



Summons to and
Agenda for a
Meeting on
**Thursday, 10th
September, 2020**
at **10.00 am**



DEMOCRATIC SERVICES
SESSIONS HOUSE
MAIDSTONE

Wednesday, 2 September 2020

To: All Members of the County Council

A meeting of the County Council will be held online on Thursday, 10 September 2020 at **10.00 am** to deal with the following business. **The meeting is scheduled to end by 4.30pm.**

A G E N D A

1. Apologies for Absence
2. Declarations of Disclosable Pecuniary Interests or Other Significant Interests in items on the agenda
3. Minutes of the meetings held on 17 June and 16 July 2020 and, if in order, to be approved as a correct record
 - (a) Minutes of the meeting held on 17 June 2020 **(Pages 1 - 12)**
 - (b) Minutes of the meeting held on 16 July 2020 **(Pages 13 - 24)**
4. Chairman's Announcements
5. Questions
6. Report by Leader of the Council (Oral)
7. Report Under Section 5 of the Local Government and Housing Act 1989 **(Pages 25 - 28)**
8. Amendments to the Revenue Budget 2020-21 **(Pages 29 - 108)**
9. Adoption of the Kent Mineral Sites Plan and modifications to the Kent Minerals and Waste Local Plan 2013 - 2030 resulting from the Early Partial Review **(Pages 109 - 118)**

Please note that this report is accompanied by a number of appendices. Given their size, these appendices have been published on the County Councils website alongside the agenda and are available via the modern.gov app.

10. Treasury Management Annual Review 2019-20

(Pages 119 - 134)

11. Functions delegated by Council to officers

(Pages 135 - 136)

A handwritten signature in black ink, appearing to read 'B. Watts', with a large, sweeping flourish extending to the right.

Benjamin Watts
General Counsel
03000 416814

KENT COUNTY COUNCIL

MINUTES of a meeting of the Kent County Council held Online on Wednesday, 17 June 2020.

PRESENT:

Mrs A D Allen, MBE (Chairman)
Mr G K Gibbens (Vice-Chairman)

Mr M J Angell, Mr M A C Balfour, Mr P V Barrington-King, Mr P Bartlett, Mrs C Bell, Mrs P M Beresford, Mrs R Binks, Mr R H Bird, Mr T Bond, Mr A Booth, Mr A H T Bowles, Mr D L Brazier, Mr J Burden, Mr D Butler, Miss S J Carey, Mr P B Carter, CBE, Mrs S Chandler, Mr N J D Chard, Mr I S Chittenden, Mrs P T Cole, Mr N J Collor, Ms K Constantine, Mr A Cook, Mr G Cooke, Mr P C Cooper, Mrs M E Crabtree, Mr D S Daley, Mr M C Dance, Miss E Dawson, Mrs T Dean, MBE, Mr D Farrell, Mrs L Game, Mr R W Gough, Ms S Hamilton, Mr P M Harman, Mr P M Hill, OBE, Mr A R Hills, Mrs S V Hohler, Mr S Holden, Mr P J Homewood, Mr A J Hook, Mr M J Horwood, Mr E E C Hotson, Mrs L Hurst, Mr J A Kite, MBE, Mr S J G Koowaree, Mr P W A Lake, Mr B H Lewis, Ida Linfield, Mr R L H Long, TD, Mr R C Love, OBE, Mr G Lymer, Mr S C Manion, Mr R A Marsh, Ms D Marsh, Mr J P McInroy, Mr D D Monk, Mr D Murphy, Mr M J Northey, Mr P J Oakford, Mr R A Pascoe, Mr M D Payne, Mrs S Prendergast, Mr K Pugh, Miss C Rankin, Mr H Rayner, Mr A M Ridgers, Mr C Simkins, Dr L Sullivan, Mr B J Sweetland, Mr M Whiting, Mr M E Whybrow and Mr J Wright

IN ATTENDANCE: Mr D Cockburn (Corporate Director Strategic & Corporate Services) and Mr B Watts (General Counsel)

UNRESTRICTED ITEMS

204. Chairman's Announcements

Mr Ian Thomas

(1) The Chairman stated that it was with regret that she had to inform the Council of the sad death of Mr Ian Thomas on 16 June 2020. On behalf of Members she expressed sympathy to his family. She also said Members would have an opportunity to pay tribute to Mr Thomas at the July County Council meeting.

