forward requests)

c AGREE that £0.3 million is rolled forward to fund member grants (see Roll forward requests)

d) AGREE the drawing down from General Fund Reserves to fund the 2025-26 overspend

e) AGREE the capital slippage/re-phasing from 2025-26 will be added to the 2026-27 and later years capital budgets (as per Section 4)

f) NOTE the review of the capital programme (as per Section 4)

g) AGREE the proposed capital cash limit changes (as per Section 4)

h) AGREE the changes made as a result of the Reserves Review (see Reserves)

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About this report

Finance report updates on the monitoring of the in-year revenue and capital budget position to Cabinet on a quarterly basis. This report presents the outturn position for the financial year 2025-26.

From a revenue perspective, there are detailed sections covering the revenue outturn position and variance against the net budget for each Directorate and a summary of the delivery of savings and additional income against targets set in the Medium Term Financial Plan (MTFP). Delivery of savings is a crucial component of the Council's outturn position. The Strategic Reset Programme (SRP) has monitored key savings, working alongside the Directorates, Finance Business Partners and performance and analytics. Also included within the revenue section is the outturn position for Schools' Delegated Budgets.

Similar information is provided for the capital outturn position. Variances are shown either as a real or rephasing variance. A real variance affects the total cost of a capital project and a rephasing is because of a change in timescale for the delivery of a project, often due to slippage in the capital programme where spending is delayed until future years and reprofiled accordingly.

The report also contains more detailed information on the reserves position at 31 March 2026 and monitoring of prudential indicators.

There are a series of recommendations for the Cabinet committee to consider and approve covering reserves, rolling forward committed spend into the 2026-27 budget, and agreeing the rephasing of the capital programme.

The revenue position

The 2025-26 budget included significant growth. Council Tax and other general funding in the approved budget went into adult social care, children's social care and home to school transport. Adults received their share of targeted grants and Council Tax plus a share of general Council Tax grants. Home to school transport and all other services are funded from general Council Tax and grants with no targeted funding.

The total budget for 2025-26 was £1,531.9m. The outturn variance against this budget is an overspend of £21.6m before roll forwards, which represents 1.4% of the overall net revenue budget.

When the council overspends, it must fund that overspend from reserves.

Any overspend is a concern for the authority and presents a serious risk to the Council's future financial sustainability, as drawdowns from reserves weaken the Council's financial resilience and increase the requirement to replenish reserves in future years.

Each of the quarterly reports in 2025-26 indicated that the council would overspend. Throughout the organisation, spending controls have been in place to reduce the need to drawdown from reserves as much as possible. For example, levels of approval have been required for any recruitment activity, requisitions have been reviewed for appropriateness and compliance with spending control requirements and managers wanting to hire agency staff for more than three months, or to extend a current worker's assignment beyond three months have needed to submit a business case for review.

The work throughout the organisation on spending controls during the year has contributed to mitigating the level of the overspend, and the outturn position shows an improvement of just under £14m compared to the Quarter 3 report.

The most significant overspend is in Adult Social Care & Health (ASCH), totalling £42.9m. The financial challenges facing social care are similar to many upper-tier local authorities.

Approaching 50% of the ASCH overspend relates to non-delivery of savings, however much of this has been identified as achievable in future years. The remainder is largely driven by increases in costs (both complexity and inflationary) to deliver social care placements from providers. This continues to be the case despite the increase in the number of clients remaining relatively modest.

There is a small overspend in Children, Young People & Education (CYPE), where higher costs of packages for looked after children, specifically residential has caused an overspend of £10.7m, compensated by an underspend of £9m on Home to School Transport.

The rest of the Council's directorates (Growth Environment & Transport (GET), the Chief Executive's Department (CED), the Deputy Chief Executive's Department (DCED) and Non Attributable Costs (NAC) have delivered underspends, helping to reduce the overall Council's position.

A table by directorate is shown at the beginning of Section 1.

Each directorate is broken down into Divisions and Key Services. Each directorate has its own set of section within the report presenting the outturn position by Division and providing explanation of the significant variances. A Key Service statement is available in Appendix 1. Information on what each Key Service is responsible for can be found in the Budget Book.

Savings and additional income

The 2025-26 budget included the requirement to deliver savings and additional income of £99.0m, this is comprised of £96.0m in the MTFP reduced by increases in grant of £35.0m and removal of one-off savings of £38m. A further £22.5m of undelivered savings from the previous year are included in the 2025-26 Savings Target, increasing the total requirement to £121.5m.

In total, £98.6m of savings and additional income was achieved in 2025-26, including £3.3m of alternative savings identified and delivered compared to the original planned saving. £13.3m of the undelivered savings are expected to be achieved in future years and have been rolled into the 2026-27 budget.

Roll forward requests

Roll forward requests carry unspent budget allocations from one financial year to the next, typically because funds are still needed for committed or planned activities. The requests received from Directorates at the end of 2025-26 meet our predefined criteria and are in line with previous years. These roll forwards will ensure that funding for ongoing projects or contractual obligations continues.

The total of all of the roll forward requests is £1.1m and are recommended to be approved by Cabinet. Details of the roll forwards in Section 1g of the report.

Within the £1.1m is the roll forward of unspent Member Grants of £0.3m.

The £1.1m is included in the total overspend figure of £22.7m, which represents 1.5% of the overall net revenue budget.

Reserves and funding the revenue overspend

The 'Revenue by directorate' summary table sets out the position at the end of 2025-26 and how the overspend is funded from General Fund reserves, which needs to be approved by Cabinet.

During 2025-26, a reserves review transferred £1.2m surplus balance from Smoothing reserves to the General Fund. As at 31 March 2026, after funding the overspend, the General Fund reserve balance is £66.0m and the earmarked reserves balance is £210.2m.

Section 3 provides a table of reserves including narrative outlining movements during the year.

Schools' Delegated Budgets

Schools' Delegated Budgets' position is an overspend of £33.0m. This reflects the impact of high demand for additional special educational needs (SEN) support and greater demand for specialist provision. In 2022-23, the

Council entered into the Department for Education's (DfE) Safety Valve Programme for those Councils with the highest deficits to support the development of a sustainable plan for recovery. This includes annual funding from the DfE totalling £140m by 2027-28 to pay off part of the deficit, but only if the Council can demonstrate and deliver a credible plan. Over the same period, the Council is also expected to contribute towards the residual deficit estimated to total over £80m.

In 2025–26, the Council received £14.2m from the DfE (the fourth tranche of Safety Valve funding) and contributed £14.6m, helping to mitigate the accumulated DSG deficit.

Due to an accounting statutory override (until March 2028), DSG deficits are held in a separate unusable reserve. Councils are not expected to cover deficits in 2028–29 if they implement credible recovery plans to the DfE.

The DfE has introduced a High Needs Stability Grant, committing to write off 90% of the deficit (approx. £162.5m), subject to an approved SEN reform plan, with funding expected in Autumn 2026.

The previous Safety Valve Programme has therefore ended as at March 2026. Total DfE support (£99.4m) and council contributions (£61.1m) will together address the historic deficit, with the Council funding the remaining 10% (£29.1m) and holding any surplus in reserve for future DSG risks.

Despite progress, the DSG deficit remains a major financial risk due to uncertainty over future funding arrangements and reliance on successful delivery of the SEN reform plan. Councils must continue local cost-control actions and reporting to the DfE.

The capital position

The total approved General Fund capital programme including roll forwards for 2025-26 was £378.8m.

The capital programme spend for the year is £260.8m, which represents 69% of the approved budget. In addition to this, schools spend totalled £12.4m and spend on Private Finance Initiatives (PFI) which are on the council's balance sheet totalled £2.9m.

The £105.8m underspend against the budget is split between a +£29.7m real variance and -£135.5m rephasing variance.

The 'Capital by directorate' table sets out the position at the end of 2025-26. The major in-year variances (real variances of over £0.1m and rephasing variances of over £1.0m) are also described by directorate within this section.

Summary

The 2025-26 outturn highlights another challenging financial year, with a revenue overspend of £22.7m (excluding schools) and a £33.0m overspend in Schools' Delegated Budgets. While Growth, Environment & Transport, the Chief Executive's Department, the Deputy Chief Executive's Department and Non Attributable Costs delivered underspends, Adult Social Care & Health has again faced substantial pressures due to rising demand, complexity and unachieved savings, and Children, Young People & Education has a small overspend.

The capital programme saw a large underspend of £105.8m, mainly due to project rephasing.

General Reserves will be below 5% of the 2025-6 net revenue budget as at 31 March 2026 after funding the in-year revenue overspend. However, once budgeted contributions are made as per the Medium Term Financial Plan (MTFP), and assuming no drawdowns are required to fund overspending in future years, the percentage is forecasted to be above 6% in 2026-27, increasing further in 2027-28 and 2028-29. This aligns with our aim that the Council holds General Reserves of at least 5% of our net revenue budget.

Therefore, despite the ongoing pressures the Council faces, the level of reserves is being maintained at a level where there is sufficient financial resilience.

The continuing growth of the Dedicated Schools deficit, now at £130.5m, remains the Council’s most significant financial risk.

Section 1 | Revenue by directorate

The table below shows the outturn position before and after the impact of roll forwards, split by directorate. The final row shows the use of the General Fund reserve to fund the £22.7m overspend.

Each of the directorates has a colour theme which is used consistently in Finance reporting in the monitoring report and budget book.

All figures in £m

Directorate	Budget	Outturn	Variance	Variance % before roll forwards	Roll forwards	Revised variance after roll forwards
Adult Social Care & Health	701.6	744.5	**+42.9**	+6.1%	0.0	+42.9
Children, Young People & Education	374.3	375.2	**+0.9**	+0.2%	0.2	+1.1
Growth, Environment & Transport	204.9	202.3	**-2.6**	-1.3%	0.6	-2.0
Chief Executive's Department	59.2	56.1	**-3.1**	-5.3%	0.0	-3.1
Deputy Chief Executive's Department	56.5	54.5	**-2.0**	-3.6%	0.3	-1.7
Non Attributable Costs	133.7	120.9	**-12.8**	-9.6%	0.0	-12.8
Corporately Held Budgets	1.6	0.0	**-1.6**	-100%	0.0	-1.6
Total revenue position	**1531.9**	**1553.4**	**+21.6**	**+1.4%**	**1.1**	**+22.7**
Drawdown from the General Fund Reserve						**-22.7**
Schools' Delegated Budgets	0.0	33.0	+33.0			

1a | Adult Social Care & Health including Public Health

The table below shows the Adult Social Care & Health position by each of the five divisions.

All figures in £m

Division	Budget	Outturn	Variance
Adult Social Care (short-term support)	46.2	47.3	+1.1
Adult Social Care (long-term support)	620.2	666.9	+46.7
Strategic Management and Directorate Budgets (ASCH)	9.2	4.6	-4.6
Strategic Commissioning Integrated and Adults	25.9	25.6	-0.3
Public Health	0.0	0.0	0.0
Total before roll forwards	**701.6**	**744.5**	**+42.9**
Roll forwards			0.0
Total including roll forwards			**+42.9**

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The 25-26 outturn variance for the Adult Social Care & Health directorate is a net overspend of +£42.9m after roll forwards.

+£20.7m relates to net savings not achieved during the year, leaving £22.2m of other service related pressures. -£40.3m of savings and income changes have been delivered during the year and also includes -£2m flexible use of capital receipts.

The most significant variances are in the following Key Services:

- **Older People – Residential Care Services: +25.4m**
  +£6.9m pressure on this service line relates to in-year savings targets not being fully achieved, and +£19.8m due to higher than budgeted demand, partly offset by lower than anticipated cost pressures. This includes +£1.3m from provider closures increasing placement costs, offset by -£1.0m from lower than budgeted bad debt provisions and -£0.4m from prior-year costs coming in below accruals.

- **Older People – Community Based Services: +17.5m**
  Net pressure of +£1.4m reflects unmet in-year savings, alongside +£15.5m demand-led pressures in Community Based services, mainly from higher than budgeted Older Persons Homecare activity and costs. A further +£0.5m arises from prior-year costs exceeding accruals and +£0.1m higher bad debt provisions.

- **Adult Learning and Physical Disability Pathway - Community Based Services: -6.7m**
  Underspends in younger adult Community Services (transferred into ASCH in 2025-26) continue trends seen in 2024-25, the 2025-26 variance is driven by activity and cost forecasts reducing late in 2024-25 after 2025-26 budgets were set.

- **Adult Learning Disability – Community Based Services & Support for Carers: +6.2m**
  +£7.7m pressure on this service line relates to non-delivery of in-year savings targets and +£0.1m from contributions to the provision for bad and doubtful debts being higher than budgeted for. Above pressures are partly offset by -£0.6m from outstanding costs from the previous financial year being lower than accrued for, alongside -£1.0m in underspends across Learning Disability Community based services.

- **Innovation and Partnership: -2.9m**
  Underspend mainly due to -£2.0m in capital funding contributions.

- **Adult Physical Disability – Residential Care Services: +2.7m**
  Pressures due to combination of both activity and cost pressures above budgeted levels.

- **Adult Mental Health - Community Based Services: -2.2m**

Underspends across community services, predominantly on Direct Payments.

- **Adult Mental Health – Residential Care Services: +2.1m**
  Pressures due to activity pressures above budgeted levels.

A breakdown by Key Service is available in Appendix 1.

1b | Children, Young People & Education

The table below shows the Children, Young People & Education position by each of the four divisions.

All figures in £m

Division	Budget	Outturn	Variance
Education and Special Needs	104.7	95.6	-9.1
Strategic Management and Directorate Budgets (CYPE)	5.0	4.3	-0.7
Children's Countywide Services	106.3	111.8	+5.5
Operational Integrated Children's Services	158.3	163.5	+5.2
Total before roll forwards	**374.3**	**375.2**	**+0.9**
Roll forwards			0.2
Total including roll forwards			**+1.1**

The 25-26 outturn variance for the Children, Young People & Education directorate is a net overspend of +£1.1m after roll forwards.

This is formed from several significant variances. Children's Countywide Services and Operational Integrated Children's Services has a net overspend of +£10.7m, mainly related the higher costs of packages for looked after children resulting from the high cost of placements, specifically residential. Education & Special Educational Needs has a net underspend of -£9m mainly on Home to School Transport.

The most significant variances are in the following Key Services:

- **Looked After Children - Care and Support (Placements): +13.7m**
  This overspend is driven by faster-than-expected reductions in in-house foster placements and greater reliance on external provision, including IFAs and residential care. Health contributions have fallen by £1.4m, while residential care costs rose 23% (Mar 2025–Mar 2026). Legal services also overspent by £0.6m due to sustained higher costs.

- **Home to School and College Transport: -10.4m**
  The underspend reflects that savings achieved against last year's budget are ongoing and the contingency budget for higher price increases has not been required (£5m). A recent re-procurement of some SEN contracts has also resulted in higher savings that originally budgeted in the MTFP (estimated at £2.5m) with a further £0.3m underspend on PTBs. The cost of mainstream transport has also reduced year on year rather than increased as originally budgeted accounting for a further £2m underspend (with fewer travelling & lower average cost).

- **Looked After Children (with Disability) - Care and Support (Placements): +4.7m**
  This is due to the high cost of packages within the service, particularly within residential care (for example £2.4m of this spend relates to one child with specific needs). The contributions from health & education have reduced £0.8m compared to 24-25. The number of disabled LAC has remained steady during the year.

- **Early Help and Preventative Services: -3.9m**
  Use of Children & Families Prevention Grant to fund early help services in line with grant conditions.

- **Children's SW Services - Assessment and Safeguarding Service (Operational Teams): -2.8m**
  Underspends across various social work teams with vacancies being held where possible until after the end of the financial year. Use of one-off grant income (-£1.4m)

- **Children in Need Dis - Care and Support (payments and commissioned services): +1.7**
  This overspend relates to the increased cost and usage of daycare/homecare services, which has been partly offset by an underspend in direct payments

- **Family Hubs: -1.3m**
  Most of this underspend is due to use of additional grant income to fund eligible existing services in line with grant conditions along with holding of vacancies where possible until the end of the financial year.

A breakdown by Key Service is available in Appendix 1.

1c | Growth, Environment & Transport

The table below shows the Growth, Environment & Transport position by each of the four divisions.

Division	Budget	Outturn	Variance
Environment & Circular Economy	92.2	91.6	-0.5
Growth & Communities	32.3	28.1	-4.2
Highways & Transportation	78.9	81.1	+2.2
Strategic Management & Directorate Budgets	1.4	1.4	-0.1
Total before roll forwards	**204.9**	**202.3**	**-2.6**
Roll forwards			0.6
Total including roll forwards			**-2.0**

The 25-26 outturn variance for the Growth, Environment & Transport directorate is a net underspend of -£2.0m, after roll forwards of +£0.6m. This is an improvement of £2.3m since the last full monitoring report, predominantly due to the implementation and continued impact of the enhanced spending controls.

The most significant variances are in the following Key Services:

- **Libraries, Registration & Archives: -£1.9m**
  Underspend comprises an agreed draw down from RFID reserve and a one-off contribution holiday for 2025-26 (-£0.7m in total), higher than budgeted levels of Registration and Citizenship income due to above budgeted demand for the service, alongside reduced spend in line with recent spending controls.
  Increased income targets have been reassessed in the 2026-27 budget, both in terms of an inflationary price uplift as well as budgeted activity levels given current and forecast demand.

- **Community Protection: -£1.1m**
  Underspend is mainly due to additional income within Trading Standards (-£0.7m) as well as high turnover of Coroners and Community Wardens staff leading to vacancy management savings on staff costs (-£0.6m). A reduction in NHS mortuary costs linked to lower than budgeted number of post-mortems carried out, therefore saving on pathologist costs (-£0.5m).
  This underspend is slightly offset by pressures within Coroners for toxicology tests due to the upgrade of testing methods to improve turnaround times (+£0.2m), up-front cost of equipment purchases required to fulfil a newly obtained contract within Kent Scientific Services (+£0.4m) plus Trading Standards legal costs for long standing court case (+£0.2m).

- **English National Concessionary Travel Scheme (ENCTS): +£1.1m**
  Pressure resulting from higher than expected passenger growth significantly exceeding budgeted levels (+£0.8m). Passenger journeys have increased by approximately 5% following continued growing confidence in the use of public transport following the pandemic.
  The ENCTS pressure has been further exacerbated due to increase in fare charges above budgeted rates (+£0.3m).
  Both of these pressures have been realigned for 2026-27 as they represent unavoidable changes in the demand and pricing levels based on current budgeted activity levels.

- **Highway Asset Management +£0.9m**
  Increased demand for reactive works due to the condition of the highways network and necessary safety critical works, including road collapses and sink holes (Galley Hill and Road of Remembrance).

  A breakdown by Key Service is available in Appendix 1.

1d | Chief Executive's Department

The table below shows the Chief Executive's Department position by each of the five divisions.

Division	Budget	Outturn	Variance
Finance	11.3	10.6	-0.7
Law	1.3	1.2	-0.1
Infrastructure	42.2	40.6	-1.6
Strategic Management and Directorate Budgets (CED)	-1.3	-1.4	-0.1
Strategic Policy Relationships and Corporate Assurance	5.8	5.1	-0.7
Total before roll forwards	**59.2**	**56.1**	**-3.1**
Roll forwards			0.0
Total including roll forwards			**-3.1**

The 2025-26 outturn variance for the Chief Executive's Department is a net underspend of -£3.1m with no roll forwards requested.

All divisions have underspent, due to actions taken by the services to reduce expenditure in line with the spending controls.

The most significant variances are in the following Key Services:

- **Corporate Landlord: -0.7m**
  The underspend is the result of rate relief payments for several sites, combined with a number of back dated rent and service charges and lower utilities spend. These more than outweigh overspends caused by additional holding costs and loss of income for vacant sites; unplanned works, including the Portland Fire cleanup; additional FM expenditure; and higher legal costs due to a number of site disposals.

- **Finance: -0.5m**
  The majority of the underspend is due to the impact of actions by the service to reduce expenditure in line with the spending controls, primarily through holding vacancies, as well as additional income generated by the Internal Audit function.

- **Strategy, Policy, Relationships and Corporate Assurance: -0.5m**
  The variance is due to the impact of actions by the service to reduce expenditure in line with spending controls, primarily through holding vacancies.

- **School Property Budgets: -0.4m**
  Additional expenditure on legal and abortive costs at multiple sites, as well as higher than expected expenditure at a number of individual school sites, is more than offset by reduced activity on building surveys, Basic Needs Feasibility Studies, Facilities Management and mobile classrooms.

A breakdown by Key Service is available in Appendix 1.

1e | Deputy Chief Executive's Department

The table below shows the Chief Executive's Department position by each of the six divisions.

Division	Budget	Outturn	Variance
Commercial and Procurement	3.4	3.3	-0.1
Human Resources and Organisational Development	9.0	8.3	-0.7
Governance & Democracy	6.8	5.9	-0.9
Marketing and Resident Experience	7.1	7.1	0.0
Strategic Management and Directorate Budgets (DCED)	2.3	0.6	-1.6
Technology	27.9	29.3	+1.3
Total before roll forwards	**56.5**	**54.5**	**-2.0**
Roll forwards			+0.3
Total including roll forwards			**-1.7**

The 2025-26 outturn variance for the Deputy Chief Executive's Department is a net underspend of -£1.7m after roll forwards of £0.3m.

The most significant variances are in the following Key Services:

- **Technology: +1.3m**
  The Technology overspend primarily relates to a new cap and collar arrangement with Cantium to support project resourcing, and shortfall in recovering Cantium resources +1.3m. This arrangement is being renegotiated for 2026-27 to ensure all costs are fully recoverable, and the appropriate level of resource is allocated. Overspends on ICT 3rd Party contacts, Managed Print, Mobile Handheld devices are partly offset by an underspend on ICT core client activity. This is a result of reduced expenditure on specialist fees and commissioned services and receipt of additional income. The service is reviewing its recharge processes for both Managed Print and Mobile devices to ensure all costs are effectively reallocated to other directorates in future years.

- **Strategic Reset Programme: -1.4m**
  Underspend on staffing is due to phasing of activity, and management action to reduce spend by deferring appointments to new posts.

- **Human Resources and Organisational Development: -0.6m**
  Increased staffing expenditure is more than offset by an increased take up of salary sacrifice schemes leading to rebates, and additional income in Learning & Development. The implementation of spending controls has also resulted in savings in training budget costs.

- **Governance & Democracy: -0.6m**
  In response to the KCC-wide request for management action to reduce spend, the service has deferred appointments to posts, as well as made savings in travel and reduced costs of appeals, which are due to the use of virtual hearings and existing internal resources. There is also an underspend in member allowances due to the extended time required to allocate new roles post-election.

- **Resident Experience - Contact Centre; Gateways; Customer care and Complaints: -0.4m**
  Majority of the underspend is due to a reduction in costs as a result of a Gateway closing. Additional expenditure on the Customer Service Delivery team is offset by management action to defer appointment to posts in the Customer Feedback and associated teams.

A breakdown by Key Service is available in Appendix 1.

1f | Non Attributable Costs including Corporately Held Budgets

The table below shows the Non Attributable Costs position, including Corporately Held Budgets:

Division	Budget	Outturn	Variance
Non Attributable Costs	133.7	120.9	-12.8
Corporately Held Budgets	1.6	0.0	-1.6
Total before roll forwards	**135.3**	**120.9**	**-14.5**
Roll forwards			0.0
Total including roll forwards			**-14.5**

Non Attributable Costs including Corporately Held Budgets' net underspend of £14.5m played a significant role in reducing the overall overspend in 2025-26.