Lord Lieutenant of Kent

(2) The Chairman announced that on the 21 April 2020, Lord De L'Isle had stood down after nine years as the Lord Lieutenant of Kent and had been succeeded by Lady Colgrain. The Chairman said she had sent him 12 rose bushes representing the 12 districts of Kent and had thanked him for his service to the county.

205. Apologies for Absence

The General Counsel reported apologies from Mr J Clinch, Mr A Booth, Mr R Thomas and Mrs P Stockell.

206. Election of Chairman

(Mrs A Allen the present Chairman presided for this item)

(1) Mr Gough moved, and Mr Bird seconded that Mr Gibbens be appointed Chairman of the County Council.

Agreed unanimously

(2) Thereupon Mr Gibbens made his Declaration of Acceptance of Office and returned thanks for his election. Mr Gibbens said that Porchlight would be his charity for the year.

(3) Mr Gibbens, Mrs Dean, Mr Farrell, Mr Brazier and Mr Kite paid tribute to Mrs Allen and thanked her for the manner in which she had carried out her duties as Chairman of the County Council from May 2019 until the present day.

(4) Mrs Allen suitably replied.

207. Election of Vice-Chairman

(1) Miss Carey moved, and Mr Bowles seconded that Mr Northey be appointed Vice-Chairman of the County Council.

Agreed unanimously

(2) Mr Northey thereupon made his Acceptance of Office and returned thanks for his appointment.

208. Declarations of Disclosable Pecuniary Interests or Other Significant Interests in items on the agenda

Agenda Item no 16 – Treasury Management 6 Month Review 2019/18

(1) Mr Gibbens stated that he received a pension from the Australia and New Zealand Banking Group

(2) Mr Bartlett declared an interest as he is an employee of the Bank of New York Mellon (BNYM).and the Council was investing in a money market fund managed by a company associated with BNYM. Although he had no involvement in the management of this or any other money market fund he did not intend to take any part in the discussion on this item.

General

(3) Dr Sullivan declared an interest as her husband was employed by the County Council as an Early Help and Prevention officer.

209. Minutes of the meeting held on 13 February 2020 and, if in order, to be approved as a correct record

RESOLVED that the minutes of the meeting held on 13 February 2020 be approved as a correct record.

210. Protocol for Virtual Meetings

(1) The Chairman moved and the Vice-Chairman seconded the following motion:

“The County Council agrees to adopt the Protocols as set out in the appendix to the report, in order to facilitate the smooth working of its virtual meetings.”

(2) The motion set out in paragraph (1) above was agreed without a formal vote.

(3) RESOLVED that the Protocols as set out in the appendix to the report, be endorsed.

211. Minutes of the meeting held on 17 September 2019 – Corporate Parenting Panel

RESOLVED that the minutes of the meeting of the Corporate Parenting Panel on 17 September 2019 be noted.

212. Minutes of the Meeting held on 10 December 2019 – Corporate Parenting Panel

RESOLVED that the minutes of the meeting of the Corporate Parenting Panel on 10 December 2019 be noted.

213. Chairman's Announcements

Mr Colin Caller

(1) The Chairman stated that it was with regret that he had to inform Members of the death of Mr Colin Caller, former Labour Member for Gravesham East from 2013 to 2017, on 14 February 2020.

(2) Mr Bird, Dr Sullivan, Mr Burden, Mr Sweetland, Mr Gough and the Chairman paid tribute to Mr Caller.

(3) A minute’s silence was observed in memory of Mr Caller.

(4) The Chairman then moved, the Vice-Chairman seconded, and it was resolved unanimously that:

“This Council records the sense of loss it feels on the sad passing of Mr Caller and extends to his family and friends its heartfelt sympathy to them in their sad bereavement.”

Formal Thanks

(5) The Chairman referred to the COVID-19 pandemic and the impact it was having on Kent's communities. He formally thanked all those working in the social care sector and asked Mrs Bell, Cabinet Member for Adult Social Care and Public Health, to pass on the Council's thanks to all providers and workers in the sector across the county.

(6) The Chairman also thanked Members, officers, voluntary organisations, the health sector, delivery drivers, key workers, teachers, retail workers and many others for their dedication and tireless efforts in supporting those most in need and for keeping essential services running during this unprecedented time.