The key variances are summarised below:

- **Non Attributable Costs: -12.8m**
  Impact of slower than anticipated reductions in the Bank of England base rate meaning higher returns on our cash balances which is partially offset by higher interest payments to third parties. Cash balances were impacted by the upfront receipt of £52m Highways Maintenance grant from Government rather than the previous quarterly profile but were subsequently reduced by the early redemption of £50m of debt in September. The reduction in investment income as a result of the lower cash balances following the early debt repayment is more than offset by the discount and interest saved from repaying the loan early. The reported underspend also reflects savings in borrowing costs due to early repayment of a loan at the end of 2024-25 and another at the end of 2025-26, and contributions to debt costs from the Home Office grant related to the Unaccompanied Asylum Seeker reception centres and from CYPE directorate related to the development of in-house children's residential units.
  It should be noted that the investment income forecast can be quite volatile due to the possibility of unforeseen fluctuations in our cash balances.
  The outturn also includes a £0.6m reconciling adjustment for 2024-25 Business Rates Compensation Grant & Renewable Energy based on the provisional District Council NNDR3 returns published by Government in the autumn and £1.5m increase in the retained business rates levy for 2024-25. These figures are provisional until all Kent District Council accounts are signed off by their auditors so could still change.
  The final outturn also includes a £5m underspend related to the flexible use of capital receipts.

- **Corporately Held Budgets: -1.6m**
  Release of residual unallocated pay and employers' national insurance budget, which is included as a saving in the 2026-27 budget. The outturn reflects that the HR spans and layers saving from reviewing adherence to the Council's organisation design policy was undeliverable in 2025-26. Several reporting errors have been corrected that did not result in the deletion of roles. Service Directorates have committed to undertaking strategic workforce planning in the new year that present an opportunity to ensure compliance with the organisational design principles and an ability to identify the necessary reduction in managerial posts. The issue was discussed at CMT on 25th November 2025 who reiterated their commitment to the saving, and that this £0.5m in 2025-26 is to be rolled forward and added to the £1.5m for delivery in 2026-27. HR Business Partners will be working closely with DMT's to focus on the parts of the structure which are not currently compliant, and the results of this work will be taken back to CMT for agreement. At this stage it is not possible to say whether the total saving of £2m is achievable or what the split by directorate will be so this saving will continue to be held corporately until this work is complete and agreed by CMT.

A breakdown by Key Service is available in Appendix 1.

1g | Roll forwards by directorate

The table on the right hand side summarises the roll forwards requests. There are 8 in total across the Children, Young People & Education, Growth Environment & Transport and the Deputy Chief Executive’s Department, totalling £1.1m.

As the amounts are small, the table shows the requests round thousands (£000s) rather than millions.

£0.8m of the roll forwards relate to committed projects, and £0.3m new bids.

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Roll forward	Description of roll forward	Amount (£000s)
South East Sector Led Improvement Programme (SESLIP)	SESLIP is a programme which KCC host from 2024-25. The roll forward relates to KCC’s contribution into this programme and needs to be moved to next year for continuation of committed spend.	4
Regional Adoption Agency (RAA)	RAA is a joint venture between KCC, Medway Council and the London Borough of Bexley. KCC are the hosts. This is unspent funds contributed by the partners that will be used to pay for interagency fees in the coming year.	211
Total in Children, Young People & Education		**215**
Kent Resource Partnership	KCC's element of the Kent Resource Partnership underspend	93
Highways Winter Service	Per Key Decision *16/00076, any winter service budget underspend is treated as a committed roll forward, so that any additional funding is available in the following financial year for Highways Soft Landscaping maintenance.	275
United Circles project	Committed match-funding for on-going project delivery	11
Connect to Work - DWP Externally Funded Project	Committed match-funding for on-going project delivery	179
Skills Bootcamp - DWP Externally Funded Project	Committed match-funding for on-going project delivery	38
Total in Growth, Environment & Transport		**596**
Local Member Grants	Unspent grant in 2025/26	319
Total in the Deputy Chief Executive’s Department		**319**
Total		**1,130**

1h | Schools' Delegated Budgets

The Schools' Budget reserves as at 31st March 2026 is a surplus of £57.0m on individual maintained school balances, and a deficit on the central schools' reserve of £130.5m. The total Dedicated Schools' Grant for 2025-26 is £1,979.9m and is overspent by £61.8m.
The balances of individual schools cannot be used to offset the overspend on the central schools' reserve and therefore should be viewed separately. The Central Schools' Reserve holds the balance of any over or underspend relating to the Dedicated Schools Grant (DSG). This is a specific ring-fenced grant payable to local authorities to support the schools' budget. It is split into four main funding blocks: schools, early years, high needs and central, each with a different purpose and specific rules attached. The Council is required to hold the net under or overspend relating to the whole dedicated schools grant in a specific reserve and is expected to deal with any surplus or deficits through future years' spending plans. The tables below provide the overall position for the DSG in 2025-26 (table 1) and an overview of the movements on both the central schools' reserve and individual schools' reserves (table 2).

Table 1: Dedicated Schools' Grant (DSG) 2025-26 Forecast Summary:

			All Figures in £m
DSG Block	2025-26 Budget*	2025-26 Outturn	2025-26 Variance
Schools' Block	1,367.6	1,368.8	+0.4
High Needs Block	368.4	433.0	+64.6
Early Years Block	231	227.7	-3.3
Central Services to Schools'` Block	12.9	12.9	0.0
Total DSG 2025-26	**1,979.9**	**2,041.7**	**61.8**

*Before recoupment and other DFE adjustments including additional funding from the Safety Valve Programme. Budgets include the impact of moving £16.5m from the Schools' block to the High Needs Block as agreed by the Secretary of State.

Table 2: Overall Forecast Position for the Schools' Budget Reserves:

		All Figures in £m
	Individual Maintained School Reserves	**Central Schools' (DSG) Reserve**
Reserve Balance as at 1st April 2025*	58.5	-97.5
Contribution to/(from) reserves:		
Academy Conversions	-0.5	
Change in School Reserve Balances	-1.0	
Overspend on DSG 2025-26		-61.8
Safety Valve: Local Authority Contribution		14.6
Safety Valve: Payment from DfE		14.2
Reserve Balance as at 31st March 2026*	57.0	-130.5

*Positive figure is a surplus balance & negative balance is a deficit balance

In 2025-26, the Council has received a further £14.2m from the Department of Education (DfE), the fourth tranche of the £140m safety valve commitment, with the Council required to contribute a further £14.6m from reserves. This additional funding, along with the extra funding from the DfE and the Council in 2022-23 will have reduced the accumulated deficit from an estimated £291m [KS1.1]to £130.5m as at 31st March 2026.

In accordance with the statutory override implemented by the Department of Levelling Up, Housing and Communities (DLUHC), and in line with the DfE and external auditors advice that local authorities cannot repay deficits on the DSG from the General Fund: any in-year central schools' (DSG) deficit balances are held in a separate unusable reserve from the main council reserves (see section 3). DLUHC have confirmed this statutory override will be in place until March 2028 and the Local Government Settlement has set out the intention that Councils should not expect to have to fund DSG deficits in 2028-29 from the General Fund subject to implementing reasonable recovery plans. In February 2026, the DfE announced the first phase of these funding reforms with a commitment to write off 90% of the accumulated debt as at March 2026 (known as the High Needs Stability Grant), subject to the Council submitting an agreed SEN reform plan. This grant is expected to be received in Autumn 2026. We are still awaiting confirmation on how future deficits will be covered and local authority responsibilities. In the meantime, councils are still expected to continue to keep the deficit as low as possible as resources to support recovery are not unlimited.

This new SEN reform funding has technically replaced the DfE's original deficit recovery programme known as the Safety Valve Programme which ended on 31st March 2026. Additional funding received from the DfE in respect of the programme (totalling £99.4m to date) will be retained by the Council and used towards the accumulated deficit of £291m, alongside the High Needs Stability Grant (estimated to be £162.5m), whilst Council contributions totalling £61.1m to date will be used to fund the remaining 10% residual deficit of £29.1m, with the balance to be held in a separate council reserve towards possible future DSG liabilities.

Whilst the Government has begun to set out its plan to eradicating the DSG deficits, it is still considered to be one of the Council's biggest financial risk due to the lack of clarity from government as to how future deficits in 2026-27 onwards will be funded and confirmation that our SEN reform plan will be accepted in order to receive the High Needs Stability Grant; therefore, the successful implementation of the Council's SEN reform plan is critical. Recent announcements have reinforced the expectation that whilst Government is planning to set out its proposals to reform the SEND and alternative provision (AP) system and achieve financial sustainability in high needs funding. Kent will still need to continue to implement local actions. These activities are also regularly reported to the DfE and published on kent.gov.uk.

Key Issues	Details
Individual Maintained Schools Reserves	As at 31st March 2026, there were 285 maintained schools with a surplus reserve balance and 3 schools with a deficit reserve balance of approximately £30,000 each. One of these schools had a similar deficit balance in 2024-25 whilst the other two are new for 2025-26. The total number of deficit schools had remained the same as March 2025. Changes in reserves includes a reduction for the 3 schools that converted to academy status during 2025-26 (with a combined balance of £0.5m). When a maintained school converts to an academy status, the council is no longer responsible for holding the schools' reserve and the school's remaining school balance is either transferred to the academy trust, or in the case of a deficit, may have to be retained and funded by the Council depending on the type of academy conversion. For the remaining maintained schools, their overall balances remained steady with only a small decrease of £1.0m.
Schools' Block: general overspend on growth funding	The Schools' Block funds primary and secondary core schools' budgets including funding for additional school places to meet basic need or to support schools with significant falling rolls which has a combined overspend of +£0.4m. There have been more funding commitments to support growing schools than originally anticipated when the budget was set.
Early Years Block: underspend on new entitlements	The Early Years Block is used to fund early years' providers the free entitlement for eligible two, three and four-year olds, including the newly expanded offer for working parents for children from 9 months to 2 years, along with the funding of some council led services for early years. Each year, when setting the funding rate an estimate must be made as to likely hours that will be provided to ensure it is affordable within the grant provided. This can lead to

under or overspends if activity is slightly lower or higher than expected. This has resulted in a combined underspend of £3.3m. 3 & 4 year olds entitlement has underspent by -£1.6m where hours paid has been lower than planned. This is expected to be one-off, as the grant income has been calculated based on hours at a particularly high point in the year which is not expected to be repeated in future years. Payments for deprivation have been lower than budgeted (-£0.4m and will be corrected in 26-27) along with lower take-up of the Disability Access Fund of -£0.6m and the Special Educational Needs Inclusion Fund of -£0.8m. The Schools Funding Forum has requested further suggestions as to how to use these underspends to improve inclusion and support. Overspend on Early Years Pupil Premium of +£0.3m and a net underspend of -£0.2m on the new entitlements for working parents (aged 2 years and under) form the balance of variance.

High Needs Block: Higher demand and higher cost for high needs placements.

Safety Valve Payment & Local Authority Contribution.

The High Needs Block (HNB) is intended to support the educational attainment of children and young people with special educational needs and disabilities (SEND) and pupils attending alternative education provision.

The in-year funding shortfall for High Needs placements and support in 2025-26 is £64.6m due to a combination of continual higher demand for additional SEN support and higher cost per child resulting from continual demand for more specialist provision. Whilst there were some initial indicators the level of growth in spending was starting to slow slightly (in comparison to recent years, see table 3 & 4), resulting from actions to support future financial sustainability, this was not sufficient to meet the original expectations of the safety valve agreement. The number of placements in independent schools remains high and is has grown further, even though the numbers in mainstream, post 16 settings and special schools continue to increase. Higher placements costs, driven by inflation and greater demand by schools for additional funding, along with delays in DfE led special school builds and larger numbers of other local authorities now refusing to fund the cost of their looked after children (where they had done so in the past), have all contributing to higher spend. The Council no longer expects to reach an in-year breakeven position by 2027-28, with estimated annual shortfalls in 2026-27 and 2027-28 of over £100m per year, acerbated by the high needs grant being frozen at 2025-26 levels with no increase for inflation or demand pressures. We continue to wait for Government to announce its plan for the next stage of the SEN reform funding although this is unlikely to be known until the Autumn once council SEN reforms plans have been reviewed and agreed.

Most councils are now reporting deficits on their high needs block, despite extra monies from the Government in recent years, resulting from significant increases in their numbers of EHCPs and demand for SEN services. However, historically Kent has seen this demand rising at a significantly faster rate than other comparative councils resulting in the council now educating a greater proportion of children in both special and independent schools compared to other councils, and a smaller proportion of children with SEND in mainstream schools. The impact of this is highlighted in national benchmarking data on the placement of children with SEN in Kent and our spend on High Needs Block. The tables below detail the trend in both spend and number of HNB funded places or additional support across the main placement types.

Table 3: Total Spend on High Needs Block by main spend type

Spend in £m	20-21	21-22	22-23	23-24	24-25	25-26
Maintained Special School	106	123	137	151	164	176

Independent Schools	54	66	71	83	91	108
Mainstream Individual Support & SRP* **	46	54	61	65	75	76
Post 16 institutions***	15	17	19	22	25	29
Other SEN Support Services	46	43	46	49	46	44
Total Spend	268	302	334	371	402	433
Rate of increase in spend	-	13%	10%	11%	8%	8%

Table 4: Average number of HNB funded pupils receiving individualised SEN Support/placements. This is not the total number of children with SEN or number of EHCPs

	20-21	21-22	22-23	23-24	24-25	25-26
Maintained Special School	5,118	5,591	6,019	6,382	6,639	6,953
Independent Schools	1,185	1,418	1,543	1,685	1,762	1,957
Mainstream Individual Support & SRP*	4,510	5,258	5,772	6,496	7,057	7,087
Post 16 institutions***	1,222	1,383	1,511	1,600	1,751	1,934
Total Number of Pupils	12,035	13,650	14,845	16,163	17,209	17,931

Table 5: Average cost of pupils funded from the HNB and receiving individualised SEN Support or placement cost.

£ per pupil	20-21	21-22	22-23	23-24	24-25	25-26
Maintained Special School	20,697	22,067	22,694	23,623	24,746	25,291
Independent Schools	45,494	46,283	46,246	49,474	51,723	55,364
Mainstream Individual Support & SRP* **	10,297	10,241	10,591	10,079	10,658	£10,754
Post 16 institutions***	12,624	12,314	12,721	13,617	14,198	14,873

*Specialist Resource Provision. From 2025-26, the number of children funded in mainstream schools changed, with the introduction of the community of schools model and a greater focus on whole school SEN offer and moving away from funding for individual children only. Therefore, the number of children supported is an estimate only. This will affect the both the number of children funded and the average cost.

** Please note this data excludes any costs incurred by primary & secondary schools from their own school budget.

***Individual support for students at FE College and Specialist Provision Institutions (SPIs)

Section 2 | Savings and additional income by directorate

The 2025-26 budget included the requirement to deliver savings and additional income of £99.0m, this is comprised of £96.0m in the MTFP reduced by increases in grant of £35.0m and removal of one-off savings of £38m. A further £22.5m of undelivered savings from the previous year are included in the 2025-26 Savings Target, increasing the total requirement to £121.5m. In total, £98.6m of savings and additional income was achieved in 2025-26, including £3.3m of alternative savings identified and delivered compared to the original planned saving. £13.3m of the undelivered savings are expected to be achieved in future years and have been rolled into the 2025-26. The table below summarises the delivery of savings against the original target. The full breakdown by saving is available in Appendix 2.

Figures in £m

Directorate	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
Adult Social Care & Health	-62.645	-40.416	-0.811	-0.730	-41.957	20.688	17.689	-10.169
Children, Young People & Education	-22.205	-20.380	0.000	-0.400	-20.780	1.425	0.598	-1.227
Growth, Environment & Transport	-17.180	-17.780	0.000	-0.250	-18.030	-0.850	0.000	0.200
Chief Executive's Department	-6.023	-4.879	0.000	0.000	-4.879	1.145	0.060	-1.085
Deputy Chief Executive's Department	-9.128	-8.985	0.000	-0.143	-9.128	0.000	0.000	0.143
Non Attributable Costs	-2.798	-2.800	0.000	0.000	-2.800	-0.002	0.000	0.000
Corporately Held Budgets	-1.500	0.000	-1.000	0.000	-1.000	0.500	1.000	-0.500
Total	**-121.479**	**-95.239**	**-1.811**	**-1.523**	**-98.573**	**22.906**	**19.347**	**-13.324**

Section 3 | Reserves monitoring

The council holds general fund reserves as a consequence of income exceeding expenditure, budgeted contributions to reserves or where money has been earmarked for a specific purpose. Earmarked reserves are categorised across several headings.

Reserves balances are held as negative balances. All reserves are a negative balance except the DSG Adjustment Account, which is an unusable reserve held to manage the deficit on schools. The table below provides a summary of each of the reserve categories and highlights the main movements in 2024-25.

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Figures in £m				
Reserve	**Opening Balance (01/04/25)**	**Movement in-year**	**Closing Balance (31/03/26)**	**Details**
General Reserves				
General Fund	-78.5	12.6	-66.0	The movement is made up of four separate items. There was a -£15.8m budgeted contribution to General Reserves towards the 5% target of Net Revenue Budget and re pay draw down for 2022-23 overspend, +£7.2m budgeted drawdowns for savings timings and lower than anticipated taxbase, -1.2m contributions from the reserves review in 2025-26, and £22.7m to fund the 2025-26 in-year overspend.
Earmarked Reserves				
Vehicles, Plant & Equipment (VPE)	-23.1	0.8	-22.3	Reserve is held for the replacement and acquisition of vehicles, plant, and equipment and helps to reduce fluctuations in spend.
Smoothing	-111.8	1.5	-110.3	Balance is held to manage large fluctuations in spend or income across years. Movement also includes +£1.2m drawdowns from the reserves review in 2025-26
Major Projects	-34.5	10.2	-24.4	Balance is held for future spending on projects. Includes drawdown for expenditure for the implementation programme for Oracle Cloud.
Partnerships	-44.5	36.3	-8.2	The movement reflects all safety valve activity now being held against the DSG adjustment account (see below).
Grant & External Funds	-7.7	-12.1	-19.9	Reserve is held to manage fluctuations in spend funded externally or by grant. These reserves are for unspent grants which we are not required to repay, but which have restrictions on what they may be used for.

Figures in £m

Reserve	Opening Balance (01/04/25)	Movement in-year	Closing Balance (31/03/26)	Details
				The majority of the movement relates to the income received from as part of the Extender Producer Responsibility (EPR) grant. This use of this grant is subject to relevant government guidance.
Departmental Over / Underspends	-0.6	-0.5	-1.1	£0.6m drawdown to fund roll forwards from 2025-26 and £1.1m contribution to fund roll forwards in 2026-27.
Insurance	-12.2	3.5	-8.7	£3.5m drawdown from reserves because of the in-year overspend against the Insurance Fund in line with usual policy.
Public Health	-16.7	2.4	-14.3	Movements to manage the Public Health budget.
Special Funds	-0.8	0.1	-0.7	Reserve is held primarily to facilitate the implementation of economic development and tourism initiatives and policy and regeneration expenditure.
Trading	-3.6	3.3	-0.3	Relates to the non-company trading entities of Laser and Commercial Services to cover potential trading losses and investment in business development.
Total Earmarked Reserves	**-255.6**	**45.4**	**-210.2**	
Total General Fund & Earmarked Reserves	**-334.2**	**58.0**	**-276.2**	
Schools Reserves	-58.5	1.5	-57.0	
DSG Adjustment Account	133.7	-3.3	130.5	The movement reflects the net deficit on DSG budgets in 2025-26, made up of a £61.8m overspend, reduced by required contributions to the DSG Safety Valve Agreement in 2025-26 of £14.2m from KCC and £14.6m from the Department for Education (DfE), and a further £36.2 transferred from Partnerships (Earmarked Reserves).

Section 4 | Capital by directorate

Figures in £m

Directorate	Budget	Total Variance	Real Variance	Rephasing Variance
Adult Social Care & Health	0.911	1.595	+1.911	-0.316
Children, Young People & Education	111.684	-45.195	-9.813	-35.382
Growth, Environment & Transport	237.304	-74.837	+18.203	-93.040
Chief Executive’s Department	29.775	12.621	+19.409	-6.788
Deputy Chief Executive’s Department	0.000	0.000	0.000	0.000
Total capital position	**379.674**	**-105.816**	**+29.710***	**-135.526**

*Includes £15.021m capitalised transformation costs.
The total approved General Fund capital programme including roll forwards for 2025-26 is £379.674m.
The capital programme spend for the year is £273.858m, which represents 72% of the approved budget. In addition to this, schools spend totalled £12.327m, and spend on Private Finance Initiatives which are on KCC’s balance sheet totalled £2.937m.
The £105.816m underspend against the budget is split between a +£29.710m real variance and -£135.526m rephasing variance.
The major in-year variances (real variances of >£0.1m and rephasing >£1m) are described below:

4a | Adult Social Care & Health

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Capitalisation of Information Technology Enabled Lives Programme Costs	+2.000		The real overspend relates to the capitalisation of Technology Enabled Lives transformation programme costs to be funded legitimately from Capital Receipts
Community Sexual Health Services	+0.159		£0.155k of the variance relates to the purchase of a clinical bus to provide services. This has been funded from a revenue contribution.

Home Support Fund & Equipment	-0.179		£0.155k of the variance relates to the purchase of a clinical bus to provide services. This has been funded from a revenue contribution.

4b | Children, Young People & Education

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Modernisation Programme	+0.025	-3.726	The rephasing variance is due to a number of projects, none of which have individually rephased over £1m.
Basic Need Programme KCP 2019	-3.553	-8.296	The real variance is due: -£3.223m Chilmington Green Secondary – previously forecast costs have been removed pending potential reclaim of costs [JL1.1]. -£0.473m Rosheville Primary – additional rebuild grant has been added to the cash limits. The rephasing relates to: -£4.143m Thanington Primary – the project has been put on hold as there is not currently a pupil need in early years. -£2.110m Highsted Grammar School. This is a school managed project, and the timing of which is dependent on school delivery. -1.306m Maidstone Grammar School for Girls -due to delays with utility connections.
Basic Need Programme 2022-26	-0.275	-0.270	£0.267m of the real variance is due to Cornwallis Academy – the expansion project is no longer proceeding. Places will be provided as part of the wider Maidstone Non-Selective expansion in future years.
Basic Need Programme 2023-27	-1.894	-6.747	- £1.343m of the real variance is due to prior year costs recoded for projects which have now transferred to "Markers – Future Projects." -£0.160m Tiger Primary – this is a school managed project, and the forecast has been reduced. The rephasing is due to: -£5.684m Northfleet Technology College. Design and costs have come in higher than expected, Infrastructure are testing the Framework to check tender prices, and the project start was pushed back to early 2026. -£0.585m Tiger Primary – this is a school managed project, the timing of when the funding is required is dependent on the school delivery programme. -£0.478m New Line Learning - this is a school managed project, the timing of when the funding is required is dependent on the school delivery programme

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Basic Need Programme 2024-28	-0.777	-9.178	The real variance is due to: -£0.610m The Sittingbourne School – this project has been moved to Markers – Future Projects budget line. The rephasing is due to: -£5.563 Sir Geoffrey Leigh Academy. Design and costs have come in higher than expected. Infrastructure tested the framework to check tender prices, and the project start date was pushed to early 2026. -£1.5m Dartford Grammar, this is a school managed project, and the timing of costs is dependent on school delivery. -£0.924m Ebbsfleet Green Primary, change of scope from a 1FE expansion to a bulge year which resulted in a reduced project cost and deferment of expenditure to 2026/27.
High Need Provision	-2.691	-4.254	The real variance is due to: -£1.7m The Beacon, Folkestone. Overall cost reduction - The success of the project can be attributed to value engineering throughout the programme and the excellent collaboration between the Quantity Surveyor, Contractor, and Project Manager. Pre-contract surveys were conducted at the project's outset to identify and address any anomalies that might have arisen during construction, which could have resulted in costly variations for KCC. A contingency was held within the project budget, but this proved unnecessary due to the high level of project management demonstrated by all parties involved. -£1.0m Nore Academy - DfE funded project, the budget held for Highway costs is no longer required. -£0.5m previously unallocated budget now allocated to projects. -£0.2m The Oaks Specialist College – forecast reduced to match funding agreement for school managed project. +£0.2m Broomhill Bank - new school managed project added, modular expansion to provide additional places. +£0.2m Parkwood Hall Co-operative Academy - new school managed project added to provide additional places. +£0.1m Former Birchwood Primary – security costs to protect site value. 18 further projects have a real variance totalling £0.3m, none individually over/under £0.1m. The rephasing variance is due to: -1.9m Nexus School Phase 2 due to delays in stakeholder decisions.

Figures in £m

Project		Real Variance	Rephasing Variance	Detail
				-£1.6m New Special Free School, Swanley – funding is dependent on DfE project delivery timescales. 9 further projects have rephasing totalling £0.8m, none of which are individually over £1m.
Childcare Expansion (Early Years)		-0.694	-1.430	The real variance is due to grant transferred to fund revenue expenditure in line with grant conditions. The rephasing is due to the timing of allocation of grant funding to providers. This process is managed by The Education People. Expressions of interest from providers continue to be reviewed in line with place numbers and funding allocated for self-managed projects.

4c | Growth, Environment & Transport

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Highways & Transportation			
Highway Asset Management, Annual Maintenance and Urgent Safety Critical Works	+0.523	-7.108	The real variance includes an overspend of £5.1m on inspectors, which is covered by in-year underspends on resurfacing (£3.8m) and by bringing funding forward from 2026-27 (£1.3m). The rephasing is made up of: -£1.3m Highways operations, -£2.5m Streetlighting, -£2.6m structures and -£0.9m tunnels
Integrated Transport Schemes	+1.392	-0.536	The real variance is due to: £1.029m on various smaller schemes that are funded from external funding, £0.307m Kent Street Junction funded from a revenue contribution, £0.160m overspend on Local Transport Plan schemes was partially due to staff capitalisation costs being higher than anticipated. Permit charges for the entire year were also charged in one large sum at the end of the year, which made budgeting for them difficult. This is funded by an underspend on Crash Remedial Measures which has occurred due to design issues and delays, meaning that many schemes will need to be delivered next year under the Highways Term Maintenance Contract.
Bearsted Road Improvements	-0.930	-0.224	The overall expected project costs currently exceed the confirmed budget, and discussions are ongoing to redirect funding. The in-year real variance reflects external funding contributions which have not yet been received so they have been removed from the cash limit, until agreed.
Maidstone Integrated Transport		-2.289	Abortive costs for Cripple Street and Sutton Road have been transferred to revenue in 2025-26. Remaining expected developer contributions have to be rephased to fund ongoing schemes.
A2 Off Slip Wincheap, Canterbury		-1.5	Ongoing discussions between the developer and the National Highways regarding the design of the A2 Off Slip are ongoing. Several issues are still to be resolved that has delayed the commencement of the works until 26/27.
North Thanet Link		-1.301	The rephasing is due to delays in submission of the planning application due to scheme design changes being required to respond to external factors outside of the control of the project team. Planning application is now due to be submitted in June 2026.

Figures in £m

Project		Real Variance	Rephasing Variance	Detail
A228 and B2160 Junction Improvements with B2017 Badsell Road			-4.015	The rephasing variance is due to a number of factors. These include the approvals process via Environment Agency; this has pushed the programme out. The HTMC contract ends within scheme window so a single procurement option is the chosen method, this will start in November with site start date estimated as June 2026. There have also been design package issues which are being worked through and as we enter the worse weather it would not be viable to undertake the scheme as it is a flood risk zone.
Fastrack Full Network – Bean Road Tunnels		+2.747	-13.527	Works commenced late January / early February 2026 with completion programmed for early July 2027.
Faversham Swing Bridge		-0.700	-1.115	The real variance reflects external funding that has not yet materialised being removed from the cash limits. The rephasing is due to ongoing complex legal discussions with Peel Ports.
Housing Infrastructure Fund, Swale		+9.535	-3.218	The overspend has been reported to Sponsoring Group and will be funded by the Recovery Fund (S106 developer contributions). Key Street – construction works are complete. Work is ongoing with the contractor to resolve defects and obtain quality records before certifying completion. Grovehurst Road – works ongoing with the contractor to address outstanding defects and programme remaining works. Completion is currently looking likely to be end of June.
Sturry Link Road		+4.812	-1.484	Homes England have endorsed the scheme under the Brown Infrastructure Land (BIL) Fund, and additional funding has been achieved.
National Bus Strategy – Bus Service Improvement Plan Phase2			-2.165	The rephasing of this funding is associated with three initiatives within Kent's BSIP Delivery Plan - bus priority, ANPR camera enforcement and Real Time Information. All three initiatives have seen good progress but were unable to be completed in full by March 2026. With this in mind, approval was sort from the Department of Transport (DfT) to roll funding forward into 2026/27. These requests were approved by the DfT in line with their overall terms and conditions.
National Bus Strategy – Bus Service Improvement Plan Phase3		+0.250	-8.390	The rephasing of this funding is associated with seven initiatives within Kent's Bus Grant Delivery Plan – bus priority, signal priority, integration improvements, Real Time Information, two zero emission bus schemes and an operator / district grant scheme. All initiatives have seen progress within 25/26 but were unable to be completed in full by March 2026. With this in mind, the DfT's Change Control process has been utilised to roll forward funding to 2026/27. A roll forward statement has been provided to the DfT to support his movement, signed by KCC's S151 officer.
Folkestone – A Brighter Future		+1.287	-6.794	The real variance is funded from an agreed movement from the Consolidated Active Travel Fund (£0.717m), from flood (which budget line is this?) (£0.470m) and from structures (£0.1m).
EDC Landscaping			-1.676	Construction of sites 8,9 and 10 have been pushed back to next financial year hence the rephasing.

Figures in £m

Project		Real Variance	Rephasing Variance	Detail
Dover Bus Rapid Transit		+4.660		A temporary funding solution has been put in place to cover the 2025-26 position, whilst total project costs are being finalised. Further financial contributions are being explored to help mitigate the overspend.
Green Corridors			-3.283	The rephasing is due to: Delays with consultants and the procurement process for sites 6,8 and 11. Site 4 has been delayed due to land agreements taking longer than anticipated. There have also been ecological constraints that means construction must happen between April – September hence the delay to April 2026 as the 2025-26 window was missed.
Kent Active Travel Fund (KATF) Phase 4			-1.371	The rephasing is due to: -£1.059m rephased to 26-27 for works on Aylesford Tow Path due to land purchase and licences to construct taking much longer than expected. -£0.048m - Faversham Cross Town Walking Route - Change control with Active Travel England for underspend to go to another project in 26/27. -£0.053m - Canterbury Riverside Route - Canterbury City Council still designing and part of route needs planning permission. -£0.087m Braggs Lane to New Road Route - Canterbury City Council still designing.
Consolidated Active Travel Fund		-0.772	+0.809	The real variance is due to approval from Active Travel England to allocate £0.716m to Folkestone: A Brighter Future project and £0.055m to be used for Sevenoaks Townwide/Dartford Crossing within Integrated Transport.
Thames Way (STIPS)			-3.381	The Thames Way Project has been paused given the current closure of Galley Hill and the implications that is having on the local road network and expected trips. This has resulted in forecast spend being reprofiled into later years pending a decision on Galley Hill.
<u>Environment & Circular Economy</u>				
Folkestone & Hythe Waste Transfer Station			-5.133	The project has been pushed back due to waiting for planning permission which took 13 months.
Local Nutrient Mitigation			-5.350	The capital spend has been re-profiled due to a lack of grant applications being submitted to KCC for Local Nutrient Mitigation Funding. KCC will be advertising the grant funding more widely from early 2026 to enable allocation of the funding to Nutrient Neutrality mitigation schemes.
Waste Compactor Purchases		+0.318		Capitalisation of a Gas Extraction system at a waste site which is funded by a revenue contribution to capital.

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Energy & Water Efficiency Investment Fund - External	-0.232		Funds transferred to KCC fund as new projects will be funded from that fund.
Energy Reduction& Water Efficiency Investment - KCC	+0.232		Funds transferred from the external Energy & Water Efficiency Fund – External, as new projects will be funded from the KCC fund.
Surface Water Flood Risk Management	+0.199		The real variance reflects additional funding received from the Environment Agency.
<u>Growth & Communities</u>			
Broadband Contract 2		-1.349	Whilst BDUK is now in the final stages of the closing work for these contracts, this is going to continue into the next financial year.
Growing Places Fund (GPF)		-6.145	GPF was capital loan funding given to the South East Local Enterprise Partnership (SELEP) by the Government. On SELEP's closure, the GBF funding was transferred to Kent and Medway Economic Partnership (KMEP) for prioritisation, with Kent County Council and Medway Council as the accountable bodies. The prioritisation criteria for GPF are being considered as part of the new Local Growth Plans (LGPs), that are being written now – with the final LGP plans due to formal adoption by KMEP and KCC in autumn 2026.
Kent Scientific Services Equipment & Vehicles		+0.418	Equipment that has been capitalised in year and funded from a revenue contribution to capital.
Public Rights of Way		-1.250	Much of the rephasing relates to the receipt of developer contributions and the time frame for their delivery. Contributions are received when the trigger points within the development process are reached. The works are programmed on the basis of the timeframe available for delivery in accordance with the S106 agreements and the officer capacity to deliver them. Rephasing of the expenditure is necessary in order to balance workload and delivery.
Innovation Investment Initiative (i3)		-1.173	The scheme will relaunch in 2026-27 with a bespoke offer, hence the rephasing.

4d | Chief Executive's Department

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Strategic Estate Programme	-1.972		The real variance is due to a new agreed way forward which will result in the real underspend in the current financial year. In total £12m has been removed from the budget across 2025-26, 2026-27 and 2027-28.
Modernisation of Assets	-0.040	-4.370	The rephasing is due to Highways works which were delayed due to the tendering process winter works which Highways undertake along with works to the salt barns which have been pushed back to summer 2026. Other works have been delayed due to scope changes.
Asset Utilisation	+0.006	-1.341	Two of the existing projects have not progressed as well as expected due to delays in feasibility and utilisation survey information, so these have been pushed back into 2026-27.
Dover Discovery Centre	-0.529	-0.100	Underspend compared to previous expectations.
LAN Refresh	+0.456		Purchase of computer equipment which has been capitalised and funded from a revenue contribution.
Land Adjacent to Cranbrook	+1.075		The real variance is costs relating to the disposal of this site, which have been legitimately capitalised due to enhancement of the value of the site. This has been funded by the increased receipt that was achieved as a result.
Unaccompanied Asylum-Seeking Children (UASC) Additional Accommodation Requirements	+7.345		The real variance is due to this project continually evolving and the full extent was not known and budgeted at the start of the year. The project is fully funded from Central Government.

4e | Deputy Chief Executive's Department

There are no major variances to report

Section 5 | Treasury Management Monitoring

Treasury management relates to the management of the Council's debt portfolio (accumulated borrowing to fund previous and current capital infrastructure investments) and investment of cash balances. The Council has a comparatively high level of very long-term debt, a significant proportion of which was undertaken through the previous supported borrowing regime.

5.1	Total external debt outstanding in March was £610.3m down by £122.2m since 31st March 2025	KCC debt includes £396.8m of borrowing from the Public Works Loans Board (PWLB). The vast majority is maturity debt (debt is only repaid upon maturity) at a fixed rate of interest. The average length to maturity of PWLB debt is 14.6 years at an average interest rate of 4.2%. Outstanding loans from banks amount to £156.1m. This is also at fixed term rates with average length to maturity of 36.1 years at an average interest rate of 4.5%. The council has £50m of Lender Option Borrower Option (LOBO) loans. These loans can only be renegotiated should the lender propose an increase in interest rates. The average length to maturity of LOBO loans is 37 years at an average interest rate of 4%. The balance of debt relates to loans for the LED streetlighting programme. The outstanding balance is £7.4m with an average of 14.5 years to maturity at an average rate of 2.9%. KCC's principal objective for borrowing is to achieve an appropriately low risk balance between securing low interest rates and certainty of financing costs. This is achieved by seeking to fund capital spending from internal resources and short-term borrowing, only considering external long-term borrowing at advantageous interest rates.
5.2	Majority is long term debt with only 2.8% due to mature within 5 years	Maturity 0 to 5 years £17m (2.8%) Maturity 5 to 10 years £105.5m (17.3%) Maturity 10 to 20 years £187m (30.6%) Maturity over 20 years £300.9m (49.3%)
5.3	Total cash balance at end of March was £315.9m, down by £159.9m from the end of March 2025	Cash balances accrue from the council's reserves and timing differences between the receipt of grants and other income and expenditure.

5.4	Cash balances are invested in a range of short-term, medium term and long-term deposits	Investments are made in accordance with the Treasury Management Strategy agreed by full Council alongside the revenue and capital budgets. The treasury management strategy represents a prudent approach to achieve an appropriate balance between risk, liquidity and return, minimising the risk of incurring losses on the sum invested. Longer term investments aim to achieve a rate of return equal or exceeding prevailing inflation rates. Short term deposits (same day availability) are held in bank accounts and money market funds. Current balances in short-term deposits in March were £34.1m (10.8% of cash balances). Short-term deposits enable the Council to manage liquidity. Bank accounts and money market funds are currently earning an average rate of return of 3.8%. Deposits are made through the Debt Management Office (an executive agency responsible for debt and cash management for the UK Government, lending to local authorities and managing certain public sector funds). As at the end of March, the Council had £0.0m in UK treasury bills and other deposits with the UK government. These deposits represent 0.0% of cash investments with an average rate of return of 0.0%. Medium term deposits include covered bonds, a form of secured bond issued by a financial institution that is backed by mortgages or public sector loans. In the UK the covered bond programmes are supervised by the Financial Conduct Authority (FCA). King and Shaxson acts as the Council's broker and custodian for its covered bond portfolio. As at the end of March, the Council had £73.9m invested in covered bonds earning an average rate of return of 4.4%. The Council has outstanding loans of £19.3m through the No Use Empty Loans programme which achieves an average return of 3.8% that is available to fund general services. This total includes £10.4m of loans made (£13.1m received) since March 2025. Long term investments are made through Strategic Pooled Funds. These include a variety of UK and Global Equity Funds, Multi Asset Funds and Property Funds. In total the Council has £186.6m invested in pooled funds (59.1% of cash balances) as at 31 March 2026.
5.5	Treasury Management Advice	The Council secures external specialist treasury management advice from MUFG Corporate Markets. They advise on the overall strategy as well as borrowing options and investment opportunities. MUFG Corporate Markets provide regular performance monitoring reports.
5.6	Quarterly and statutory reports	The Governance and Audit Committee receives detailed statutory reports on a regular bi-annual basis (the Treasury Strategy Mid-Year Update, and the Annual Treasury Outturn report), which are subsequently reported to County Council. Quarterly reports are reviewed by the Treasury Management Group (TMG). The TMG also reviews the three annual statutory reports

Treasury Management Indicators

5.7 The Council measures and manages its exposures to treasury management risks using the following indicators:

5.8 **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its internally managed 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	**Actual 31/03/2026**	**Minimum**
Portfolio average credit rating	AA+	AA-

5.9 **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	**Actual 31/03/2026**	**Minimum**
Total cash available within 3 months	£71.3m	£75m

5.10 **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 was:

Interest rate risk indicator	**Actual 31/03/2026**	**Upper Limit**
One-year revenue impact of a 1% rise in interest rates	£0.7m	£10m
One-year revenue impact of a 1% fall in interest rates	-£0.7m	-£10m

5.11 **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 were:

	Actual 31/03/2026	**Upper limit**	**Lower limit**
Under 12 months	2.8%	100%	0%
12 months and within 5 years	0.0%	50%	0%
5 years and within 10 years	17.3%	50%	0%
10 years and within 20 years	30.6%	50%	0%
20 years and within 40 years	40.2%	50%	0%
40 years and longer	9.1%	50%	0%

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.

5.12 **Principal sums invested for periods longer than a year:** 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 limits on the long-term principal sum invested to final maturities beyond the period end were:

Price risk indicator	2026/27	2027/28	2028/29	No Fixed Date
Limit on principal invested beyond year end	£100m	£80m	£50m	£220m
Actual as at 31 March 2026	£17.2m	£10.2m	£0.0m	£208.0m

5.13 Prudential Indicator: Liability Benchmark

The liability benchmark chart shows the Council should be able to accommodate the movement in Loans CFR through additional internal borrowing given the resources on the balance sheet if it wants to maintain treasury investments at the £200m liquidity allowance. However, this is based on the current assumption with regards to movement in reserves and that the working capital position remains at the 31/03/2025 level of £300m. It also assumes that the liquidity allowance of £200m remains appropriate given the £186.6m of external investments currently invested with fund managers over a long-term investment time horizon.

Appendix 1 | Key Service Statement

Adult Social Care & Health

Figures in £m	Budget	Outturn	Variance
Adult Social Care and Health	**701.6**	**744.5**	**+42.9**
Adult Social Care (long-term support)	**620.2**	**666.9**	**+46.7**
Adult Case Management and Assessment Services (long-term support)	35.1	33.6	-1.4
Adult In House Carer Services	2.7	2.8	+0.1
Adult In House Community Services	6.2	5.7	-0.4
Adult Learning and Physical Dis pathway - Residential Care Services and Support for Carers	7.4	7.2	-0.2
Adult Learning and Physical Disability Pathway - Community Based Services	47.5	40.8	-6.7
Adult Learning Disability - Community Based Services and Support for Carers	134.3	140.5	6.2
Adult Learning Disability - Residential Care Services and Support for Carers	82.0	83.3	+1.3
Adult Mental Health - Community Based Services	36.1	33.9	-2.2
Adult Mental Health - Residential Care Services	24.0	26.2	+2.1
Adult Physical Disability - Community Based Services	37.9	39.8	+1.9
Adult Physical Disability - Residential Care Services	29.3	32.0	+2.7
Adult Social Care - Divisional Management and Support	0.2	0.4	+0.2
Older People - Community Based Services	30.3	47.8	+17.5
Older People - Residential Care Services	144.9	170.3	+25.4
Older People and Physical Disability Carer Support – Commissioned	2.3	2.5	+0.2
Adult Social Care (short-term support)	**46.2**	**47.3**	**1.1**

Figures in £m	Budget	Outturn	Variance
Adaptive and Assistive Technology	1.3	1.7	0.4
Adult Case Management and Assessment Services (short-term support)	14.3	14.8	0.4
Adult In House Enablement Services	2.5	2.3	-0.3
Adult Social Care - Divisional Business Support	10.0	9.4	-0.6
Adult Social Care - Divisional Management and Support	0.2	0.4	0.2
Contest and Serious Organised Crime (SOC)	0.3	0.2	0.0
Independent Living Support	0.9	0.9	0.0
Older People - In House Provision	12.4	12.6	0.2
Sensory Services	1.7	2.1	0.4
Statutory and Policy Support	1.9	2.4	0.5
Strategic Safeguarding	0.6	0.6	-0.1
Public Health	**0.0**	**0.0**	**+0.0**
Public Health - Advice and Other Staffing	0.0	0.0	+0.0
Public Health - Children's Programme	0.0	0.0	+0.0
Public Health - Healthy Lifestyles	0.0	0.0	+0.0
Public Health - Mental Health, Substance Misuse & Community Safety	0.0	0.0	+0.0
Public Health - Sexual Health	0.0	0.0	+0.0
Strategic Commissioning Integrated and Adults	**25.9**	**25.6**	**-0.3**
Community Based Preventative Services	9.1	8.3	-0.8
Housing Related Support	4.3	4.5	+0.2
Partnership Support Services	0.0	0.0	+0.0
Social Support for Carers	2.4	2.6	+0.2

Figures in £m	Budget	Outturn	Variance
Strategic Commissioning Integrated and Adults	3.8	3.8	+0.0
Transformation Delivery and support	6.4	6.5	+0.1
Strategic Management & Directorate Budgets (ASCH)	**9.2**	**4.6**	**-4.6**
Innovation and Partnership	4.0	1.1	-2.9
Operational and transformation costs pending allocation	0.0	0.0	0.0
Strategic Management and Directorate Budgets (ASCH)	5.2	3.5	-1.7

Children, Young People & Education

Figures in £m	Budget	Outturn	Variance
Children, Young People & Education	**374.3**	**375.2**	**+0.9**
Children's Countywide Services	**106.3**	**111.8**	**+5.5**
Adoption and Special Guardianship Arrangements and Service	18.2	17.9	-0.4
Asylum - Kent Permanent Care Leavers and New Arrival Service for UASC	0.1	0.1	+0.0
Care Leavers Service	5.9	5.0	-0.9
Children in Need Dis - Care and Support (payments and commissioned services)	12.0	13.7	+1.7
Children's Countywide Services Management and Directorate Support	0.1	0.5	+0.4
Children's social care - in house provision	4.1	5.0	+0.9
Children's SW Services - Assessment and Safeguarding Service (County Teams)	11.6	11.1	-0.6
Countywide Children's and Education support services	12.0	11.6	-0.4
Disabled Children and Young People Service (0-17) - Assessment Service	6.7	6.6	+0.0
Looked After Children - Care and Support (Staffing)	8.7	8.8	+0.1
Looked After Children (with Disability) - Care and Support (Placements)	26.9	31.5	+4.7

Figures in £m	Budget	Outturn	Variance
Education and Special Needs	**104.7**	**95.6**	**-9.1**
Community Learning and Skills (CLS)	0.2	1.1	+1.0
Early Years Education	0.0	0.0	+0.0
Education Management and Division Support	1.5	1.5	+0.0
Education Services provided by The Education People	2.5	2.6	+0.0
Fair Access and Planning Services	0.6	0.6	+0.0
Home to School and College Transport	97.7	87.4	-10.4
Other School Services	-15.7	-15.8	-0.1
Pupil Referral Units and Inclusion	0.0	0.0	+0.0
Special Educational Needs and Psychology Services	17.9	18.3	+0.4
Operational Integrated Children's Services	**158.3**	**163.5**	**+5.2**
Asylum - Kent Permanent Looked After Children (under 18)	0.0	0.0	+0.0
Children in Need - Care and Support (payments and commissioned services)	2.2	1.7	-0.5
Children's SW Services - Assessment and Safeguarding Service (Operational Teams)	42.0	39.2	-2.8
Early Help and Preventative Services	8.8	5.0	-3.9
Family Hubs	4.7	3.4	-1.3
Looked After Children - Care and Support (Placements)	99.9	113.6	13.7
Operational Integrated Children's Services Management and Directorate Support	0.6	0.6	+0.0
Strategic Management & Directorate Budgets (CYPE)	**5.0**	**4.3**	**-0.7**
Strategic Management & Directorate Budgets (CYPE)	4.3	4.3	-0.1