(7) The Chairman paid tribute to those that had passed away after contracting the virus and passed on the Council's condolences to their families and friends.

KM Charity/Inspire School Celebration

(8) The Chairman referred to the KM Charity's 20th Birthday celebrations which took place on 5th March 2020. During the evening, Mr Whiting, Cabinet Member for Economic Development, received a Commemorative Award and Certificate on behalf of Kent County Council, in recognition of the Council's help and support for the KM Charity Team and Inspire Schools events and services throughout 2019. The Award was presented by Mike Ward, Chief Executive of the KM Charity Award Team.

Award for Kent Waste Management

(9) The Chairman announced that Kent County Council had received the REPIC 'Champion of Champions' award for delivering a 12-month project that improved annual vehicle usage efficiency by 7%. The award was achieved by optimising e-waste recycling collections and meant that, through positive engagement with the public, Kent had improved the collection of waste electrical materials.

(10) The Chairman invited Members to join him in congratulating all of those involved in the scheme on the achievement and for their dedication to recycling.

The Queen's Awards for Enterprise

(11) The Chairman announced that Kent had two winners of The Queen's Awards for Enterprise this year. They were Nim's Fruit Crisps (Sittingbourne) and Priority Freight Holdings (Dover).

(12) The Chairman congratulated these companies on this great achievement and invited Members to join him in congratulating all of the recipients of The Queen's Awards for Enterprise this year.

The Queen's Awards for Voluntary Service

(13) The Chairman announced that Kent had three winners of The Queen's Awards for Voluntary Service this year. They were 'Broadstairs Town Team', 'The Historical Research Group of Sittingbourne' and 'Nourish' in Tunbridge Wells. The Chairman added that Home-Start Medway, supporting challenged families with complex needs had also received The Queen's Award for Voluntary Service.

(14) The Chairman congratulated these voluntary organisations and invited Members to join him in congratulating all recipients of The Queen's Awards.

214. Questions

In accordance with Sections 14.15 to 14.22 of the Constitution, 12 questions were asked and replies given. A record of all questions put and answers given at the meeting is available [online](#) with the papers for this meeting.

215. Report by Leader of the Council (Oral)

(1) The Leader stated that his update would focus on the impacts of COVID including the authority's response and plans for after lockdown. He set out some of the achievements including remote working and virtual meetings.

(2) Mr Gough highlighted the work had been undertaken with the district and borough councils and other partners to support those who were shielding including the development of local hubs to support Kent's most vulnerable residents and the launch of 'Kent Together'.

(3) Mr Gough commended the engagement work that had taken place between Council staff and Kent Schools to ensure that pupils were able to access education during the time that schools were closed to most pupils, and the assistance provided to enable pupils to return to school.

(4) Mr Gough said that over 15,000 calls had been made by Kent County Council's social workers to ensure the safety of vulnerable children during the COVID-19 outbreak.

(5) Mr Gough referred to the temporary closure of household waste and recycling centres in Kent and paid tribute to the Cabinet Member for Environment, as well as the Head of Commercial Management and Waste Services and his staff in managing the issues related to the closure.

(6) Mr Gough highlighted the support to charities through the Kent Community Foundation and businesses through the Kent and Medway Business Hub and support for the care sector.

(7) Mr Gough stated that an urgent executive decision had been taken to purchase bulk Personal Protective Equipment (PPE) for use by Kent County Council staff and for mutual aid to Kent County Council's service providers where they were unable to source supplies.

(8) Mr Gough stated that the interim Strategic Plan would focus specifically on the Council and county's renewal phase. It would include the inter-related issues of school return, public transport, town centres and economic revival, the use of new technology and ways of working, changes to Kent's estate, and Kent County Council's engagement with the public.

(9) Mr Gough said that the work on the interim Strategic Plan would be central to setting priorities for a challenging financial environment. He referred to Kent County Council's 2020-21 budget which had also been affected by the impact of COVID-19. He stated that Kent's additional expenditure, loss of income and savings had reached approximately £120m for the current financial year. He said that government support totalled £65m, excluding additional costs likely to arise during the renewal phase or loss of income from a drop in council tax collection rates. He added that, the County Councils Network regularly drew the government's attention to the financial pressures faced by the local authority sector as a result of the pandemic. He said that, whilst it was likely that some of the financial gap would close, the 2020-21 budget would be re-visited at the County Council meeting in September 2020. He said that it was likely that the following 3-5 years would present sustained financial challenges which must be addressed by realism, a commitment to financial stability and resilience as well as adherence to Council's priorities set out in the Strategic Plan.

(10) Mr Gough referred to recent events in Minneapolis following the death of George Floyd and the issues that the events had highlighted across the world. He said that Kent County Council, both as an employer and as a community leader, must constantly reiterate and practice its longstanding values of equality and respect for those who worked with KCC and for the people they served. He stated that David Cockburn, Head of Paid Service and himself, as Leader of Kent County Council, had issued a joint statement reaffirming these values and recognising the importance of staff groups and forums for minority groups within the workforce.

(11) Mr Gough highlighted the arrival of large numbers of Unaccompanied Asylum-Seeking Children (UASC) in recent months and commented on the progress made addressing many UASC-related issues. He said Kent County Council had received £5m from central government, a commitment from ministers to support the placement of young people with other local authorities and to continue the dialogue on the longer-term issues. He recognised that there was no long-term solution, but the level of commitment from ministers was encouraging.

(12) In conclusion, Mr Gough referred to Kent's Energy and Low Emissions Strategy and confirmed that plans for zero carbon emissions from the Council's estate would be considered by the County Council in July 2020.

(13) Mr Bird, the Leader of the Opposition, endorsed the commendation made by Mr Gough in relation to the efforts and resourcefulness of staff in responding to the pandemic. He also commended Mr Gough as Leader of Kent County Council for the genuine leadership he had displayed over the last three months and his willingness to inform and engage with all Members of the Council. He said that Kent County Council had responded well to the pandemic in exceptionally difficult circumstances and he emphasised the importance of learning from the past when planning for the future.

(14) Mr Bird referred to the recent announcement from central government to extend Free School Meal vouchers over the summer holidays and the way in which central government had addressed issues relating to the COVID-19 outbreak. He added that much of the financial burden would fall upon local government, making it extremely difficult to nurture the renewal phase.

(15) Mr Bird suggested that in re-visiting the priorities in the Strategic Plan and Budget, attention should be paid to: educational inequalities; continuing to assist schools to ensure engagement with pupils; supporting schools to re-open to all pupils in September 2020; ensuring respite for carers; working with employers, further education colleges and others to find ways of creating employment for young people; as well as rebuilding an attractive and safe public transport network.

(16) Mr Farrell, Leader of the Labour Group, thanked staff and key workers for their efforts during the pandemic. He commented on the government's response to the pandemic and said that care workers, who had been described as low-skilled workers, deserved the same recognition as NHS staff. He also said that people in lower socio-economic groups and from Black and Minority Ethnic communities, who had suffered disproportionately during the pandemic, should be central to the national recovery plan. He said the Leader was right to refer to events in the United States and that the Labour group would work constructively with the administration on its response to the 'Black Lives Matter' campaign.

(17) Mr Farrell commended the way in which Kent County Council had provided leadership throughout the current crisis, making fair decisions on matters such as PPE acquisition, mortuary provision, launching 'Kent Together' and supporting the care market, whilst also securing further funding for the services provided by Kent, for unaccompanied asylum seeking children, on behalf of the country. He also said that as Kent County Council moved into the recovery phase of the pandemic crisis, public feeling about the provision of PPE, the discharge of patients with Covid-19 from hospitals to care homes, and the lack of knowledge as well as the lack of sensitivity about deaths in care homes displayed by the Minister for Health and Social Care needed to be taken into account. He further criticised the government for blaming local authorities for providing an inaccurate picture of local conditions; for claiming to write off NHS debt having underfunded it for ten years; the delayed and confused approach to tracking and testing, the absence of clarity relating to lockdown rules; the late introduction of quarantine for people arriving from abroad, the publication of a plan to re-open schools that was considered by teachers to be unsafe; confusion about the requirements to wear face masks, and the lack of understanding of the challenges faced by many families living on low incomes.