Growth, Environment & Transport

Figures in £m	Budget	Outturn	Variance
Growth, Environment & Transport	**204.9**	**202.3**	**-2.6**
Environment & Circular Economy	**92.2**	**91.6**	**-0.5**
Environment	3.3	3.0	-0.3
Environment and Circular Economy Divisional management costs	2.3	2.2	-0.2
Residual Waste	48.5	47.9	-0.5
Waste Facilities and Recycling Centres	38.1	38.5	+0.5
Growth & Communities	**32.3**	**28.1**	**-4.2**
Community Assets and Services	2.4	2.2	-0.2
Community Protection	12.5	11.4	-1.1
Growth - Economy	1.6	1.1	-0.5
Growth and Communities Divisional management costs	0.5	0.5	+0.0
Libraries, Registration and Archives	11.5	9.6	-1.9
Growth and Place	3.8	3.3	-0.5
Highways & Transportation	**78.9**	**81.1**	**+2.2**
English National Concessionary Travel Scheme (ENCTS)	16.6	17.7	1.1
Highway Assets Management	40.4	41.3	0.9
Highways and Transportation divisional management costs	4.3	4.4	0.0
Kent Karrier	0.0	0.0	0.0
Kent Travel Saver (KTS)	4.7	5.1	0.4
Supported Bus Services	6.2	6.1	-0.1
Transportation	6.7	6.6	-0.1

Figures in £m	Budget	Outturn	Variance
Strategic Management & Directorate Budgets (GET)	**1.4**	**1.4**	**-0.1**
Strategic Management & Directorate Budgets (GET)	1.4	1.4	-0.1

Chief Executives’ Department

Figures in £m	Budget	Outturn	Variance
Chief Executive's Department	**59.2**	**56.1**	**-3.1**
Finance	**11.3**	**10.6**	**-0.7**
Finance	10.7	10.2	-0.5
Subsidies to Kent District Councils to maximise Council Tax collection	0.6	0.4	-0.2
Law	**1.3**	**1.2**	**-0.1**
Law	1.3	1.2	-0.1
Infrastructure	**42.2**	**40.6**	**-1.6**
Corporate Landlord	26.7	26.0	-0.7
Emergency Planning	0.0	0.0	+0.0
Health and Safety	0.5	0.5	+0.0
Kent Resilience	0.8	0.7	-0.1
Property related services	9.0	8.5	-0.4
School Property Budgets	5.3	4.9	-0.4
Strategic Management & Departmental Budgets (CED)	**-1.3**	**-1.4**	**-0.1**
Strategic Management & Departmental Budgets	-1.3	-1.4	-0.1
Strategy, Policy, Relationships & Corporate Assurance	**5.8**	**5.1**	**-0.7**
Childrens and Adults Safeguarding Services	0.4	0.5	+0.1

Figures in £m	Budget	Outturn	Variance
Resettlement Schemes, Domestic Abuse and Civil Society Strategy	0.2	0.0	-0.2
Strategy, Policy, Relationships and Corporate Assurance	5.2	4.7	-0.5

Deputy Chief Executive’s Department

Figures in £m	Budget	Outturn	Variance
Deputy Chief Executive's Department	**56.5**	**54.5**	**-2.0**
Commercial and Procurement	**3.4**	**3.3**	**-0.1**
Commercial and Procurement	3.4	3.3	-0.1
Human Resources and Organisational Development	**9.0**	**8.3**	**-0.7**
Business and Client Relationships	2.7	2.6	-0.1
Human Resources and Organisational Development	6.2	5.6	-0.6
Governance & Democracy	**6.8**	**5.9**	**-0.9**
Local Member Grants	0.5	0.2	-0.3
Governance & Democracy	6.3	5.8	-0.6
Marketing and Resident Experience	**7.1**	**7.1**	**+0.0**
Marketing and Digital Services	2.2	2.6	+0.3
Resident Experience - Contact Centre; Gateways; Customer Care and Complaints	4.9	4.5	-0.4
Strategic Management and Directorate Budgets (DCED)	**2.3**	**0.6**	**-1.6**
Strategic Management and Departmental Support	0.5	0.3	-0.3
Strategic Reset Programme	1.7	0.4	-1.4
Technology	**27.9**	**29.3**	**+1.3**
Technology	27.9	29.3	+1.3

Non Attributable Costs including Corporately Held Budgets

Figures in £m	Budget	Outturn	Variance
Non Attributable Costs including Corporately Held Budgets	**135.3**	**120.9**	**-14.5**
Non Attributable Costs	133.7	120.9	-12.8
Corporately Held Budgets	1.6	0.0	-1.6

Appendix 2 | Savings Statement

Adult Social Care & Health

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliver-able	To be achieved in future years
Adult Social Care & Health	**-62.645**	**-40.416**	**-0.811**	**-0.730**	**-41.957**	**20.688**	**17.689**	**-10.169**
Efficiency Savings in relation to the purchasing of residential and nursing care for older people	-6.790	-4.293	0.000	0.000	-4.293	2.497	0.000	-2.497
Efficiency Savings in relation to the purchasing of care and support in the home	-3.967	-0.139	0.000	0.000	-0.139	3.828	3.819	-0.010
Efficiency savings in relation to the purchasing of equipment contract	-0.590	0.000	0.000	0.000	0.000	0.590	0.590	0.000
Efficiency savings in relation to the purchasing and monitoring of delivery of supported living	-7.546	-0.156	-0.054	0.000	-0.210	7.336	6.046	-1.344
Review of 18-25 community-based services: ensuring strict adherence to policy, review of packages with high levels of support and enhanced contributions from health - short term support	-0.001	-0.001	0.000	0.000	-0.001	0.000	0.000	0.000
Review of 18-25 community-based services: ensuring strict adherence to policy, review of packages with high levels of support and enhanced contributions from health - long term support	-0.649	-0.649	0.000	0.000	-0.649	0.000	0.000	0.000
18-25 Community Based Services saving (transport)	-0.250	-0.250	0.000	0.000	-0.250	0.000	0.000	0.000

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliver-able	To be achieved in future years
Annual uplift in social care client contributions in line with estimated benefit and other personal income uplifts, together with inflationary increases and a review of fees and charges across all KCC services, in relation to existing service income streams - long term support	-3.898	-3.898	0.000	0.000	-3.898	0.000	0.000	0.000
Annual uplift in social care client contributions in line with estimated benefit and other personal income uplifts, together with inflationary increases and a review of fees and charges across all KCC services, in relation to existing service income streams - short term support	-0.002	-0.002	0.000	0.000	-0.002	0.000	0.000	0.000
Annual uplift in social care client contributions in line with estimated benefit and other personal income uplifts, together with inflationary increases and a review of fees and charges across all KCC services, in relation to existing service income streams for clients aged up to 25	-0.040	-0.040	0.000	0.000	-0.040	0.000	0.000	0.000
Estimated annual increase in Better Care Fund - short term support	-0.382	-0.382	0.000	0.000	-0.382	0.000	0.000	0.000
Estimated annual increase in Better Care Fund - long term support	-1.925	-1.925	0.000	0.000	-1.925	0.000	0.000	0.000
Revision of Adults Charging Policy, in line with Care Act legislation and the statutory guidance for 18-25 - long term support	-0.129	-0.129	0.000	0.000	-0.129	0.000	0.000	0.000
The full year effect of the Adults Charging Policy changes made in line with Care Act Legislation and statutory guidance in September 2024 - long term support	-1.573	-1.573	0.000	0.000	-1.573	0.000	0.000	0.000

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliver-able	To be achieved in future years
The full year effect of the Adults Charging Policy changes made in line with Care Act Legislation and statutory guidance in September 2024 - short term support	-0.022	-0.022	0.000	0.000	-0.022	0.000	0.000	0.000
Revision of Adults Charging Policy, in line with Care Act legislation and the statutory guidance for 18-25 - short term support	-0.000	-0.000	0.000	0.000	-0.000	0.000	0.000	0.000
Review of preventive services to prevent, reduce and delay care and support. Working with the NHS and wider partners to commission collaboratively to deliver efficiencies	-2.589	-0.409	-0.758	-0.730	-1.897	0.692	0.000	-2.179
Savings from moving individuals previously supported in community-based services into grant funded safe accommodation	-0.225	-0.225	0.000	0.000	-0.225	0.000	0.000	0.000
Cease our contribution to the Home Improvement agency	-0.294	0.000	0.000	0.000	0.000	0.294	0.294	0.000
Efficiencies in Enablement	-7.581	-10.873	0.000	0.000	-10.873	-3.292	0.000	0.000
Initial Contact	-1.667	-0.231	0.000	0.000	-0.231	1.436	1.436	0.000
Maximisation of in-house short term beds	-2.152	-0.475	0.000	0.000	-0.475	1.677	0.174	-1.504
Reduction in Residential and Nursing Placements	-0.772	-0.753	0.000	0.000	-0.753	0.020	0.020	0.000
Occupational Therapists	-1.840	-2.539	0.000	0.000	-2.539	-0.699	0.000	0.000
Partnership working - continuing health care	-1.046	0.000	0.000	0.000	0.000	1.046	0.000	-1.046
Ongoing Reviews	-2.296	0.000	0.000	0.000	0.000	2.296	2.042	-0.254
First Reviews	-3.111	-1.028	0.000	0.000	-1.028	2.083	0.747	-1.336

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliver-able	To be achieved in future years
Supported Living	-3.534	-3.623	0.000	0.000	-3.623	-0.089	0.000	0.000
Technology Enabled Lives	-1.749	-3.297	0.000	0.000	-3.297	-1.548	0.000	0.000
Additional plans are being considered and further 2025-26 savings are being modelled on other areas which could support the plans already in place.	-2.522	0.000	0.000	0.000	0.000	2.522	2.522	0.000
Over delivery of £3,373.3k of savings in 2024-25 against some of the streams within the £30,154.8k 2024-25 savings target from the review and reshape of ASCH as set out in the sustainability plan to deliver new models of social care - long term support	-3.373	-3.373	0.000	0.000	-3.373	0.000	0.000	0.000
Review of embedded teams in ASCH Directorate, to establish opportunities for consolidation and/or centralisation of practice	-0.055	-0.055	0.000	0.000	-0.055	0.000	0.000	0.000
Children's Health Programme savings on premises due to more efficient use of available premises	-0.025	-0.025	0.000	0.000	-0.025	0.000	0.000	0.000
Reduction in demand for Buprenorphine	-0.040	-0.040	0.000	0.000	-0.040	0.000	0.000	0.000
Review of Public Health Services principally related to Healthy Lifestyles to ensure spending is contained within ringfenced grant	-0.009	-0.009	0.000	0.000	-0.009	0.000	0.000	0.000

Children, Young People & Education

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliver-able	To be achieved in future years
Children, Young People & Education	**-22.205**	**-20.380**	**0.000**	**-0.400**	**-20.780**	**1.425**	**0.598**	**-1.227**
Efficiency: Children's Social Care – Review of Legal Services Spend through cost efficiencies by Invicta Law and review of the use of legal services by social workers	-0.232	-0.232	0.000	0.000	-0.232	0.000	0.000	0.000
Policy: Services to Schools – Review our offer to schools in light of the latest DFE funding changes and guidance including exploring alternative funding arrangements and engaging in efficiency measure to reduce costs	-0.400	0.000	0.000	-0.400	-0.400	0.000	0.000	-0.400
Review of Legal Services Spend through cost efficiencies by Invicta Law and review of the use of legal services by social workers - CCS	-0.019	-0.019	0.000	0.000	-0.019	0.000	0.000	0.000
Review of Legal Services Spend through cost efficiencies by Invicta Law and review of the use of legal services by social workers - ICS Operations	-0.831	-0.229	0.000	0.000	-0.229	0.601	0.000	-0.601
Implementation of new statutory guidance for Home to School Transport (published June 23) including making use of a new system for transport planning to explore route optimisation and use of standard pick up points, where appropriate.	-0.300	-0.300	0.000	0.000	-0.300	0.000	0.000	0.000
Reduction in the number of Historic Pension Arrangements - CYPE Directorate	-0.120	-0.120	0.000	0.000	-0.120	0.000	0.000	0.000
Adoption Service	-0.090	-0.064	0.000	0.000	-0.064	0.026	0.000	-0.026

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliver-able	To be achieved in future years
Kent 16+ Travel Saver price realignment to offset bus operator inflationary fare increases	-0.108	-0.108	0.000	0.000	-0.108	0.000	0.000	0.000
Introduction of charging for post 16 SEN transport and reductions to the Post 19 transport offer	-0.541	-0.541	0.000	0.000	-0.541	0.000	0.000	0.000
Review our offer to schools in light of the latest DFE funding changes and guidance including exploring alternative funding arrangements and engaging in efficiency measure to reduce costs	-0.250	-0.250	0.000	0.000	-0.250	0.000	0.000	0.000
Policy: Services to Schools – Review our offer to schools in light of the latest DFE funding changes and guidance including exploring alternative funding arrangements and engaging in efficiency measure to reduce costs	-0.707	-0.707	0.000	0.000	-0.707	0.000	0.000	0.000
Review contract with Health for fast tracking mental health assessments for Looked After Children	-1.117	-1.117	0.000	0.000	-1.117	0.000	0.000	0.000
Review of open access services in light of implementing the Family Hub model - ICS Operations	-1.534	-1.534	0.000	0.000	-1.534	0.000	0.000	0.000
Review of open access services in light of implementing the Family Hub model - CCS	-0.066	-0.066	0.000	0.000	-0.066	0.000	0.000	0.000
Review of Kent 16+ Travel Saver - above inflation increase to cover full cost of the pass	-0.385	-0.385	0.000	0.000	-0.385	0.000	0.000	0.000
Review of services for schools including contribution to TEP, facilities management costs, staff care services and any other services for schools	-1.323	-1.323	0.000	0.000	-1.323	0.000	0.000	0.000

Figures in £m

Saving		2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliver-able	To be achieved in future years
Review of Respite Offer		-0.200	0.000	0.000	0.000	0.000	0.200	0.000	-0.200
Use of external grant to part fund respite offer		-0.550	-0.550	0.000	0.000	-0.550	0.000	0.000	0.000
Estimated reduction to the impact of rising pupil population on SEN Home to School and College Transport		-10.600	-10.600	0.000	0.000	-10.600	0.000	0.000	0.000
Initiatives to increase use of Personal Transport Budgets to reduce demand for Hired Transport		-0.400	-0.400	0.000	0.000	-0.400	0.000	0.000	0.000
Review of children with disability packages ensuring strict adherence to policy, review packages with high levels of support and enhanced contributions from health		-0.756	-0.386	0.000	0.000	-0.386	0.371	0.371	0.000
Implementation of strategies to reduce placement costs for looked after children including the impact of kinship service to reduce the number of children remaining in care, along with increased health contributions.		-1.500	-1.273	0.000	0.000	-1.273	0.227	0.227	0.000
Review of embedded teams in CYPE Directorate, to establish opportunities for consolidation and/or centralisation of practice		-0.175	-0.175	0.000	0.000	-0.175	0.000	0.000	0.000

Growth, Environment & Transport

Figures in £m

Saving		2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliver-able	To be achieved in future years
Growth, Environment & Transport		**-17.180**	**-17.780**	**0.000**	**-0.250**	**-18.030**	**-0.850**	**0.000**	**-0.200**
Reduced cost of food waste disposal following Government legislation regarding consistent collections, and work with Kent District Councils to deliver savings from improving kerbside food waste recycling rates.		-0.076	-0.076	0.000	0.000	-0.076	0.000	0.000	0.000
Review service delivery model for Visitor Economy and Inward Investment services to bring about efficiency savings within the operating model		-0.150	-0.150	0.000	0.000	-0.150	0.000	0.000	0.000
Undeliverable prior year saving from increased waste material segregation, that was intended to generate income or reduce cost. This has not been possible due to a change in Government legislation whereby certain items can no longer be recycled.		-0.390	-0.390	0.000	0.000	-0.390	0.000	0.000	0.000
Revenue savings from a spend to save initiative by paying off an interest bearing loan early related to the development of Dunbrik Waste Transfer Station		-0.395	-0.395	0.000	0.000	-0.395	0.000	0.000	0.000
Increased Libraries, Registration and Archives income due to increased uptake of services		-0.400	-0.600	0.000	0.000	-0.600	-0.200	0.000	0.000
Changes to the contribution from Medway Council under SLA relating to increasing/decreasing costs for provision of Coroner service in Medway		-0.109	-0.109	0.000	0.000	-0.109	0.000	0.000	0.000

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliver-able	To be achieved in future years
Annual inflationary uplift to Library, Registration and Archives income levels and fees and charges in relation to existing service income streams	-0.050	-0.050	0.000	0.000	-0.050	0.000	0.000	0.000
Inflationary increase in income levels and pricing policy for Kent Scientific Services	-0.086	-0.086	0.000	0.000	-0.086	-0.000	0.000	0.000
Continuation of a one-off (2025-26) increase in the annual financial distribution to partners from East Kent Opportunities LLP. The remaining land parcels are currently anticipated to be disposed of by the end of 2025-26, at which point East Kent Opportunities LLP will be dissolved and the budget will need to be realigned in 2026-27.	-0.050	-0.050	0.000	-0.050	-0.100	-0.050	0.000	0.000
Kent Travel Saver price realignment to offset bus operator inflationary fare increases	-0.480	-0.480	0.000	0.000	-0.480	0.000	0.000	0.000
Trading Standards inflationary fee increases	-0.002	-0.002	0.000	0.000	-0.002	0.000	0.000	0.000
Review of all Highways & Transportation fees and charges, that are to be increased annually in line with inflation	-0.065	-0.065	0.000	0.000	-0.065	0.000	0.000	0.000
Highways & Transportation - review of future activity levels with a view to increasing income targets to ensure compliance with fees and charges policy	-1.032	-1.632	0.000	0.000	-1.632	-0.600	0.000	0.000
Increased income within Kent Scientific Services for toxicology analysis for the Coroners Service	-0.013	-0.013	0.000	0.000	-0.013	0.000	0.000	0.000
Surplus from traffic management penalties including contravening traffic restrictions, box	-0.200	0.000	0.000	-0.200	-0.200	0.000	0.000	-0.200

Figures in £m

Saving		2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliver-able	To be achieved in future years
junctions and bus lanes under new Moving Traffic Enforcement powers, to offset operational costs and overheads - compliance with fees and charges policy									
Income to offset part of the cost of disposal of packaging waste under Extended Producer Responsibility (EPR) legislation		-13.288	-13.288	0.000	0.000	-13.288	0.000	0.000	0.000
"Review of Community Warden Service to deliver a £1m saving which has resulted in an overall reduction in wardens		-0.067	-0.067	0.000	0.000	-0.067	0.000	0.000	0.000
This is the residual budget once pension liabilities expire"		-0.120	-0.120	0.000	0.000	-0.120	0.000	0.000	0.000
Increase income from Country Parks		-0.013	-0.013	0.000	0.000	-0.013	0.000	0.000	0.000
A reduction in the KCC contribution to the operational costs of the Cyclopark sports and community facility in Gravesend. The park is owned by KCC and operated on KCC's behalf by the Cyclopark charitable trust.		-0.058	-0.058	0.000	0.000	-0.058	0.000	0.000	0.000
Reduction of KCC funding to support the operational costs of Produced in Kent, the county's food & drink sector business membership organisation and promotional agency.		-0.015	-0.015	0.000	0.000	-0.015	0.000	0.000	0.000
Reduction in the budget for the Straits Committee whilst continuing to meet the committee's commitments		-0.080	-0.080	0.000	0.000	-0.080	0.000	0.000	0.000

Figures in £m

Saving		2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliver-able	To be achieved in future years
Work with Kent District Councils to deliver savings from improving kerbside food waste recycling rates		-0.021	-0.021	0.000	0.000	-0.021	0.000	0.000	0.000
Review of embedded teams in GET Directorate, to establish opportunities for consolidation and/or centralisation of practice - Environment & Circular Economy Division		-0.021	-0.021	0.000	0.000	-0.021	0.000	0.000	0.000

Chief Executive’s Department

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliver-able	To be achieved in future years
Chief Executive’s Department	**-6.023**	**-4.879**	**0.000**	**0.000**	**-4.879**	**1.145**	**0.060**	**-1.085**
Reduction in the number of Historic Pension arrangements within CED Directorate	-0.106	-0.106	0.000	0.000	-0.106	0.000	0.000	0.000
Support Service targeted reductions - review of discretionary spend	-0.100	-0.100	0.000	0.000	-0.100	0.000	0.000	0.000
Support Service targeted reductions - reduced contribution to pension fund in respect of change to requirements	-0.107	-0.107	0.000	0.000	-0.107	0.000	0.000	0.000
Property savings from a Corporate Landlord review of specialist assets	-0.309	-0.073	0.000	0.000	-0.073	0.236	0.000	-0.236
Increase in the recharge to the Pension Fund to better represent the cost of hosting of the Fund within KCC, including overhead elements. Further work to establish full cost recovery will continue over the next few months and may result in a further increase in 2026-27.	-0.231	-0.231	0.000	0.000	-0.231	0.000	0.000	0.000
Review of Committee support arrangements	-0.020	-0.020	0.000	0.000	-0.020	0.000	0.000	0.000
Cease Early Intervention Payments to District Councils	-0.083	-0.083	0.000	0.000	-0.083	0.000	0.000	0.000
Terminate current arrangements to provide annual incentive to collection authorities to reduce/remove empty property council tax discounts and charge premiums on long-term empty properties	-1.450	-1.450	0.000	0.000	-1.450	0.000	0.000	0.000

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliver-able	To be achieved in future years
Income: Resilience and Emergency Planning - Additional income from reservoir work	-0.060	0.000	0.000	0.000	0.000	0.060	0.060	0.000
Corporate Landlord review of Community Delivery including Assets	-1.095	-0.415	0.000	0.000	-0.415	0.680	0.000	-0.680
Review of Office Assets.	-0.178	-0.010	0.000	0.000	-0.010	0.168	0.000	-0.168
Terminate the current £1.5m annual support provided to collection authorities towards the administration of local CTRS. The current arrangements provide each district with a fixed sum of £70k plus share of £660k based on number of eligible low income pensioner and working age households. The payments are funded by all major precepting authorities' pro rata to share of council tax.	-1.747	-1.747	0.000	0.000	-1.747	0.000	0.000	0.000
Reducing the subsidy to the Civil Society	-0.200	-0.200	0.000	0.000	-0.200	0.000	0.000	0.000
Support Service targeted reductions - staffing efficiencies within Infrastructure	-0.201	-0.201	0.000	0.000	-0.201	0.000	0.000	0.000
Review of embedded teams in CED Directorate, to establish opportunities for consolidation and/or centralisation of practice - Infrastructure	-0.009	-0.009	0.000	0.000	-0.009	0.000	0.000	0.000
Review of embedded teams in CED Directorate, to establish opportunities for consolidation and/or centralisation of practice	-0.128	-0.128	0.000	0.000	-0.128	0.000	0.000	0.000

Deputy Chief Executive's Department

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliver-able	To be achieved in future years
Deputy Chief Executive's Department	**-9.128**	**-8.985**	**0.000**	**-0.143**	**-9.128**	**0.000**	**0.000**	**-0.143**
Explore alternative sources of funding for the administration of the Kent Support & Assistance Service	-0.262	-0.157	0.000	-0.105	-0.262	0.000	0.000	-0.105
Support Service targeted reductions - reduced contribution to pension fund in respect of staff who transferred to Agilisys	-0.170	-0.170	0.000	0.000	-0.170	0.000	0.000	0.000
Support Service targeted reductions - staffing efficiencies within Business Management & Client Relationships	-0.019	-0.019	0.000	0.000	-0.019	0.000	0.000	0.000
Support Service targeted reductions - staffing efficiencies within Strategic Reset Programme	-0.082	-0.082	0.000	0.000	-0.082	0.000	0.000	0.000
One-off use of capital receipts under the Governments flexible use of capital receipts policy, which allows authorities to use the proceeds from asset sales to fund the revenue costs of projects that will reduce costs, increase revenue or support a more efficient provision of services. We are applying this flexibility to eligible Oracle Cloud costs in 2025-26. This flexible use of capital receipts is partially compensating for the share of the £19,835.2k policy savings required to replace the one-off solutions in the 2024-25 budget that are planned to be delivered in 2026-27. £11,705.8k of the £19,835.2k policy savings is planned for 2026-27, which will be temporarily met in 2025-26	-8.021	-8.021	0.000	0.000	-8.021	0.000	0.000	0.000

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliver-able	To be achieved in future years
from this £8,021k flexible use of capital receipts, £1,926.7k from our allocation of New Homes Bonus and £1,758.1k use of reserves, until the base budget savings are delivered in 2026-27.								
Explore alternative sources of funding for the Kent Support & Assistance Service	-0.567	-0.530	0.000	-0.038	-0.567	0.000	0.000	-0.038
Review of embedded teams in DCED Directorate, to establish opportunities for consolidation and/or centralisation of practice - SMDB Division	-0.002	-0.002	0.000	0.000	-0.002	0.000	0.000	0.000
Review of embedded teams in DCED Directorate, to establish opportunities for consolidation and/or centralisation of practice - Technology	-0.002	-0.002	0.000	0.000	-0.002	0.000	0.000	0.000
Review of embedded teams in DCED Directorate, to establish opportunities for consolidation and/or centralisation of practice - Marketing & Resident Experience Division	-0.003	-0.003	0.000	0.000	-0.003	0.000	0.000	0.000

Non Attributable Costs including Corporately Held Budgets

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliver-able	To be achieved in future years
Non Attributable Costs	**-2.798**	**-2.800**	**0.000**	**0.000**	**-2.800**	**-0.002**	**0.000**	**0.000**
Review amounts set aside for debt repayment (MRP) based on review of asset life	-1.000	-1.000	0.000	0.000	-1.000	0.000	0.000	0.000
Reduce the annual budget for Modernisation of the Council/ Workforce Reduction based on recent years' activity and fund any in-year excess costs from the reserve	-0.500	-0.500	0.000	0.000	-0.500	0.000	0.000	0.000
Increase in the dividend from Commercial Services Group following an increase in the commissioning budgets for ICT & HR services	-1.298	-1.300	0.000	0.000	-1.300	-0.002	0.000	0.000
Corporately Held Budgets	**-1.500**	**0.000**	**-1.000**	**0.000**	**-1.000**	**0.500**	**1.000**	**-0.500**
Reduction in the volume and duration of agency staff	-0.750	0.000	-0.750	0.000	-0.750	0.000	0.750	0.000
Reduction in the volume and duration of agency staff	-0.250	0.000	-0.250	0.000	-0.250	0.000	0.250	0.000
Review of structures across the Council to ensure adherence to the Council's organisation design policy	-0.500	0.000	0.000	0.000	0.000	0.500	0.000	-0.500

Appendix 3 | Prudential Indicators

The prudential indicators consider the affordability and impact of capital expenditure plans, in line with the prudential code.

Prudential Indicator 1: Estimates of Capital Expenditure (£m)

	24-25 Actual	25-26 Budget	25-26 Actual
Total	269.64	358.38	273.84

Prudential Indicator 2: Estimate of Capital Finance Requirement (CFR) (£m)

The CFR is the total outstanding capital expenditure not yet financed by revenue or capital resources. It is a measure of the Council's underlying borrowing need.

	24-25 Actual	25-26 Budget	25-26 Actual
Total CFR	1,295.90	1,234.10	1276.21

Prudential Indicator 3: Gross Debt and the Capital Financing Requirement (£m)

Projected levels of the Authority's total outstanding debt (which comprises borrowing, PFI liabilities, leases and transferred debt) are shown below,
compared with the CFR.

	24-25 Actual	25-26 Budget	25-26 Actual
Other long-term liabilities	230.30	159.10	216.5
External borrowing	732.56	684.70	610.38
Total debt	962.86	843.80	826.88
Capital Financing Requirement	1,295.90	1,234.10	1,276.21
Internal borrowing	333.04	390.30	449.33

Prudential Indicator 4: Authorised Limit and Operational Boundary for External Debt

The Authority is legally obliged to set an affordable borrowing limit (the authorised limit for external debt). A lower "operation boundary" is set should debt approach the limit.

	24-25 Actual	25-26 Budget	25-26 Actual
Authorised limit – borrowing	946	1,201	1,201
Authorised limit – other long-term liabilities	230	240	217
Authorised limit – total external debt	1,176	1,441	1,418
Operational boundary – borrowing	822	1,101	1,101
Operational boundary – other long-term liabilities	230	215	217*
Operational boundary – total external debt	1,052	1,316	1,318

* Includes IFRS16 long term liability

Prudential Indicator 5: Estimate of Finance Costs to Net Revenue Stream (%)

Financing costs comprise interest on loans and minimum revenue provision (MRP) and are charged to revenue. This indicator compares the net
financing costs of the Authority to the net revenue stream.

	24-25 Actual	25-26 Budget	25-26 Actual
Proportion of net revenue stream	7.38%	6.76%	6.75%

Prudential Indicator 6: Estimates of net income from commercial and service investments to net revenue stream

	25-26 Actuals
Net income from commercial and service investments to net revenue stream (%)	0.49

Appendix 4 | Capital Rephasing

The tables below identify the requested roll forwards by budget line, which reflect the rephasing as described in section 11 of the report. Some of this rephasing has already been affected as part of the 2026-29 budget, therefore only the rephasing since then is to be actioned.

Children, Young People & Education	**2025-26 £'000**	**2026-27 £'000**	**2027-28 £'000**	**Future years £'000**	**Total £'000**
Annual Planned Enhancement	120	3,167	-3,287		0
Modernisation Prog	-3,714	2	3,712		0
School Roofs	-507	507			0
Basic Need KCP17	-209	209			0
Basic Need KCP19	-8,297	-803		9,100	0
Basic Need KCP21 (22-26)	-270	270			0
Basic Need KCP22 (23-27)	-6,747	5,147	1,600		0
Basic Need KCP23 (24-28)	-9,178	-14	9,191		0
High Needs Provision	-4,297	16,499	5,095	-17,297	0
Family Hubs and Start for Life	-91	91			0
Childcare Expansion	-1,430	1,430			0
In House Residential Provision (Athena)	-762	762			0
TOTAL CYPE REPHASING	**-35,381**	**27,267**	**16,311**	**-8,197**	**0**
Rephasing already actioned through Budget Build	-20,091	-14,598	22,945	11,745	0
Remaining rephasing to action from outturn	**-15,290**	**41,865**	**-6,634**	**-19,942**	**0**

Adult Social Care & Health	**2025-26 £'000**	**2026-27 £'000**	**2027-28 £'000**	**Future years £'000**	**Total £'000**
Learning Disability Good Day Programme	-316	316	0	0	0
TOTAL ASCH REPHASING	**-316**	**316**	**0**	**0**	**0**

Adult Social Care & Health		2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Rephasing already actioned through Budget Build		-20	20	0	0	0
Remaining rephasing to action from outturn		**-296**	**296**	**0**	**0**	0

Growth, Environment & Transport – Highways & Transportation		2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Highway Major Enhancement		-7,108	6,900	208		0
Integrated Transport Schemes		-536	536			0
Preliminary Design		-20	0	20		0
Old Schemes Residual Works		-104	104	0		0
DFT Border Works		-412	412	0		0
LED Conversion		-809	465	344		0
Galley Hill		0	0	0		0
Bearsted Road Improvements		-224	224			0
Thanet Parkway Railway Station		-14	14			0
Kent Thameside Strategic Transport (STIPS)		-154	-5,199	5,353		0
Thames Way (STIPS)		-3,381		3,381		0
A28 Chart Road		53	-13,784	-1,894	15,625	0
Maidstone Integrated Transport		-2,289	2,289	0		0
Sturry Link Road		-1,484	-19,423	17,680	3,227	0
A2 Off Slip Wincheap, Canterbury		-1,500	-699	1,498	701	0
Herne Relief Road		-611	421	190		0

Growth, Environment & Transport – Highways & Transportation		2025-26 £’000	2026-27 £’000	2027-28 £’000	Future years £’000	Total £’000
Housing Infrastructure Fund - Swale		-3,218	3,218			0
Fastrack Full Network - Bean Tunnels		-13,527	7,676	5,851		0
Faversham Swing Bridge		-1,115	0	1,115		0
A229 Bluebell Hill M2 and M20 Interchange Upgrades		226	-226	0		0
North Thanet Link		-1,301	1,301	0		0
Kent Active Travel Fund Phase 2		-482	482			0
Kent Active Travel Fund Phase 3		-123	123			0
Kent Active Travel Fund Phase 4		-1,371	1,371			0
Kent Active Travel Fund Phase 5		-762	762			0
Consolidated Active Travel Fund CATF		809	0	-809		0
A252 Ashford Safer Rds		-53	53			0
Green Corridors 3		-3,283	3,283			0
Market Square Dover		-23	23			0
Bath Street, Gravesend		-67	0	67		0
A228 and B2160 Junction Improvements		-4,015	3,995	20		0
Zebra Funding - Electric Buses and Infrastructure		-1,159	1,159	0		0
Local Electric Vehicle Infrastructure (LEVI)		-525	525			0
Folkestone A Brighter Future		-6,794	6,794			0
Ebbsfleet Development Corporation Landscaping Improvements (EDC)		-1,676	1,676	0		0
National Bus Strategy - Bus Service Improvement Plan BSIP Ph1 & Ph2 & Ph3		-11,107	11,107			0
Moving Traffic Enforcement Service		-235	235	0		0

Growth, Environment & Transport – Highways & Transportation		2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
M20 Junction 7		-750	-3,290	3,775	266	0
Manston to Haine Link		-373	-2,695	-7,845	10,913	0
TOTAL HIGHWAYS & TRANSPORTATION REPHASING		**-69,514**	**9,829**	**28,954**	**30,731**	**0**
Rephasing already actioned through Budget Build		-39,057	16,045	9,192	13,820	0
Remaining rephasing to action from outturn		**-30,457**	**-6,216**	**19,762**	**16,911**	**0**

Growth, Environment & Transport – Environment & Circular Economy		2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Country Parks		-140	140			0
Local Nutrient Mitigation Fund		-5,350	4,550	800		0
New Transfer Station Folkestone & Hythe		-5,133	5,133			0
Electric Vans		-239	239			0
Energy & Water Investment Fund (KCC Funds)		-516	516			0
Local Authority Treescape Fund		-191	191			0
Surface Water Flood Risk Management		-712	462	250		0
Windmills Weatherproofing		-36		36		0
TOTAL ENVIRONMENT & CIRCULAR ECONOMY		**-12,317**	**11,231**	**1,086**	**0**	**0**
Rephasing already actioned through Budget Build		-9,172	8,240	932	0	0
Remaining rephasing to action from outturn		**-3,145**	**2,991**	**154**	**0**	**0**

Growth, Environment & Transport – Growth & Communities		2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Public Rights of Way		-1,250	1,250			0
Village Halls & Community Centre Grants		-30	30			0
Essella Road Footbridge		-620	10	610		0
Innovation Investment Initiative (i3)		-1,173		394	779	0
Kent Empty Property Initiative		83	1,917	-2,000		0
Kent Broadband Voucher Scheme		-533	-765	781	517	0
Broadband Contract 2		-1,349	1,349			0
Gypsy & Traveller Site Improvements		30	-30			0
Kent and Medway Business Fund		83	1,017		-1,100	0
Kent and Medway Business Fund - Small Business Boost		-304	304			0
Public Sports		-3	3			0
Growth Places Fund		-6,145	6,145			0
TOTAL GROWTH & COMMUNITIES REPHASING		**-11,211**	**11,230**	**-215**	**196**	**0**
Rephasing already actioned through Budget Build		-3,117	680	1,142	1,296	0
Remaining rephasing to action from outturn		**-8,094**	**10,550**	**-1,357**	**-1,100**	**0**

Chief Executive's Department		2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Modernisation of Assets		-4,370	4,370			0
Asset Utilisation		-1,341	1,341			0

Chief Executive's Department		2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Strategic Reset		-977	977			0
Dover Discovery Centre		-100	100			0
TOTAL CED REPHASING		**-6,788**	**6,788**	**0**	**0**	**0**
Rephasing already actioned through Budget Build		-2,042	2,042	0	0	0
Remaining rephasing to action from outturn		**-4,746**	**4,746**	**0**	**0**	**0**

GRAND TOTAL	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
TOTAL REPHASING	**-135,528**	**66,662**	**46,136**	**22,730**	**0**
Total Rephasing already actioned through Budget Build	-73,500	12,429	34,211	26,860	0
Total Remaining rephasing to action from outturn	**-62,028**	**54,233**	**11,925**	**-4,130**	**0**

Appendix 5 | Capital Cash Limit Changes

To reflect revised funding/phasing since budget

The tables below reflect changes and timing in available funding, such as additional grant and external funding, since the 2026-29 budget was agreed

Children, Young People & Education		2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Annual Planned Enhancement		-46	0	0	0	-46
Modernisation Programme		253	668	2,391	0	3,313
Basic Need KCP16		12	0	0	0	12
Basic Need KCP17		-9	0	0	0	-9

Children, Young People & Education		2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Basic Need KCP18		81	-70	0	0	11
Basic Need KCP19		-3,228	-745	0	821	-3,152
Basic Need KCP20 (21-25)		72	0	0	0	72
Basic Need KCP21 (22-26)		-11	-300	0	0	-311
Basic Need KCP22 (23-27)		4,445	-5,900	900	0	-555
Basic Need KCP23 (24-28)		-1,018	428	-1,586	73	-2,103
Basic Need Markers		-1,362	-20,651	21,950	1,823	1,761
High Needs Provision		-2,289	1,840	0	23,141	22,692
Special Schools Review		-9	0	0	0	-9
Family Hubs and Start for Life		-48	0	0	0	-48
Childcare Expansion		75	0	0	0	75
Purchase of Vehicles		0	0	0	0	0
In House Residential Provision (Athena)		-1,075	1,006	0	0	-69
Total Other Cash Limit Changes		**-4,154**	**-23,725**	**23,656**	**25,858**	**21,634**

Adult Social Care & Health		2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Home Support Fund		-179	0	0	0	-179
LD Good Day Programme		-85	55	0	0	-30
Developer Funded Schemes		16	41	0	0	57
Community Sexual Health Services		157	0	0	0	157
Capitalisation of IT Equipment Costs		2,000	0	0	0	2,000

Adult Social Care & Health		2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Total Other Cash Limit Changes		**1,909**	**96**	**0**	**0**	**2,005**

Growth, Environment & Transport – Highways & Transportation		2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Highway Major Enhancement		662	0	-1,808	-4,008	-5,153
Integrated Transport Schemes		-83	0	0	0	-83
Government Transitions works (was EU Exit) (Sevington)		-1,000	1,000	0	0	0
Dover IBF		0	0	0	0	0
DFT Border Works		-75	0	0	0	-75
LED Conversion		-59	0	0	0	-59
Galley Hill		-99	0	0	0	-99
Bearsted Road Improvements		-930	1,077	25	13	185
Thanet Parkway Railway Station		-120	0	0	0	-120
A28 Chart Road		-4	13,804	1,801	-15,602	0
Maidstone Integrated Transport		0	0	0	0	0
KTS A226 St Clements Way		0	0	0	0	0
Sturry Link Road		4,050	30,401	-26,741	4,365	12,075
A252 Ashford Safer Rds		14	0	0	0	14
A290 Safer Roads Fund		-14	0	0	0	-14
A2500 Lower Road		-1	0	0	0	-1
Housing Infrastructure Fund - Swale		5,338	-904	-179	0	4,255
Dover Bus Rapid Transit - Fastrack		2,921	393	0	0	3,314

Growth, Environment & Transport – Highways & Transportation		2025-26 £’000	2026-27 £’000	2027-28 £’000	Future years £’000	Total £’000
Fastrack Full Network - Bean Tunnels		5,443	2,054	-4,750	0	2,747
North Thanet Link		0	-892	1,000	0	108
Kent Active Travel Fund Phase 2		280	0	0	0	280
Kent Active Travel Fund Phase 3		-280	0	0	0	-280
Consolidated Active Travel Fund CATF		-772	1,000	3,454	0	3,682
Diversion Routes for Unplanned Events (DRUE)		-29	0	0	0	-29
Manston to Haine Link		0	250	500	16,684	17,434
Ebbsfleet Development Corporation Landscaping Improvements (EDC)		320	-320	0	0	0
National Bus Strategy - Bus Service Improvement Plan BSIP Ph1 & Ph2 & Ph3		-3,947	0	0	0	-3,947
Local Electric Vehicle Infrastructure (LEVI)		18	0	0	0	18
Moving Traffic Enforcement Service		129	0	0	0	129
Folkestone A Brighter Future		2,321	-2,203	1,169	0	1,287
Faversham Swing Bridge		-700	700	0	0	0
Total Other Cash Limit Changes		**13,383**	**46,361**	**-25,529**	**1,452**	**35,667**

Growth, Environment & Transport – Environment & Circular Economy		2025-26 £’000	2026-27 £’000	2027-28 £’000	Future years £’000	Total £’000
New Transfer Station Folkestone & Hythe		0	-132	132	0	0
Surface Water Flood Risk Management		199	0	0	0	199
Energy & Water Investment Funds - External (Salix Fund)		-232	-49	-35	-24	-340
Energy & Water Investment Fund (KCC Funds)		232	49	35	24	340

Growth, Environment & Transport – Environment & Circular Economy		2025-26 £’000	2026-27 £’000	2027-28 £’000	Future years £’000	Total £’000
Trees Outside Woodland		34	0	0	0	34
Waste Compactor Replacement		318	0	0	0	318
Waste Infrastructure		-4	0	0	0	-4
Windmills Weatherproofing		-19	0	0	0	-19
Total Other Cash Limit Changes		**528**	**-132**	**132**	**0**	**528**

Growth, Environment & Transport – Growth & Communities		2025-26 £’000	2026-27 £’000	2027-28 £’000	Future years £’000	Total £’000
Public Rights of Way		0	60	0	0	60
Gypsy & Traveller Site Improvements		25	0	0	0	25
Essella Road Footbridge		0	0	-10	0	-10
Javelin Way Development		-4	0	-33	0	-37
Kent & Medway Business Fund		-800	0	0	0	-800
Kent & Medway Business Fund - Small Business Boost		800	0	0	0	800
Kent Empty Property Initiative		-66	0	0	0	-66
KSS Equipment and Vehicles		418	0	0	0	418
Total Other Cash Limit Changes		**373**	**60**	**-43**	**0**	**390**

Chief Executive’s Department		2025-26 £’000	2026-27 £’000	2027-28 £’000	Future years £’000	Total £’000
Modernisation of Assets		-40	0	0	0	-40
Dover Discovery Centre		53	0	0	0	53

Chief Executive's Department		2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Strategic Estate Prog		-1,722	2,172	0	0	450
Accommodation for Unaccompanied Asylum Seeking Children		-1,669	128	0	0	-1,541
Corporate Property Strategic Capital		58	0	0	0	58
Disposal Costs		-56	0	0	0	-56
Asset Utilisation		-14	0	0	0	-14
AU - Oakwood House		32	0	0	0	32
Dover Discovery Centre		-529	0	0	0	-529
LAN Refresh		456	0	0	0	456
Strategic Reset Prog		15	0	0	0	15
Land Adj to Cranbrook		1,075	0	0	0	1,075
Total Other Cash Limit Changes		**-2,341**	**2,300**	**0**	**0**	**-41**

GRAND TOTAL	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Total Other Cash Limit Changes	**9,697**	**24,960**	**-1,784**	**27,309**	**60,183**

KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TAKEN BY:	DECISION NUMBER:
Cabinet	26/00030

For publication

Key decision: Yes

Subject Matter / Title of Decision: Revenue and Capital Budget Monitoring Report – Outturn 2025-26

Decision:

The Cabinet agree to:

a) NOTE the revenue and capital outturn position for 2025-26 detailed in the report, and accompanying appendices
b) AGREE that £0.8 million is rolled forward to fund existing criteria (per Appendix)
c) AGREE that £0.3 million is rolled forward to fund member grants (per Appendix)
d) AGREE the drawing down from General Fund reserves to fund the 2025-26 overspend
e) AGREE the capital slippage / re-phasing from 2025-26 will be added to the 2026-27 and later years' capital budgets (per the report)
f) NOTE the review of the capital programme
g) AGREE the proposed capital cash limit changes (per Appendix)
h) AGREE the changes made as a result of a reserves review (per the report)

Reason(s) for decision:

The capital and revenue outturn position for the Council needs to be noted by Cabinet. The rolling forward of funds into 2026-27, the capital budget changes and the reserves drawdowns and review needs to be agreed by Cabinet.

<u>How the proposed decision supports the Council's Strategic Statement</u>

The Council's strategic statement, Reforming Kent 2025-28, recognises the significant financial and demand pressures the Council faces, balancing the need to manage spending, deliver savings and generate income, whilst delivering positive outcomes for Kent residents, businesses and local communities.

The Council's strategic statement acknowledges the significance of adults social care and SEND on the wider KCC budget position and therefore the need for the financial position to presented to Cabinet for consideration on a regular basis. The forecast outturn report for 2025-26 provides the detail of the financial position and the relevant information on the delivery of savings, reserves position and Treasury Management

Financial implications:
This finance monitoring report sets out the outturn position and the impact on our reserves, which Cabinet are asked to agree.

Legal implications:
This finance monitoring report sets out the outturn position and the impact on our reserves

Equalities implications:
No direct service impact from the monitoring report– the equalities implications of the savings and management actions will be managed at service level

Data Protection implications:
None

Cabinet Committee recommendations and other consultation:

A report was presented to Cabinet on 25 June 2026 and the decision taken collectively by Cabinet.

Any alternatives considered and rejected:

N/A

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

None

Cabinet	**25 June 2026**
....	....
signed	date

From: Brian Collins, Deputy Leader of the Council

Jamie Henderson, Cabinet Member for Environment, Coastal Regeneration, and Public Health

Simon Jones, Corporate Director, Growth, Environment, and Transport

Rebecca Spore, Director of Infrastructure

To: Scrutiny Committee – 3 August 2026

Subject: Executive response to the recommendations made by the Water Supply Short Focused Inquiry

Classification: *Unrestricted*

Summary: The Water Supply Short Focused Inquiry was established following cross-party support and reported on its findings earlier this year (May 2026). This report provides the Executive response to the recommendations made by the inquiry.

In summary, the executive fully supports the report and its findings with **all recommendations accepted**. This report sets out the detailed response to each.

Recommendation(s):

The Scrutiny Committee is asked to

1. **CONSIDER** the Executive response to the recommendations made by the Water Supply Short-Focused Inquiry; and

2. **COMMENT** on the proposed response and any further action required.