(18) In conclusion Mr Farrell said that Kent County Council should continue to support local voluntary organisations and the county's economy, by championing Kent and its businesses. He further said it was important that the Council recognised the impact of lockdown on residents, particularly on the most vulnerable, including those experiencing social isolation and that it took action to address educational inequalities which had been exacerbated by the lockdown.

(19) Mr Whybrow, Leader of the Independents Group, congratulated the Chairman and Vice-Chairman of the Council on their new roles and thanked the Chairman's predecessor for her hard work over the last 12 months.

(20) Mr Whybrow echoed the thanks of the other group leaders to Council staff and key workers for their efforts throughout the COVID-19 crisis. He also drew attention to the sacrifice and commitment made by frontline staff and urged that the Social Care structure, funding, resources, as well as staff training and remuneration be reviewed with a view to promoting frontline roles.

(21) Mr Whybrow emphasised the importance of a clear, sustainable model for local government funding to allow essential services to be rebuilt. He referred to the recent County Councils Network survey which had predicted a shortfall of £2.5bn to £4.5bn by April 2022 across the sector and said the value of local authorities must be properly acknowledged.

(22) Mr Whybrow referred to Kent County Council's renewal phase. He emphasised the importance of focusing on the green economy, local job creation, active travel and issues related to personal debt, unemployment, educational inequality and mental health.

(23) In conclusion, Mr Whybrow said Kent County Council and other local authorities had responded well to the pandemic and risen to the challenge in many areas. It was now necessary to demonstrate innovation, vision and commitment to rebuild Kent communities which should be underpinned by the legal powers and necessary funding from central government.

(24) In replying to the comments from the Group Leaders, Mr Gough expressed his appreciation of all that Members and officers had accomplished during the pandemic. He confirmed that lobbying central government for additional funding would continue. He also said that Kent County Council would continue to support schools and the efforts to overcome educational inequalities. He referred to the challenges in relation to recovery in areas such as children's social work and acknowledged that pressures would continue to grow as the lockdown eased.

(25) Mr Gough emphasised the importance of careful preparation for autumn and winter, including a potential second wave of COVID-19. He added that conversations continued to take place between the Cabinet Member for Adult Social Care and Public Health, the care sector and himself about the structural and strategic issues faced by the sector.

(26) Mr Gough reemphasised the importance of Member engagement in relation to the Council's renewal phase.

(27) Mr Gough confirmed that Kent County Council had applied for funding from central government to address issues which related to the revival of public transport with a view to ensuring that Kent's congestion and carbon reduction targets could be achieved and to encourage other forms of active transport.

216. Pay Policy Statement

(1) Mrs Prendergast moved, and Mr Gough seconded the following motion:

"The County Council is asked to endorse the Pay Policy Statement."

(2) The motion set out in paragraph (1) above was agreed without a formal vote.

- (3) RESOLVED that the Pay Policy Statement 2020-21 be endorsed.

217. Children, Young People and Education Directorate - Top Tier Restructure

- (1) Mr Gough moved, and Mr Long seconded the following motion:

“The County Council is invited to endorse the recommendation of the Personnel Committee to agree the :

- (i) formal deletion, in the structure, of the post of Director Education Planning and Access in the Children Young People and Education Directorate;
- (ii) introduction of a new Director – Education role and a new Director – Special Educational Needs and Disabilities role, both as described in Appendix 3 of the County Council agenda pack.”

- (2) Following the debate, the Chairman put the motion set out in paragraph (1) above to the vote and the voting was as follows:

For (59)

Mrs A Allen, Mr M Angell, Mr M Balfour, Mr P Barrington-King, Mr P Bartlett, Mrs P Beresford, Mrs R Binks, Mr R Bird, Mr T Bond, Mr A Booth, Mr A Bowles, Mr D Brazier, Mr D Butler, Miss S Carey, Mrs S Chandler, Mr N Chard, Mr I Chittenden, Mrs P Cole, Mr N Collor, Mr A Cook, Mr G Cooke, Mr P Cooper, Mrs M Crabtree, Miss E Dawson, Mrs T Dean, Mrs L Game, Mr R Gough, Ms S Hamilton, Mr M Hill, Mr T Hills, Mrs S Hohler, Mr S Holden, Mr P Homewood, Mr A Hook, Mr E Hotson, Mr J Kite, Mr G Koowaree, Mr P Lake, Ida Linfield, Mr R Long, Mr R Love, Mr G Lymer, Mr A Marsh, Mr J McInroy, Mr D Monk, Mr D Murphy, Mr M Northey, Mr P Oakford, Mr D Pascoe, Mr M Payne, Mrs S Prendergast, Miss C Rankin, Mr H Rayner, Mr A Ridgers, Mr C Simkins, Mr B Sweetland, Mr M Whiting, Mr M Whybrow, Mr J Wright