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1. Introduction

1.1 The Water Supply Short Focused Inquiry was established by the Scrutiny Committee following the major water supply failures in Tunbridge Wells and surrounding areas in December 2025 and subsequent Kent-wide disruptions in January 2026. The final report was considered by the Scrutiny Committee on 13 May 2026.

1.2 The Inquiry concluded that the water supply incidents of winter 2025/26 exposed a range of issues relating to communication, identification of vulnerable residents, emergency water distribution, support for businesses and rural communities, community engagement, sector resilience, infrastructure planning and accountability.

1.3 At its meeting on 13 May 2026, the Scrutiny Committee resolved to note the Short Focused Inquiry Report into Water Supply and confirm that it be submitted to the Leader and relevant Cabinet Members, along with a request for a formal response to the recommendations within two months.

1.4 The Executive welcomes the Inquiry's comprehensive review with all the recommendations accepted. The table below sets outs the Executive's response to the eight recommendations.

1.5 It should be noted that a number of the recommendations are not within KCC control and fall to either the Kent and Medway Resilience Forum or the Water Companies, where this is the case, KCC has written to the relevant body, highlighting the recommendations of the Inquiry, with the response and action being monitored through the appropriate forum as outlined in the paper.

1.6 In addition, whilst the Inquiry focused predominately on specific incidents, there is a need for a strategic approach to water resilience and management of water resources across the County and a Water Resilience Partnership chaired by KCC is being established. The Terms of Reference for this group which will include a range of stakeholders was endorsed by Full Council in July, with its first meeting planned for the Autumn.

2 Recommendation 1. Communication, Information and Public Messaging

Part	Element	Response	Status	Lead
A	Review multi-agency provision for communicating with Parish Councils and local communities and identify where KCC can support lower tier authorities in engaging with these groups.	**Accepted**	**In progress**	Kent & Medway Resilience Forum[1] (KMRF)
B	Ensure multi-agency communications are reflected in internal KCC crisis communications plans.	**Accepted**	**In progress**	KCC Resilience & Emergency Planning Service KCC Communications
C	Develop clear communication channels for direct and rapid communication with KCC Members.	**Accepted**	**Complete**	KCC Resilience & Emergency Planning Service KCC Communications
D	Recommend that water companies develop a centralised communication system for businesses and farmers.	**Accepted**	**In progress**	Water companies[2]
E	Recommend that water companies use consistent language across their communication channels and provide best and worst-case scenarios at the outset of an incident.	**Accepted**	**In progress**	Water companies
F	Request that water companies commit to proactive and consistent engagement with local authorities during a crisis including, in particular, with any cells established by the KMRF, rather than engaging with the LRF alone.	**Accepted**	**In progress**	Water companies

KCC is currently updating the KCC Crisis Communications Plan, which includes sections on multi-agency and internal comms, including processes for liaising with members during an incident.

KCC has also written to the Chair of the Kent & Medway Resilience Forum (KMRF) to request that the relevant recommendations (in this case, Rec.1A) arising from the short focused inquiry relating to multi-agency working are progressed through the appropriate KMRF working groups. KCC, through officer attendance at KMRF working groups, will monitor progress and report back to the appropriate KCC Cabinet Committee. However, KCC has no legislative powers to compel these recommendations to be actioned.

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[1] *The Kent & Medway Resilience Forum is a partnership of Category 1 & 2 responding agencies (including KCC) that are required by the Civil Contingencies Act (2004) to come together to plan & prepare for, respond to, and recover from incidents and emergencies affecting Kent and Medway.*

[2] *There are five water companies that provide drinking water to residents across Kent. They are South East Water, Southern Water, Affinity Water, SES Water, and Thames Water.*

Separately, KCC has written to the chief executives of all five water companies that supply drinking water to residents in Kent regarding those recommendations (in this case, Recs. 1D / 1E / 1F) that are within the power of those companies to action and embed. Progress will be monitored through water company engagement with the KCC Flood Risk and Water Management Committee, although again, KCC has no legislative power to compel these recommendations to be completed. The water companies will be invited to attend the KCC Flood Risk and Water Management Committee as necessary.

3 Recommendation 2. Identification and Support of Vulnerable Residents

Part	Element	Response	Status	Lead
A	Recommend that water companies improve Priority Services Register arrangements to enable simpler third-party referrals.	**Accepted**	**In progress**	Water companies
B	Recommend that water companies establish reliable data-sharing mechanisms with responding agencies during incidents. This would assist with identifying developing vulnerability during an incident.	**Accepted**	**In progress**	Water companies
C	Recommend that water companies ensure appropriate staff receive training on vulnerability, safeguarding and accessibility, and that alternative water provision is appropriate for education, care, and health settings.	**Accepted**	**In progress**	Water companies

As with other recommendations relevant to water companies, KCC has written to the chief executives of the five that supply drinking water to residents in Kent regarding all three parts of this recommendation. Progress will be monitored through water company engagement with the KCC Flood Risk and Water Management Committee.

4 Recommendation 3. Emergency Water Distribution and Alternative Supply

Part	Element	Response	Status	Lead
A	Recommend that water companies adopt flexible distribution models, agreed in advance with local authorities, parish councils and community groups, with clear escalation triggers and alternative water provision is tailored to domestic, institutional, commercial and agricultural needs.	**Accepted**	**In progress**	Water companies
B	Recommend that water companies liaise with local authorities (including KCC) and Parish / Town councils to maintain an up to date, regularly reviewed list of suitable sites for alternative water distribution and ensure rural communities are properly mapped and considered in planning and response arrangements.	**Accepted**	**In progress**	Water companies
C	Remind utility companies that alternative water deliveries to households and vulnerable residents must be made accessible where it is safe and appropriate to do so.	**Accepted**	**In progress**	Water companies

As with other recommendations relevant to water companies, KCC has written to the chief executives of the five that supply drinking water to residents in Kent regarding all three parts of this recommendation. Progress will be monitored through water company engagement with the KCC Flood Risk and Water Management Committee.

5 Recommendation 4. Businesses, Farming and Rural Water Use

Part	Element	Response	Status	Lead
A	Recommend that water companies, working with local authorities and rural stakeholders, identify high-water-use agricultural sites and businesses to prioritise during outages and plan realistic alternative supply options beyond bottled water.	**Accepted**	**In progress**	Water companies
B	Recommend that water companies improve communication channels with the customers of licensed retail water suppliers (such as Castle Water) who were left without service information or compensation clarity.	**Accepted**	**In progress**	Water companies

As with other recommendations relevant to water companies, KCC has written to the chief executives of the five that supply drinking water to residents in Kent regarding both parts of this recommendation. Progress will be monitored through water company engagement with the KCC Flood Risk and Water Management Committee.

6 Recommendation 5. Engagement with Communities, Parish Councils and the Voluntary Sector

Part	Element	Response	Status	Lead
A	Encourage and support District and Borough Councils to more formally integrate parish and town councils and voluntary sector partners into incident response arrangements. This should include maintaining up-to-date contact lists, clearly defined roles, and earlier activation of these partners during incidents. KCC should also engage with wider local authorities and the Kent Association of Local Councils (KALC) to agree how best to support parish and town councils and local action groups, including the effective and safe use of local volunteers during future water outages, and to encourage the adoption of community-level incident response plans where appropriate.	**Accepted**	**In progress**	KMRF
B	Recommend, through KMRF partners, that all Parish and Town Councils prepare and regularly review an Emergency Response Plan, using the guidance provided by KMRF - Building Community Resilience | Kent Prepared	**Accepted**	**In progress**	KMRF

As with other multi-agency recommendations, KCC has written to the Chair of the Kent & Medway Resilience Forum to request that both parts of this recommendation are progressed through the appropriate KMRF working groups. KCC, through officer attendance at KMRF working groups, will monitor progress and report back to the appropriate KCC Cabinet Committee.

7 Recommendation 6. Impacts on Schools, Care Settings and Public Health

Part	Element	Response	Status	Lead
A	Strengthen sector-specific contingency guidance, supported by accurate infrastructure data and clear decision-making thresholds, with priority given to SEND schools, care homes and health-critical services.	**Accepted**	**In progress**	KCC Infrastructure KCC Education KCC Adult / Children's Social Care
B	Update the Schools Emergency Planning Guidance with water specific prompts to enable decision making (e.g. assessing day-start water sufficiency; contingency triggers) while avoiding rigid one-size thresholds, and request that schools include a water outage scenario in their emergency plans.	**Accepted**	**In progress**	KCC Education
C	Maintain a register of each KCC maintained school's water infrastructure (tanks, capacity, access constraints, mains-only sites) to speed deployment decisions.	**Accepted**	**In progress**	KCC Infrastructure KCC Education

Part	Element	Response	Status	Lead
D	Agree with water companies practical contingency options for different site types (e.g. realistic volumes for toilet flushing; alternatives for mains-only secondary sites).	**Accepted**	**In progress**	KCC Infrastructure KCC Education

KCC Infrastructure has started engaging with South East Water to agree what water infrastructure is in place at each site and therefore what alternate water provision would be needed in the event of water supply disruption, as outlined in Parts C and D of this recommendation.

KCC Resilience & Emergency Planning Service is also liaising with KCC Education and Adults / Children's Social Care regarding sector specific guidance. KCC Education will use the Autumn Term to review and update the Emergency Planning Guidance where appropriate. They will also work with Infrastructure where there are requirements to upgrade specific school sites. In addition, since the publication of the SFI report, a series of workshops have been completed with Adult Social Care services and providers to explore the impact of water supply disruption on the diverse range of services supporting the people of Kent, raise awareness across the sector, and capture good practice examples which will be used to inform stronger sector-specific contingency guidance.

The Emergency Planning Guidance is free to any school located in Kent, so all state funded schools automatically receive a copy even if they are Academies / Free Schools.

For education and care settings, the responsibility for business continuity planning for a range of disruptive events sits with each setting / provider.

8 Recommendation 7. Planning, Infrastructure and Long-Term Resilience

Part	Element	Response	Status	Lead
A	Support the recommendations within the Cunliffe Review and Defra's 2026 White Paper, A New Vision for Water, for national policy change, making water companies a statutory consultee for new development and advocates for statutory consultee reform to be implemented at pace. KCC will continue to use the Strategic Development Strategy to embed county-wide expectation on water resilience.	**Accepted**	**In progress**	Kent Water Resilience Partnership
B	Recommend District and Borough Councils continue to engage with utility companies as part of the planning process for a planning development, ensuring implementation of National Planning Policy Framework reforms to strengthen engagement and cooperation.	**Accepted**	**In progress**	Kent Water Resilience Partnership

Both parts of this recommendation sit comfortably within the Terms of Reference for the new Kent Water Resilience Partnership, with its focus on long-term water resilience across the county. The partnership includes borough and district councils, which gives an opportunity to progress the second part of this recommendation. The partnership also includes central government and regulators in its membership, allowing the first part to also be progressed.

9 Recommendation 8. Accountability, Learning and Assurance

Part	Element	Response	Status	Lead
A	Monitor the delivery of agreed improvements, commitments made by water companies, and evidence of enhanced performance during future incidents, to support ongoing Member scrutiny. The KCC Resilience and Emergency Planning Service should report progress to a relevant KCC committee with provision for representatives of water companies and/or the KMRF to provide annual updates.	Accepted	In progress	KCC Flood Risk & Water Management Committee
B	Request water companies familiarise themselves with KCC and KMRF emergency plans and be asked to provide briefing sessions for KMRF partners to support shared understanding of respective roles and response arrangements.	Accepted	In progress	Water companies
C	Request water companies provide their detailed Emergency Response Plan to the KMRF, providing as much detail as possible in the public domain.	Accepted	In progress	Water companies

As with other recommendations relevant to water companies, KCC has written to the chief executives of the five that supply drinking water to residents in Kent regarding parts B and C of this recommendation. Progress will be monitored through water company engagement with the KCC Flood Risk and Water Management Committee.

The Committee will lead on Part A, supported by the KCC Resilience & Emergency Planning Service and the KCC Environment division.

Kent County Council

Water Supply Short Focused Inquiry (SFI) Report

May 2026

1. Introduction and Scope

1.1. Introduction

1.1.1 A significant water supply incident affected the South East Water infrastructure in Tunbridge Wells and surrounding areas in late November and December 2025. The incident involved water quality concerns, resulting in a loss of supply for some customers and the issuing of a Boil Water Notice once supply was partially restored. The incident had a wide impact on local services and communities, with issues continuing as water quality restrictions and recovery measures were put in place.

1.1.2 Following this incident, County Council, at its meeting on 18 December 2025, called for Scrutiny Committee to establish a Short Focused Inquiry (SFI) following a major water supply failure in Tunbridge Wells and surrounding areas. Scrutiny Committee subsequently agreed to establish the SFI on 22 January 2026.

1.1.3 Further water supply disruptions occurred in January 2026, affecting South East Water and Southern Water infrastructure. These disruptions extended over approximately two weeks and involved a broader geographical area than the December incident, affecting multiple districts across the county. The water supply failures placed pressure on existing operational, service continuity and coordination arrangements across a broad range of sectors, including education, adult social care, businesses, agriculture and rural communities. It was agreed at the Scrutiny Committee meeting on 22 January that these disruptions would also be included in the Inquiry.

1.1.4 The aim of the Inquiry was to consider a range of evidence from different sectors and organisations to examine the handling and impacts of the water supply failures that occurred and to develop recommendations to Kent County Council's Executive to ultimately improve emergency resilience should similar incidents occur in the future. The recommendations include actions within Kent County Council's control, alongside recommendations that the Executive may wish to pursue with external organisations.

1.1.5 The SFI undertook a series of informal evidence gathering sessions during March and April 2026, to consider the impacts of the incidents, the effectiveness of response arrangements, and the wider system implications arising from the disruptions. It assessed the adequacy of water companies' preparedness and operational response and identified areas that could strengthen local and regional resilience, customer protection, and accountability.

1.1.6 The Inquiry Group would like to record its thanks to everyone involved in the evidence gathering for their time and commitment in contributing to this Inquiry.

1.2. Inquiry Membership

1.2.1. The membership of the inquiry consisted of the following KCC Members:

Mr John Moreland (Liberal Democrat Group) - Chairman
Mr Wayne Chapman (Reform UK Group)
Mr Spencer Dixon (Reform UK Group)
Ms Sarah Emberson (Reform UK Group)
Mr Jamie Henderson (Reform UK Group)
Mr Stuart Jeffery / Mr Stuart Heaver (Green Group)
Mr Thomas Mallon (Reform UK Group)
Mr Mark Mulvihill (Reform UK Group)
Ms Claudine Russell (Conservative Group)
Mr Geoff Samme (Liberal Democrat Group)
Mr Paul Thomas (Restore Britain Group)

1.2.2 Mr Heaver replaced Mr Jeffery as the Green Group Member towards the end of the Inquiry.

1.2.3 The membership of the Inquiry included Deputy Cabinet Members, this was considered appropriate given that its primary focus was on how Kent County Council and partner agencies responded to the water incidents. During the course of the Inquiry, Mr Henderson was appointed Cabinet Member for Environment, Coastal Regeneration and Public Health. Following his appointment, he did not attend any further evidence-gathering sessions and made no contribution to the final report.

1.3. Scope

1.3.1. The scope of the inquiry was:

1. To review the lessons arising from previous water outages in Kent (2022 - 2025), and whether these have been adopted by the water industry.
2. To make recommendations on how KCC can support the water industry in Kent to improve their resilience planning and incident response processes, in the event of similar incidents in the future. This will consider KCC's role as a statutory consultee on planning applications and include the effect planning and housing growth has on water infrastructure.
3. To identify measures to improve resilience in the water supply infrastructure within Kent, and how the water industry can embed this learning.
4. Review communication channels between water companies and KCC Members.
5. To identify improvements to water infrastructure / processes relating to KCC services such as schools and care homes.
6. Provision for farms / livestock and the equity between urban and rural communities.

2. Background and Context

2.1. Definitions

2.1.1. **Category 1 Responding Agency** - An organisation defined under the Civil Contingencies Act 2004 as having primary responsibility for emergency preparedness and response, and subject to the full range of civil protection duties under the Act. Kent County Council (KCC) is a Category 1 responder, alongside police, fire, and NHS bodies.

2.1.2. **Category 2 Responding Agency** - An organisation defined under the Civil Contingencies Act 2004 as a *co-operating responder* that supports emergency preparedness and response but does not lead it. Category 2 responders are required to co-operate with Category 1 responders, share information, and assist with planning where their services are affected. Water companies are Category 2 responders.

2.1.3. **Local Resilience Forum (LRF)** - a multi-agency partnership, established under the Civil Contingencies Act 2004, that brings together organisations and responsibilities for emergency preparedness, response, and recovery within a defined geographic area (linked to police force areas) in England and Wales.

2.1.4. **Kent and Medway Resilience Forum (KMRF)** - The LRF for Kent and Medway through which Category 1 and 2 responders coordinate emergency planning, response, and recovery across Kent and Medway.

2.1.5. **KMRF Water Supply Disruption Plan** - sets out the multi-agency response for Kent which is designed to enable responding agencies to support people and communities during periods of water supply disruption.

2.1.6. **Resilience & Emergency Planning Service** - KCC service responsible for ensuring the Council effectively prepares & plans for, responds to, and recovers from incidents (including water outages) affecting Kent and the Council. It does so by working with colleagues across the Council, and with partner agencies in the KMRF.

2.1.7. **Strategic Coordinating Group (SCG) - Gold Command** - A senior, strategic multi-agency command group convened during serious or widespread incidents.

2.1.8. **Tactical Coordinating Group (TCG) - Silver Command** - A tactical level multi-agency group responsible for implementing SCG strategy and coordinating operational responses on the ground. The TCG reports to the SCG.

2.1.9. **Vulnerable People & Communities Cell (VPCC)** - A command cell established to identify, support, and safeguard vulnerable residents during incidents. The VPCC reports to the TCG.

2.1.10. **Media and Communications Cell** - A dedicated multi-agency coordination group responsible for public messaging, media handling, and internal communications during an incident. The cell reports to the SCG and members attend TCG.

2.1.11. **Duty Emergency Planning Officer (DEPO)** - The on-call KCC officer who acts at the point of contact for alerting KCC to an incident. The DEPO is responsible for activating KCC resources, alerting local authorities and the voluntary sector, and representing KCC in at initial Tactical Coordination Group meetings.

2.1.12. **Extraordinary Cross Directorate Resilience Forum (Ex-CDRF) -** An internal KCC coordination forum convened during incidents to ensure an effective KCC response, cross directorate awareness, decision-making, and resource allocation.

2.1.13. **Priority Services Register (PSR)** - The Priority Services Register (PSR) is a free UK wide service which provides extra advice and support, including when there's an interruption to electricity, gas or water supplies. It helps utility companies to look after customers who have extra communication, access or safety needs for everyday and during supply disruptions.

2.1.14. **Ofwat** - Independent economic regulator for the water and wastewater industry in England and Wales, responsible for protecting customers by overseeing prices, performance, investment and long-term resilience of water companies.

2.1.15. **Drinking Water Inspectorate (DWI)** - Government body responsible for regulating and ensuring the quality and safety of public drinking water in England and Wales, by independently monitoring water companies' compliance with drinking water standards and taking enforcement action where necessary.

2.2 Water Services in Kent

2.2.1 Water services in Kent, and across England, are delivered through a nationally regulated system of geographically appointed monopoly providers, in which clean drinking water and wastewater services are often provided by separate companies which are statutorily appointed water or sewerage undertakers under the Water Industry Act 1991. All water companies are regulated by Ofwat, which oversees pricing, investment, service standards and long-term resilience to ensure consistency, affordability and the protection of customers and the environment nationwide.

2.2.2 The principal provider of clean drinking water across most of Kent is South East Water. The company supplies water to a range of urban and rural areas, including Maidstone, Canterbury, Ashford, Sevenoaks, Tunbridge Wells, Dover, Folkestone and the Medway towns. In addition to South East Water, a limited number of properties in Kent are served by other water supply companies due to historic infrastructure arrangements and geographic boundary locations including Affinity Water (south east Kent), SES Water (small area of west Kent including Edenbridge), and Thames Water (small area of north west Kent). Responsibility for wastewater collection and sewerage infrastructure across almost the entirety of Kent lies with Southern Water, but who also provide drinking water to residents.

2.3 Overview of Incidents in November / December 2025 and January 2026

2.3.1 On Saturday 29 November 2025, a significant outage occurred at South East Water's Pembury Water Treatment Works due to a failure in the water-treatment process that was eventually traced to a problem with a batch of coagulant chemicals, resulting in a complete shutdown of the Pembury Water Treatment Works and the loss of water supply across the Tunbridge Wells area. At the outset, South East Water anticipated that the issue would be resolved the same day. However, as the outage continued into a second day, its scale and duration prompted the establishment of a multi-agency Tactical Coordinating Group (TCG) to manage the developing situation and coordinate partner agency activity in response to the ongoing loss of supply.

2.3.2 Approximately 25,000 properties were affected by the outage. These included a wide range of critical infrastructure and community facilities, such as the local hospital, care homes, GP surgeries, dental practices, schools and early years settings, alongside businesses and residential properties. The breadth and nature of those impacted highlighted the potential risks to public health, vulnerable individuals and essential services, reinforcing the need for a coordinated multi-agency response.

2.3.3 By the morning of 2 December, around 10,000 properties had been restored to supply and South East Water had set out plans to resupply the remaining affected areas. However, during the TCG meeting held that day, South East Water reported a further issue at the Pembury Treatment Works which necessitated the shutdown of output once again. In light of this escalation and the continued uncertainty around restoration timescales, Tunbridge Wells Borough Council and Kent County Council jointly took the decision to declare a Major Incident.

2.3.4 A number of Kent County Council services were directly involved in the response, including Resilience and Emergency Planning, Public Health, Highways, Health and Safety, Infrastructure, and Marketing & Resident Experience.

2.3.5 Following the declaration, formal strategic and tactical coordination arrangements were implemented, with both Councils sharing responsibility for chairing the Strategic and Tactical Coordinating Group meetings. In addition, two specialist cells were established and chaired by Kent County Council: a Media and Communications Cell to manage public information and messaging, and a Vulnerable People and Communities Cell to identify and support those most at risk as a result of the outage.

2.3.6 On 3 December, South East Water was able to begin resupplying the network, although this was accompanied by the issue of a Boil Water Notice. While running water was restored, the notice meant that continued coordination by Kent and Medway Resilience Forum partners remained essential. This included ensuring residents, businesses and critical infrastructure had access to bottled and tankered water; delivering clear and consistent public health messaging; managing and mitigating impacts on schools, care homes and medical facilities; and providing support to affected businesses.

2.3.7 Another incident occurred in January 2026 involving more widespread water supply disruptions. The most significant disruption occurred from around 10 January, when a combination of severe winter weather, freezing temperatures and power outages led to burst water mains, reduced treatment capacity and rapidly declining storage levels. This was exacerbated by the halting of bulk water transfers from the Southern Water network to South East Water due to infrastructure issues. As a result, water pressure fell significantly, leaving thousands of properties without supply or experiencing intermittent service across large parts of Kent, including Tunbridge Wells, Maidstone, Canterbury and Swale.

2.3.8 The Kent and Medway Resilience Forum collectively declared a Major Incident on 12 January 2026. This enabled enhanced emergency coordination to protect vulnerable residents and support critical infrastructure, including hospitals and care settings. Numerous schools across Kent were forced to close due to a lack of running water, and some healthcare providers cancelled appointments or moved to virtual delivery. Bottled water stations were established at multiple locations and tanker vehicles were deployed to maintain supplies to priority sites and support recovery of the network. Despite partial restoration, some areas continued to experience low pressure or repeated outages for more than a week.

2.3.9 These incidents attracted significant public, political and regulatory scrutiny. Ofwat and the Drinking Water Inspectorate initiated investigations into South East Water’s operational resilience, incident management and customer support arrangements, with widespread calls for greater accountability and increased investment in infrastructure.

3. Evidence Gathering

3.1.1 The Inquiry undertook an intensive evidence gathering programme spanning five weeks, involving informal briefing sessions with a range of KCC Officers, key stakeholders and interested parties. The Inquiry also reviewed written information provided by external organisations and responses to a Parish Council questionnaire.

3.1.2 The Inquiry had access to background documents including:

- Notice of Ofwat's proposal to issue an enforcement order and impose a penalty on South East Water Limited
- KMRF - Water Supply Disruption Plan
- Emergency Planning for Schools in Kent 2026-2028
- KMRF Multi Agency Debrief Report – West Kent Water Disruption February 2025

3.2 Informal Briefing Sessions

Schools – Wednesday 18 March 2026
Led by KCC Officers in Education and Infrastructure

3.2.1 Schools reported a range of challenges arising from recent water supply disruptions, affecting their ability to operate safely and consistently. These included issues with the clarity and timeliness of information provided, uncertainty over the duration and extent of outages, and difficulties in planning mitigations such as the provision of bottled or tankered water. Concerns were also raised about inconsistent guidance and practices across schools, which caused confusion for parents and pupils, particularly where boil water notices were in place.

3.2.2 In addition, challenges were identified in relation to differences in site infrastructure, with some schools lacking on-site storage or contingency options, limiting their ability to remain open. The impact on vulnerable pupils, including those attending special schools, was highlighted as a key consideration, alongside the need for clearer communication, better preparedness and improved coordination to support decision-making during future incidents.

Adult Social Care – Tuesday 24 March 2026
Led by KCC Officers in Adult Social Care

3.2.3 Discussion centred on the limitations of the Priority Services Register (PSR), with significant gaps identified between registered data and actual vulnerability, requiring Adult Social Care, the NHS and voluntary groups to identify and support individuals during incidents. Members raised concerns about the accuracy, format and timeliness of data provided by water companies, including delayed updates and overoptimistic restoration estimates, which hindered effective contingency planning. Challenges around bottled and grey water provision were also discussed, particularly the suitability of packaging, delivery failures, safeguarding risks and insufficient volumes for care settings.

3.2.4 The briefing further emphasised the need for stronger multi-agency coordination, earlier engagement with local voluntary organisations, and clearer best- and worst-case planning, all of which informed recommendations on data sharing, partnership working and engagement with water companies.

Resilience and Emergency Planning – Thursday 26 March
Led by KCC Officers in Infrastructure and Emergency Planning

3.2.5 The briefing drew attention to a series of interrelated failures in alerting, coordination and operational capacity that had a direct bearing on the Inquiry's recommendations. In a number of instances, notifications from water companies did not reach key responders, meaning the Council was required to step in and alert other responding agencies. Members noted that information shared during incidents was frequently delayed, inconsistent, or provided in formats that were difficult to use, slowing decision-making and the identification of vulnerable residents.

3.2.6 Issues with alternative water provision were explored in detail, including poorly sited bottled water stations, limited accessibility in rural areas, and the absence of a robust distribution model. Further concerns were raised about public communications that were overly optimistic and not aligned with operational reality, as well as the limited capacity of some partner organisations to sustain prolonged emergency responses. Ongoing infrastructure vulnerabilities and the reliance on inter-company bulk water transfers were also highlighted.

3.2.7 Together, these issues informed recommendations aimed at strengthening water company obligations, improving realistic scenario planning and communications, enhancing preparedness across partners, and ensuring sufficient capacity for large-scale, prolonged incidents.

Businesses and Farming – Monday 30 March 2026
Led by KCC Officers in Economy and attended by the National Farmers Union

3.2.8 Businesses and farming representatives outlined a range of challenges including poor and inconsistent communication from the water company, uncertainty over the duration and scope of outages, and limited business-specific guidance, particularly in relation to boil water notices and the safe operation of commercial equipment. Hospitality, retail and other water-dependent sectors were especially affected, with pre-Christmas timing exacerbating financial losses and disruption to trade.

3.2.9 In addition, challenges were highlighted around the suitability of mitigation measures, with bottled water provision insufficient for commercial and agricultural needs, particularly in rural areas. The farming sector raised concerns regarding animal welfare, high daily water demand, and the lack of clarity around priority access for livestock businesses. Broader issues were also identified around fragmented communication channels for non-household customers, and the need for improved preparedness and long-term resilience planning, including clearer protocols, better data, and greater support for infrastructure solutions to reduce the impact of future incidents.

Flood / Water Management and Local Plans – Wednesday 1 April 2026
Led by KCC Officers in Strategic Planning and Water Management

3.2.10 The Inquiry received background information on how water supply, water efficiency and flood management is currently addressed through local plans, and the limited role of Kent County Council in influencing, rather than determining, planning policy. Concerns were raised about the lack of alignment between spatial planning and water resource management, including the fact that water companies are not statutory consultees and are not required to provide supply capacity assessments for major developments.

3.2.11 Members highlighted the resulting inconsistency across districts, the absence of mandatory consideration of water availability at application stage, and the limitations of planning tools. The proposed Strategic Development Strategy was identified as a potential opportunity to better align growth with infrastructure capacity, alongside the need for stronger national policy and statutory requirements to ensure future development is supported by sustainable and resilient water supply.

Parish and Town Councils – Wednesday 8 April 2026
Attended by representatives from interested Parish Councils

3.2.12 Parish and Town Council representatives reported widespread impacts from water supply failures, particularly in rural areas, including prolonged outages, low pressure and unsafe water requiring boil notices. Communication from water companies and local authorities was consistently described as poor or absent, with councils often relying on informal networks, social media and local knowledge to keep residents informed. Parish Councils outlined stepping in on a voluntary basis to support residents, including purchasing and distributing bottled water, coordinating welfare checks and setting up local distribution points, frequently without timely information or clear escalation routes.

3.2.13 Key issues raised included poor access to bottled water stations, lack of support for vulnerable residents and livestock owners, and inconsistent application of priority registers. Parish council representatives called for clearer and earlier communication, direct engagement with local councils, improved coordination between agencies, better use of local venues and volunteers, and stronger forward planning to improve the resilience and reliability of the water network and emergency response arrangements.

Public Health and Marketing and Resident Experience (MRX) – Friday 10 April
Led by KCC Officers in Public Health and MRX

3.2.14 Public Health and MRX highlighted serious weaknesses in the handling of recent water supply outages, particularly around protection of vulnerable residents and the quality of information provided. While Public Health intervention was triggered appropriately, concerns were raised about poor water company preparedness, unreliable data, limited engagement in multi-agency response structures and weaknesses in the Priority Services Register.

3.2.15 MRX reported significant communication failures, including reluctance to operate in emergency mode and inconsistent public messaging, leading to confusion and frustration. Recommendations focused on improved data sharing, clearer and consistent communications, stronger water company engagement during incidents, better identification of vulnerable residents, and more robust multi-agency planning to reduce reliance on reactive responses.

Community and Action Groups – Monday 13 April 2026
Attended by Dry Wells Action Group and Staplehurst Emergency Help Team

3.2.16 Community and action groups described repeated and prolonged water outages with significant impacts on residents, businesses and rural communities, and a strong sense that lessons were not being effectively learned. Local groups played a critical role during outages, establishing water distribution points, carrying out welfare checks and supporting areas well beyond their own communities, often filling gaps caused by delays or failures in official provision.

3.2.17 Members highlighted poor communication from the water company, including over-optimistic restoration times, conflicting information and a lack of clarity around bottled water use, which made planning and volunteer coordination difficult. Communities called for clear, pre-agreed emergency plans that activate immediately, fixed and accessible water distribution sites identified in advance, better use of local knowledge, and structured engagement with community groups, while stressing that voluntary support should complement, not replace, water company responsibilities.

Water Companies – Wednesday 15 April 2026
Attended by representatives from South East Water and Affinity Water

3.2.18 The water companies outlined the causes of the November / December 2025 and January 2026 incidents, the notification processes followed, and their internal incident management arrangements. It was acknowledged that prolonged incidents placed pressure on staffing and that informal engagement during the January outage contributed to uncertainty about when formal multi-agency arrangements were activated. Members raised concerns about the consistency and timeliness of information provided to partners, the accuracy of restoration forecasts, and the impact this had on emergency planning and communication with residents.

3.2.19 Members also questioned how effectively vulnerable residents were identified and supported, the operation of Priority Services Registers, and how quickly urgent issues on the ground could be escalated and resolved. Concerns were raised about advance planning and communication for bottled water distribution sites, engagement with parish councils and community groups, and reliance on Local Resilience Forum structures to coordinate responses. Water companies described planned improvements, including dedicated senior incident rotas, clearer scenario planning, enhanced engagement with local partners, and further review of emergency response procedures. Further written information was subsequently provided following the briefing and this is outlined below at 3.3.11.

3.3 Written Information

3.3.1 The Inquiry also received additional written information from the following representatives:

Head of Kent Resilience Team/Chair of the KMRF Lessons Identified and Lessons Learned Group

3.3.2 There have been two formal KMRF debriefs relating to water disruption. Whilst the KMRF can share lessons and request feedback it cannot compel water companies to attend debriefs or act on recommendations. Although the Civil Contingencies Act requires water undertakers, as Category 2 responders, to cooperate and share information, there are no enforcement powers available to the KMRF.

3.3.3 Lessons from the February 2025 debrief following disruption in Tonbridge and surrounding areas focused primarily on improving planning and engagement. These included reviewing and updating the KMRF Water Disruption Plan, particularly around activation triggers and water distribution arrangements, and encouraging greater attendance by water company representatives at multi-agency planning meetings. Whilst the Water Disruption Plan was updated and consulted on, the November / December 2025 and January 2026 incidents showed that ongoing issues remain.

3.3.4 The debrief held in February 2026, following the Tunbridge Wells incidents in December 2025 and January 2026, identified further challenges. These included the need for water suppliers to provide more complete and realistic information at the outset of incidents, particularly around best- and worst-case durations, as outages have frequently exceeded even the stated worst-case scenarios. Additional lessons related to the identification and management of alternative water distribution sites, improving flexibility for rural communities, and building on positive practice in supplying water directly to vulnerable residents. The statement also notes learning from community-led responses where residents organised their own water distribution when formal support was delayed.

3.3.5 Lessons from the February 2026 debrief have yet to be formally risk-assessed and circulated. Both South East Water and Southern Water attended the debriefs and contributed positively, but the extent to which lessons have been fully embedded is not yet clear. A task-and-finish group meeting scheduled in May 2026 will bring water providers together to review collective learning from recent incidents and update the KMRF Water Disruption Plan. Until this work is completed and the revised plan is tested, it remains difficult to assess the level of sustained engagement and learning by water companies.

Swale Borough Council

3.3.6 The incident caused significant disruption and uncertainty for residents, businesses, and council partners in Swale due to inconsistent and delayed information from the water company. Initially, it was unclear whether Swale was affected at all, making it difficult for the Council to offer reassurance or practical advice. Residents experienced outages that were often only confirmed retrospectively, while limited and ineffective public communications heightened community frustration and anxiety. Vulnerable residents, including those on the Priority Services Register, received bottled water deliveries without clear explanations, raising concerns about coordination and awareness of available support. As a result, council officers and partners were frequently forced into a reactive response rather than being able to plan proactively.

3.3.7 The incident also highlighted clear differences between rural and urban areas in terms of impact and response. Rural communities were harder to identify and support quickly due to the lack of early, accurate postcode-level data, whereas urban areas were generally prioritised in communications and initial response efforts. Swale was sometimes overlooked in favour of neighbouring boroughs considered more severely affected. Confusion was further compounded by the absence of clear mapping of pumping stations, reservoirs, and supply areas, particularly where rural communities were served by infrastructure located outside their administrative boundaries.

Tunbridge Wells Borough Council

3.3.8 Tunbridge Wells Borough Council reported that older and vulnerable residents, including those on the Priority Services Register, were particularly affected. While bottled water deliveries were made, delays, missed deliveries and practical accessibility issues reduced their effectiveness, and limited walk-up distribution sites disadvantaged residents without access to a car.

3.3.9 The disruption had serious consequences for public services, businesses and the local economy. Several schools were forced to close due to the lack of water for hygiene and sanitation, with confusion over postcode coverage leading to precautionary closures at a critical time in the academic year.

Health and care facilities were prioritised but still faced operational risks, including delayed provision of alternative water supplies to care homes, dentists and a dialysis centre, requiring additional multi-agency intervention. Local businesses, particularly small and independent traders concentrated in the town centre, were significantly impacted. Many were without water for around six days and without potable water for approximately two weeks, with hospitality venues required to close entirely. Indicative evidence suggests borough-wide economic losses in the low tens of millions of pounds, with compensation widely regarded as inadequate relative to losses incurred.

3.3.10 The incident also placed sustained pressure on council resources over an extended period. Council officers supported strategic and tactical coordination arrangements, managed environmental health issues, operated a bottled water station, provided public toilet facilities, supported schools and care settings, and delivered extensive public communications. Significant senior officer time and unplanned costs were incurred across council services and partner organisations. Although the incident was predominantly urban in nature, the density of the population, concentration of businesses and traffic congestion amplified impacts across Royal Tunbridge Wells.

<u>South East Water – Response provided on 20 April 2026</u>

3.3.11 Following the Informal Briefing Session on Wednesday 15 April, South East Water provided written information in response to questions asked by the Inquiry. In this it outlined its approach to incident management and communications during the recent outages, noting that regular updates were issued to MPs and councillors throughout the incident. An independent incident review has since identified opportunities to improve communications during future events. The company acknowledged that there were isolated issues relating to doorstep water deliveries, confirming that appropriate action was taken where processes were not followed. While contractual arrangements require third-party delivery partners to receive site-specific and operational briefings, South East Water confirmed that these partners are not currently trained in recognising vulnerability or medical needs. The company also confirmed awareness of voluntary sector support through Local Resilience Forum (LRF) arrangements, with voluntary organisations providing assistance during the incidents.

3.3.12 In response to concerns about resilience and emergency response capacity, South East Water stated that it operates a fully staffed 24/7 incident management rota, field response teams and a continuously monitored central control room. The company recognised the need for stronger external engagement and is developing a new role within its incident management structure to improve liaison with LRF partners. Issues with communication affecting non-household customers supplied via Castle Water were attributed to an internal communication breakdown, despite existing processes and dedicated support channels. South East Water confirmed that it does not currently undertake full condition assessments of all treatment works but instead relies on performance and failure monitoring, with Hazard Reviews now being introduced across all sites under a Drinking Water Inspectorate legal requirement. Seven treatment works in Kent, including Pembury, are subject to regulatory legal instruments.

3.3.13 South East Water set out its current emergency water provision arrangements for a range of sectors, prioritising hospitals, care homes, schools and prisons through tankering and bottled water, in line with regional guidance. Some sectors, such as GP practices, dentists and food processing facilities, are not currently classified as vulnerable sites, although contingency arrangements are under review. The company confirmed that there is no mandated minimum treated-water storage resilience standard, something it has raised with regulators. On longer-term resilience, South East Water confirmed that the Broad Oak Reservoir is fully funded, currently in the design phase, and expected to be operational by 2035. Interim measures include significant investment between 2025 and 2030, upgrades at key Kent treatment works, increased alternative water capability, expanded staffing and the creation of a dedicated maintenance team.

3.3.14 Regarding the specific failure at Pembury Treatment Works, South East Water confirmed that a full review is underway at all sites using coagulant chemicals, with completion due by mid-May 2026. Any issues identified will be progressed through its Incident Recovery Action Plan, with funding requests raised where necessary. Additional online monitoring for coagulant control has already been installed at Pembury as part of measures intended to prevent a recurrence of the incident.

3.4 Parish Council Questionnaire

3.4.1 During the course of the Inquiry a questionnaire was sent to Parish and Town Councils in Kent asking for their views in relation to their experiences during the failures. **A summary of responses received is set out in Appendix 1**. 53 Parish and Town Councils completed the questionnaire, of which 29 confirmed they were affected by a water supply failure in December 2025 and January 2026. Following this and as referred to above, interested Parish Councils were invited to meet with the Inquiry to discuss the issues further on 8 April.

3.4.2 Responses demonstrated that water supply failures were recurrent and, in some cases, prolonged, with significant impacts on residents, local services and businesses. Many communities experienced complete loss of supply, intermittent pressure, boil water notices and poor-quality water, often over several days and with some areas experiencing issues regularly during 2025. These incidents affected essential local facilities, including schools, GP surgeries and businesses, and were seen by respondents as symptomatic of limited infrastructure resilience rather than isolated events.

3.4.3 Communication failures were identified as the most significant concern. The majority of Parish and Town Councils reported poor or non-existent communication from South East Water and minimal contact from Kent County Council, often learning of outages through residents, councillors or social media. As a result, parish councils frequently became the primary source of information for their communities, creating challenges for elderly, vulnerable and digitally excluded residents.

3.4.4 In the absence of effective coordination and support, Parish and Town Councils and volunteers stepped in to provide local assistance, including distributing bottled water, establishing ad hoc water stations and supporting vulnerable residents. Significant difficulties were reported with access to official water distribution points, particularly in rural areas. Overall, respondents expressed low confidence that lessons have been learned and emphasised the need for earlier notification, clearer roles, better coordination and sustained investment to improve resilience and prevent recurrence.

4. Key Issues and Recommendations

4.1.1 Evidence gathered throughout the Inquiry demonstrated that the water supply failures experienced across Kent during winter 2025 / 26 were not isolated operational incidents. Systemic issues were identified across communication, vulnerability identification, emergency logistics, rural and agricultural provision, leadership arrangements, community engagement, sector specific resilience, spatial planning alignment and accountability. Communication failures delayed escalation decisions, increasing pressure on vulnerable residents, schools and rural communities, while data gaps resulted in greater reliance on voluntary action, raising concerns around equity and consistency. Long standing infrastructure constraints further increased the likelihood that localised incidents escalated into multi day events. Taken together, these factors explain the scale and severity of the impacts experienced and reinforce the need for coordinated, system wide reform rather than isolated or single issue responses.

4.1.2 The following recommendations have been developed with due regard to the investigations being undertaken separately by the Kent and Medway Resilience Forum.

4.2 Communication, Information and Public Messaging

<u>Communication from South East Water</u>

4.2.1 Communication from South East Water was widely viewed as inadequate by stakeholders involved in the Inquiry. Concerns were raised about delays in communication, inconsistencies in messaging, and the repeated revision of information, particularly during the early stages of the outages when timely clarity was most critical.

4.2.2 Conflicting evidence has been provided to the Inquiry regarding whether South East Water followed the agreed communication protocols at the outset of the incidents. South East Water reported that it complied with established arrangements and engaged appropriately with the Local Resilience Forum. However, the Kent and Medway Resilience Forum reported that this did not occur. Local Authority representatives described limited engagement through expected channels and a lack of timely operational information, contributing to uncertainty about the status, scale and likely duration of the incidents.

4.2.3. This lack of clarity was further compounded by apparent confusion regarding communication routes. South East Water stated that it engaged with the Local Resilience Forum and that information was disseminated through this forum. In contrast, Local Authorities reported that communication was not occurring through other expected channels, significantly limiting their ability to plan and coordinate effective responses. Although South East Water engaged with the LRF and multi- agency cells, engagements with some specific cells, such as the Vulnerable Communities Cell, was limited and could have been improved.

4.2.4 South East Water acknowledged during the Inquiry that the use of over-optimistic restoration timescales contributed to additional disruption to emergency responses and a loss of public trust. While initially reluctant to commit to the routine provision of explicit best-case and worst-case forecasts, the company accepted that doing so would better support Local Authority emergency planning and agreed this was an area requiring improvement.

4.2.5 More broadly, despite South East Water's view that it communicated effectively through its established channels, all stakeholder groups represented in the Inquiry reported a lack of clear, timely and usable communication. The Inquiry therefore concluded that South East Water's communication arrangements were not as effective in practice as the company considered them to be.

<u>Communication from Kent County Council</u>

4.2.6 Stakeholders also reported dissatisfaction with communication from Kent County Council and partner Local Authorities. While internal communication between officers was generally described as effective, dissemination of information to external stakeholders was felt to be insufficient during the incidents. That said, existing incident response procedures allocate the responsibility for communicating with parish / town councils and local community groups to borough / district councils, with no requirement for Kent County Council to duplicate this work.

4.2.7 Concern was expressed regarding KCC assuming greater responsibility for public-facing communication in future incidents. This was attributed to reliance on information supplied by the utility company and concerns regarding potential reputational or legal risk should information later prove inaccurate, incomplete or become outdated.

4.2.8 Nevertheless, the Inquiry noted that KCC is a large organisation with established communication networks and significant convening power. While recognising the limitations faced by the Local Authority where information is controlled by a third-party utility, stakeholders nonetheless expected clearer, more visible and more consistent communication from KCC during the outages.

<u>Information Sharing and Multi-Agency Coordination</u>

4.2.9 Beyond organisational communication, the Inquiry identified wider weaknesses in information sharing and coordination. Information relating to affected areas, restoration timescales and operational plans was not consistently available at the pace or in formats required to support rapid and effective decision-making.

4.2.10 Variability in data quality and messaging created challenges for coordinating responses, planning mitigations and providing clear, consistent information to residents, service users and stakeholders. This affected schools, care providers, businesses and community organisations alike.

4.2.11 The Inquiry identified a clear misalignment between the utility company's view that engagement with the Local Resilience Forum was sufficient, and the Local Authorities' experience that this did not meet their operational needs.

Recommendation 1:

KCC should:

a) Review multi-agency provision for communicating with Parish Councils and local communities and identify where KCC can support lower tier authorities in engaging with these groups.

b) Ensure multi-agency communications are reflected in internal KCC crisis communications plans.

c) Develop clear communication channels for direct and rapid communication with KCC Members.

d) Recommend that water companies develop a centralised communication system for businesses and farmers.

e) Recommend that water companies use consistent language across their communication channels and provide best and worst-case scenarios at the outset of an incident.

f) Request that water companies commit to proactive and consistent engagement with local authorities during a crisis including, in particular, with any cells established by the KMRF, rather than engaging with the LRF alone.

4.3 Identification and Support of Vulnerable Residents

4.3.1 Evidence consistently demonstrated that existing approaches to identifying vulnerability were insufficient for large-scale, prolonged outages. Reliance on self-registration through the utility companies' Priority Services Register meant that many residents known to statutory or voluntary services were not visible to water companies at critical points. Vulnerability also evolved during incidents, with residents becoming at risk over time due to declining health, exhaustion of coping mechanisms, or changing caring responsibilities.

4.3.2 The Inquiry heard that voluntary and community organisations often identified unmet need earlier than formal systems, yet intelligence sharing was ad hoc and reactive. This resulted in parallel processes, inefficiencies, and an increased risk of residents falling through gaps in provision. The evidence supports the need for dynamic, multi-agency vulnerability frameworks rather than static registers held by individual organisations.

Recommendation 2:

KCC should:

a) **Recommend that water companies improve Priority Services Register arrangements to enable simpler third-party referrals.**

b) **Recommend that water companies establish reliable data-sharing mechanisms with responding agencies during incidents. This would assist with identifying developing vulnerability during an incident.**

c) **Recommend that water companies ensure appropriate staff receive training on vulnerability, safeguarding and accessibility, and that alternative water provision is appropriate for education, care, and health settings.**

4.3 Emergency Water Distribution and Alternative Supply

4.3.1 Alternative water provision arrangements were a significant source of difficulty. Bottled water distribution models, designed primarily for short-duration domestic outages, did not scale effectively to multi-day incidents affecting whole communities, rural areas or institutional settings. Distribution points were frequently poorly located, volumes were insufficient for high-demand users, and delivery methods raised safeguarding, accessibility and dignity concerns.

4.3.2 Members also heard that there was limited clarity over escalation thresholds, including when bottled water ceased to be viable, and when tankered or alternative supply should be triggered. In practice, this led to delayed interventions and heightened risk to services already operating with limited tolerance for disruption.

Recommendation 3:

KCC should:

a) **Recommend that water companies adopt flexible distribution models, agreed in advance with local authorities, parish councils and community groups, with clear escalation triggers and alternative water provision is tailored to domestic, institutional, commercial and agricultural needs.**

b) **Recommend that water companies liaise with local authorities (including KCC) and Parish / Town councils to maintain an up to date, regularly reviewed list of suitable sites for alternative water**

distribution and ensure rural communities are properly mapped and considered in planning and response arrangements.

c) **Remind utility companies that alternative water deliveries to households and vulnerable residents must be made accessible where it is safe and appropriate to do so.**

4.4 Businesses, Farming and Rural Water Use

4.4.1 The farming sector was disproportionately exposed to water supply interruptions due to very high daily water requirements, animal welfare considerations and rural access constraints. Evidence demonstrated that emergency provision models were not designed for livestock or agricultural operations, and that bottled water schemes were wholly unsuitable for sustained agricultural use. Communication failures compounded these risks by limiting farmers' ability to plan mitigation or secure alternative water sources.

4.4.2 Rural geography further amplified vulnerability, with long distances to distribution points, limited tanker access and sparse infrastructure redundancy. While many farms have invested in on-site storage or water harvesting, these measures cannot substitute for coordinated, system-level planning. The Inquiry highlighted that agriculture currently sits outside many emergency water assumptions despite its importance to food supply, animal welfare and the rural economy.

<u>Recommendation 4:</u>

KCC should:

a) **Recommend that water companies, working with local authorities and rural stakeholders, identify high-water-use agricultural sites and businesses to prioritise during outages and plan realistic alternative supply options beyond bottled water.**

b) **Recommend that water companies improve communication channels with the customers of licensed retail water suppliers (such as Castle Water) who were left without service information or compensation clarity.**

4.5 Engagement with Communities, Parish Councils and the Voluntary Sector

4.5.1 Community groups and Parish Councils were critical to the response, particularly in rural areas, providing welfare checks, local intelligence, reassurance, and practical distribution support. However, this local knowledge was under-used despite communities often responding fastest. Engagement was often informal and dependent on existing relationships rather than embedded within formal response plans.

4.5.2 There appeared to be a disconnect between district and borough councils and more localised authorities, such as town and parish councils, as well as the voluntary sector operating at that level. While existing multi-agency protocols set out that boroughs and districts are responsible for liaising with local communications networks, this is an area where KCC can provide support and coordination, but cannot and should not assume responsibility.

4.5.2 Where early and structured engagement occurred, outcomes were demonstrably better. Where it did not, communities reported feeling isolated and under-informed. The evidence supports formalising community engagement arrangements to ensure consistency, equity and effective use of local knowledge across the county.

Recommendation 5:

KCC should:

a) **Encourage and support District and Borough Councils to more formally integrate parish and town councils and voluntary sector partners into incident response arrangements. This should include maintaining up-to-date contact lists, clearly defined roles, and earlier activation of these partners during incidents. KCC should also engage with wider local authorities and the Kent Association of Local Councils (KALC) to agree how best to support parish and town councils and local action groups, including the effective and safe use of local volunteers during future water outages, and to encourage the adoption of community-level incident response plans where appropriate.**

b) **Recommend, through KMRF partners, that all Parish and Town Councils prepare and regularly review an Emergency Response Plan, using the guidance provided by KMRF - Building Community Resilience | Kent Prepared**

4.6 Impacts on Schools, Care Settings and Public Health

4.6.1 Education, care and health-critical settings experienced disproportionate disruption due to low tolerance for uncertainty and heightened safeguarding and infection control risks. In several cases, closures occurred not because of absolute loss of supply, but due to insufficient clarity on safety thresholds, duration of disruption or viable contingency options.

4.6.2 Public health evidence highlighted that inconsistent interpretation of water quality advice amplified anxiety and contributed to overly cautious operational decisions. This demonstrated the need for clearer, sector-specific guidance aligned with operational realities and infrastructure constraints.

<u>Recommendation 6:</u>

KCC should:

a) Strengthen sector-specific contingency guidance, supported by accurate infrastructure data and clear decision-making thresholds, with priority given to SEND schools, care homes and health-critical services.

b) Update the Schools Emergency Planning Guidance with water-specific prompts to enable decision making (e.g. assessing day-start water sufficiency; contingency triggers) while avoiding rigid one-size thresholds, and request that schools include a water outage scenario in their emergency plans.

c) Maintain a register of each KCC maintained school's water infrastructure (tanks, capacity, access constraints, mains-only sites) to speed deployment decisions.

d) Agree with water companies practical contingency options for different site types (e.g. realistic volumes for toilet flushing; alternatives for mains-only secondary sites).

4.7 Planning, Infrastructure and Long-Term Resilience

4.7.1 Planning, water resource management and emergency response operate within different statutory and regulatory frameworks, and the Inquiry identified the lack of alignment between these systems as a significant risk to long term resilience. There is currently no statutory requirement for water or other utility companies to be formally consulted on planned development, creating a risk that housing and commercial growth proceeds without adequate supporting infrastructure. This limits the ability of Local Authorities to ensure that development is underpinned by resilient water supply, particularly in areas experiencing sustained growth and water stress. Members identified this disconnect as a key area for continued national advocacy.

4.7.2 The Inquiry noted with concern that some Borough and District Councils' Local Plans were published some time ago and may not reflect the current issues with water supply infrastructure.

4.7.3 Recurrent outages were presented as symptoms of networks operating with limited headroom, compounded by housing growth, ageing assets, climate volatility and increased reliance on inter-company bulk water transfers.

4.7.4 The Inquiry consistently highlighted and noted with concern the connection between emergency response challenges and long-term infrastructure pressures linked to insufficient capital investment and asset maintenance.

Recommendation 7:

KCC should:

a) **Support the recommendations within the Cunliffe Review and Defra's 2026 White Paper, A New Vision for Water, for national policy change, making water companies a statutory consultee for new development and advocates for statutory consultee reform to be implemented at pace. KCC will continue to use the Strategic Development Strategy to embed county-wide expectation on water resilience.**

b) **Recommend District and Borough Councils continue to engage with utility companies as part of the planning process for a planning development, ensuring implementation of National Planning Policy Framework reforms to strengthen engagement and cooperation.**

4.8 Accountability, Learning and Assurance

4.8.1 Communities and Members expressed concern that similar issues have arisen following previous incidents and that confidence in sustained improvement remains limited. While water companies acknowledged failings and outlined improvement plans, the absence of transparent, measurable tracking mechanisms restricts public and Member assurance.

4.8.2 KMRF multi-agency debriefs have taken place (with future debriefs planned) and have identified learning and areas for improvement. Embedding these consistently will require ongoing coordination across organisations with differing responsibilities and governance arrangements.

4.8.3 The Inquiry has therefore concluded that water companies must take greater responsibility for leading the management and communication of water supply disruptions. Clearer utility-led ownership is required to ensure pressures do not default to KCC and partner organisations in future incidents.

Recommendation 8:

KCC should:

a) **Monitor the delivery of agreed improvements, commitments made by water companies, and evidence of enhanced performance during future incidents, to support ongoing Member scrutiny. The KCC Resilience and Emergency Planning Service should report progress to a relevant KCC committee with provision for representatives of water companies and/or the KMRF to provide annual updates.**

b) **Request water companies familiarise themselves with KCC and KMRF emergency plans and be asked to provide briefing sessions for KMRF partners to support shared understanding of respective roles and response arrangements.**

c) **Request water companies provide their detailed Emergency Response Plan to the KMRF, providing as much detail as possible in the public domain.**

5. Conclusion and next steps

5.1 Following the SFI, the Inquiry has developed the above recommendations. The findings and recommendations must be considered in the context that Kent County Council was involved in the response to the water supply incidents in its role as a Category 1 responder under the Civil Contingencies Act 2004. The Inquiry is clear that responsibility for the operation and maintenance of the water supply network, and for the provision of timely, accurate and operationally useful information, sits with the water companies. Where these responsibilities are not effectively discharged, pressure is displaced onto Local Authorities and partners in a way that is neither appropriate nor sustainable.

5.2 Despite the challenges identified, the Inquiry also noted areas of relative strength. Internal mobilisation across KCC was rapid and effective, cross-directorate working was strong, and voluntary and community sector responses provided critical support where formal systems were under strain. Response arrangements improved during repeat incidents as lessons were rapidly applied. These strengths provide a foundation on which future improvements can be built.

5.3 The findings and recommendations of the SFI, once noted by the Scrutiny Committee on 13 May 2026, are to be submitted to the Executive. In accordance with relevant Scrutiny regulations and the KCC Constitution the Executive must report in a reasonable timeframe to explain how it will respond to the recommendations.

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From: Linden Kemkaran - Leader of the Council

To: Scrutiny Committee - 3 August 2026

Subject: The Leader's Report – *One Year On*

Classification: Unrestricted

Recommendation

The Scrutiny Committee is asked to:

- **NOTE** the progress made during the first year of the Administration across the areas set out in this report.

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1. Introduction

1.1 Over the past year, Kent County Council has continued to respond to significant financial, demographic and infrastructure pressures while maintaining a strong focus on reform, prevention and long-term resilience. This report provides an update on the five key areas requested by the Scrutiny Committee that have shaped the Council's work and priorities over the last twelve months.

2. Financial Position

2.1 The Council entered 2025–26 facing longstanding significant financial pressures driven by rising demand in adult social care, children's services and SEND. Despite these challenges, the Council ended the year with an overall revenue overspend of £21.6 million, equivalent to 1.4% of the net revenue budget. This represented a substantial improvement on forecasts earlier in the year, with new robust spending controls, tighter workforce management and DOLGE-led active financial oversight reducing the projected year-end position by almost £14 million from Quarter 3 forecasts.

2.2 During the year, the Council delivered £98.6 million of savings and additional income, demonstrating its ability to adapt and identify efficiencies while protecting frontline services. Although some planned savings remain to be achieved, a significant proportion has been incorporated into future years' plans.

2.3 The Council continues to maintain an appropriate level of financial resilience. Following the drawdown required to fund the 2025–26 overspend, General Fund reserves remain at £66 million and are forecast to return above the Council's minimum resilience threshold through planned contributions in future years.

Outlook and Risks

2.4 The financial outlook remains challenging. Demand-led services, particularly adult social care and SEND, continue to place pressure on local government finances nationally and in Kent. The Dedicated Schools Grant deficit remains the most significant long-term financial risk, although recent Government funding announcements linked to SEND reform provide a more positive foundation for future recovery.

2.5 The Council's focus over the coming year will remain on delivering transformation, maintaining financial discipline and ensuring resources are targeted towards residents who need support most.

3. Adult Social Care

3.1 Adult Social Care remains one of the Council's largest and most important services. While demand continues to increase, driven by demographic change and greater complexity of need, the council has made significant progress in transforming the way care is commissioned, managed and delivered. Alongside managing financial pressures, including a £42.9 million overspend in 2025–26, the service has focused on strengthening the provider market, improving value for money and building a more sustainable and resilient care system for the future.

Strengthening Care Contracts and the Provider Market

3.2 One of the most significant achievements over the past year has been the transformation of Kent's approach to commissioning and managing adult social care contracts.

3.3 The Council has redesigned its Adult Social Care commissioning structure, creating clearer accountability, stronger leadership and a more strategic approach to market management. New Commissioning Intentions for 2025–2027 have been introduced, setting out a clear plan to ensure care provision across Kent remains sustainable, high quality and capable of meeting future demand.

3.4 The Council has moved from a largely reactive approach to a more proactive model of market shaping, supported by regular provider engagement forums, stronger partnership working and earlier identification of market risks. More than 100 providers attended the most recent county-wide provider forums, reflecting improved engagement and collaboration between the Council and the care sector.

3.5 Importantly, new contractual arrangements for home care and older people's residential and nursing care and working age residential and community services are being developed. These contracts place greater emphasis on:

- Improved quality assurance and continuous improvement.
- Earlier identification of provider sustainability risks.

- Better integration between commissioning and operational teams.
- Stronger performance monitoring and outcomes measurement.
- Greater involvement of people with lived experience in shaping services.
- Building a resilient, diverse and financially sustainable care market that is capable of meeting future demand.

3.6 The Council has also strengthened provider oversight through enhanced governance arrangements, greater collaboration between commissioning and operational teams, and regular engagement with the Care Quality Commission to support quality improvement across the care market.

3.7 Alongside this, a new Joint Brokerage Team has been established with health partners to support more effective hospital discharge arrangements. This is helping to ensure people receive the right care, at the right time, at the right price by matching people with the most appropriate services, improving hospital discharge and delivery better value for public money.

Improving Quality and Outcomes

3.8 Following the publication of the Care Quality Commission assessment in 2025, Adult Social Care has been implementing a comprehensive improvement plan. Waiting lists for assessments are reducing and going in the right direction, review activity has increased significantly, new support arrangements for carers are being introduced, and improved occupational therapy services have helped more people maintain their independence at home.

3.9 Direct payments have also increased, giving more residents and carers greater choice and control over their support arrangements.

3.10 The Directorate has also made tangible progress against the improvement areas identified by the Care Quality Commission. Care needs assessments awaiting allocation have reduced, review activity has increased, a new carers' support model has been designed and recommissioned, occupational therapy has expanded how it works with other parts of the service, and stronger arrangements are now in place to support prevention, independence and technology-enabled care.

Future Outlook

3.11 Demand pressures across the care sector are expected to continue. However, Kent is responding proactively through strengthened commissioning, improved provider engagement, stronger contractual arrangements and a renewed focus on prevention, independence and long-term sustainability. Together, these improvements provide a stronger foundation for a resilient and high-quality care market across Kent.

4. <u>Special Educational Needs and Disabilities (SEND)</u>

4.1 Special Educational Needs and Disabilities remain one of the most significant challenges facing local government nationally. Kent continues to experience increasing demand for specialist support and placements, which contributed to a Dedicated Schools Grant deficit of £130.5 million at year-end.

4.2 However, the position is improving. Kent's existing recovery arrangements with the Department for Education have now transitioned into wider national SEND reforms, supported by new Government commitments to address historic deficits. The Council is continuing to work closely with the Department for Education to deliver sustainable improvements and strengthen provision across the county.

Inspection and Improvement Progress

4.3 The Council continues to expand specialist provision, improve pathways and strengthen commissioning arrangements to ensure children and young people receive support in the right place and at the right time. The Ofsted/CQC inspection has now taken place and will be reported through the Council's governance when published by the inspectors.

Looking Ahead

4.4 While challenges remain, Kent is making steady progress through reform programmes, increased oversight and stronger partnership working with schools, health services and families. The priority remains improving outcomes for children and young people while maintaining a financially sustainable system.

5. Water – Resilience and Infrastructure

5.1 Water resilience has emerged as one of the most significant strategic issues facing Kent.

5.2 A series of major supply disruptions over the past eighteen months, including significant outages affecting communities in West Kent, highlighted vulnerabilities in existing infrastructure and demonstrated the wider consequences for residents, businesses and public services.

5.3 Although water supply is not a County Council responsibility, KCC has taken a strong leadership and convening role to ensure Kent is better prepared for future challenges.

Progress Over the Past Year

5.4 The Council has:

- Strengthened emergency preparedness and partner coordination through the Kent and Medway Resilience Forum.
- Undertaken water efficiency and demand reduction programmes across schools and the KCC estate.

- Supported water resilience initiatives for agriculture, including water trading platforms and reservoir guidance.
- Secured £200,000 of external funding to develop a county-wide resilience plan.

Long-Term Strategy

5.5 The Council is developing a 25-year Water Resources Strategy to support growth, protect the environment and improve long-term water security. The strategy will focus on:

- Integrated water planning.
- Supporting economic growth and food production.
- Balancing supply and demand.
- Infrastructure investment and innovation.
- Environmental protection.

5.6 A Kent Water Resilience Partnership has also been proposed, bringing together water companies, regulators, councils, businesses and community representatives to coordinate action, improve transparency and strengthen accountability.

5.7 The partnership will support regular performance reporting by water companies on resilience, outages, pollution incidents and sewage discharges, helping to improve transparency and strengthen scrutiny on behalf of Kent residents.

5.8 This represents a significant step towards creating a stronger and more resilient water system capable of supporting Kent's future growth and prosperity.

6. Highways in Kent

6.1 Highways remains one of the services residents interact with most directly and is a key indicator of how effectively local government is delivering for local communities.

6.2 Over the past year, the Administration has prioritised investment in highway maintenance and road renewal through its **Reforming Kent's Roads** programme. This combines rapid pothole repairs with greater investment in preventative maintenance, aimed at improving road condition and reducing the number of future defects.

Record Levels of Highway Repair

6.3 Kent has delivered one of its most intensive road maintenance programmes in recent years.

6.4 During 2025, the Council repaired **53,000 potholes**, which was an increase from 44,939 repairs during the previous year. This demonstrates both the scale of investment and the pace at which repairs have been carried out across the county.

6.5 But more importantly, the Council delivered:

- **250,000 square metres of patching work**, tackling clusters of defects before they deteriorate further. This was up from 192,000 square metres in 2024/25
- More than **1.1 million square metres of highway surface improvements** across Kent which included **preservation treatments**, **and resurfacing.** These are designed to prevent potholes forming and extend the life of road surfaces.
- Of these improvements, **353,356 square metres of resurfacing** was delivered to improve the condition of those heavily used routes that are so important to residents and businesses.

6.6 This represents a significant shift away from simply repairing isolated defects towards a more preventative asset management approach, improving the overall condition of roads while delivering better long-term value for taxpayers.

Investing for the Future

6.7 The Council has also secured a new long-term Highways Term Maintenance Contract with Ringway, which commenced in May 2026. The 21-year contract is expected to support faster repairs, stronger performance management and long-term investment in the county's road network.

6.8 The new contract forms part of a wider transformation programme within Kent Highways and will support innovation, improved customer service, greater accountability and a stronger focus on preventative maintenance.

6.9 While severe winter weather during early 2026 led to a sharp increase in pothole reports across Kent, the Council continued to maintain strong performance, repairing reported defects within national timescales and achieving repair rates above target.

Looking Ahead

6.10 Kent's highway network remains one of the largest in England, serving more than 5,400 miles of road and 4,000 miles of footways. Challenges remain from increasing traffic levels, ageing infrastructure, inflationary pressures and the impacts of more frequent extreme weather.

6.11 However, the combination of record pothole repair activity, increased preventative maintenance, long-term investment and a new maintenance contract provides a strong platform for improving the condition, resilience and reliability of Kent's roads in the years ahead.

6.12 These improvements are increasingly visible to residents and businesses and demonstrate the Council's commitment to delivering safer, smoother and more reliable journeys across the county.

7. Conclusion

7.1 One year on, Kent County Council has demonstrated resilience in the face of considerable challenges. The Council has strengthened its financial position, made significant progress in reforming adult social care commissioning and care contracts, continued to drive improvement across SEND services, taken a leadership role on county-wide water resilience, and delivered substantial investment in Kent's roads and infrastructure.

7.2 Across all five areas there is evidence of tangible progress: stronger financial control, improved care market sustainability, ongoing SEND reform, a long-term strategy for water resilience and a highways programme that has delivered record levels of pothole repairs alongside major investment in preventative maintenance.

7.3 While significant challenges remain—including social care demand, SEND pressures, infrastructure resilience and wider economic uncertainty—the Council enters its second year with a clearer strategic direction, stronger partnerships and a continued focus on delivering positive outcomes for Kent's residents, communities and businesses.

Recommendation

The Scrutiny Committee is asked to:

- **NOTE** the progress made during the first year of the Administration across the areas set out in this report.

Appendices

None

Background Documents

Budget Outturn Report - **THE REPORT**

Agenda for County Council on Thursday, 21st May, 2026, 10.00 am - Kent County Council - Council & Democracy

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By: Anna Taylor, Assistant Democratic Services Manager (Scrutiny)

To: Scrutiny Committee

Subject: Work Programme

Summary: This report gives details of the proposed work programme for the Scrutiny Committee and gives members some.

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1. Introduction

a) Any Member of the Council is entitled to give notice that they wish an item relevant to the functions of the Committee (which is not an excluded matter) to be included on the agenda for the next available meeting. On receipt of such a request the item will be included for discussion at the next available agenda setting meeting.

b) The definition of an excluded matter referenced above is:

   a. Any matter relating to a planning or licensing decision,
   b. Any matter relating to a person in respect of which that person has a right of recourse to a review of right of appeal conferred by or under any enactment,
   c. Any matter which is vexatious, discriminatory or not reasonable to be included in the agenda or discussion at a meeting of the Scrutiny Committee.

c) The Scrutiny Committee has the ability to 'call-in' decisions made by the Cabinet or individual Cabinet Members. Any two Members from more than one Political Group may give notice within five clear working days from the publication of a decision taken of their intent to call-in the decision along with their reasons.

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2. Recommendation

The Scrutiny Committee is asked to consider and note the report.

Contact Details

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Scrutiny Work Programme			
Meeting date	**Item**	**Work Type**	**Presenter**
23 September 2026	Family Hubs	Placed on agenda for discussion	Cabinet Member for CYPE
23 September 2026	Rape/Grooming Gangs	Placed on agenda for discussion	TBC
21 October 2026	SEND Reform Plan and High Needs Sustainability Grant	Placed on agenda for discussion	TBC
21 October 2026	Kent Flood Risk Management Committee Annual Report	Annual item	Chairman of Flood Risk Committee
09 December 2026	Kent Education Provision Plan - impact of VAT and Business Rates on KCC….	Placed on agenda for discussion	TBC
09 December 2026	Selective Education - Cost of Kent Test selection process to KCC	Placed on agenda for discussion	TBC
09 December 2026	Initial Draft Budget and MTFP	Report	Deputy Leader
27 January 2027	Final Draft Budget and MTFP	Annual item	Deputy Leader
*June 2027	Budget Monitoring Year End	Annual item	Deputy Leader
*July 2027	Scrutiny Committee meeting as the Crime and Disorder Committee	Annual item	KCSP
*November 2027	Kent Flood Risk and Water Management Committee Annual Report	Annual item	Chairman of Flood Risk Committee
*January 2028	Final Draft Budget and MTFP	Annual item	TBC
TBC	VAT & Business Rates on private school fees	Suggested for Future meeting	TBC
TBC	Following OPRN discussion – Relative cost of market-provided versus KCC-owned care homes under the new contract.	Suggested for Future meeting	TBC
TBC	Speed Management and Road Safety	Suggested for Future meeting	TBC

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