Against (5)

Mr J Burden, Ms K Constantine, Mr D Farrell, Mr B Lewis, Dr L Sullivan

Abstained (0)

Motion carried

(3) RESOLVED that:

- (i) the formal deletion in the structure of the post of Director Education Planning and Access in the Children Young People and Education Directorate be approved;
- (ii) a new Director – Education role and a new Director – Special Educational Needs and Disabilities role be approved, both as described in Appendix 3 of the County Council agenda pack,

218. Annual Increase of Members' Allowance Scheme

(1) The Chairman moved, and the Vice-Chairman seconded the following motion:

“The County Council is asked to approve the Members’ Allowances Scheme for 2020/21 as set out in Appendix A2 to the report.”

(2) Following the debate, the Chairman put the motion set out in paragraph (1) above to the vote and the voting was as follows:

For (55)

Mrs A Allen, Mr M Angell, Mr M Balfour, Mr P Barrington-King, Mr P Bartlett, Mrs C Bell, Mrs P Beresford, Mrs R Binks, Mr T Bond, Mr A Booth, Mr A Bowles, Mr D Brazier, Mr D Butler, Miss S Carey, Mrs S Chandler, Mr N Chard, Mrs P Cole, Mr N Collor, Mr A Cook, Mrs M Crabtree, Miss E Dawson, Mrs L Game, Mr R Gough, Ms S Hamilton, Mr P Harman, Mr M Hill, Mr T Hills, Mrs S Hohler, Mr S Holden, Mr P Homewood, Mr E Hotson, Mrs L Hurst, Mr J Kite, Mr P Lake, Mr R Long, Mr R Love, Mr G Lymer, Mr S Manion, Mr A Marsh, Ms D Marsh, Mr J McInroy, Mr D Monk, Mr D Murphy, Mr M Northey, Mr P Oakford, Mr D Pascoe, Mr M Payne, Mrs S Prendergast, Miss C Rankin, Mr H Rayner, Mr A Ridgers, Mr C Simkins, Mr B Sweetland, Mr M Whiting, Mr J Wright

Abstained (13)

Mr R Bird, Mr I Chittenden, Ms K Constantine, Mr G Cooke, Mr P Cooper, Mrs T Dean, Mr D Farrell, Mr A Hook, Mr G Koowaree, Mr B Lewis, Ida Linfield, Dr L Sullivan, Mr M Whybrow

Against (0)

Motion carried

(3) RESOLVED that the Members’ Allowances Scheme for 2020/21 as set out in Appendix A2 to the report be approved.

219. Update of the Members Allowances' Scheme

(1) The Chairman moved, and Mr Sweetland seconded the following motion:

“The County Council is asked to agree to the adoption of the updated Members’ Allowance Scheme as set out in Appendix B1 to the report.”

(2) The Chairman agreed that the County Council in October 2020 would receive a report from the General Counsel reviewing the workload of the Chairman of the Selection and Member Services Committee as recommended by the Independent Remuneration Panel.

(3) Following the debate, the motion set out in paragraph (1) above was agreed without a formal vote.

(4) RESOLVED that the adoption of the updated Members’ Allowance Scheme as set out in Appendix B1 to the report be approved.

220. Annual Report on Urgent Executive Decisions

(1) Mr Gough moved, and Mr Oakford seconded the following motion:

“The County Council is asked to note the report.”

(2) Following the debate, the motion set out in paragraph (1) above was agreed without a formal vote.

(3) RESOLVED that the Leader’s Annual Report on Urgent Executive Decisions be noted.

221. Independent Person (Standards)

(1) Mr Oakford moved, and Mr Kite seconded the following motion:

“The County Council is asked to agree the appointment of Michael George as the Independent Person for the Members’ Code of Conduct for the four-year term 1 July 2020 to 30 June 2024.”

(2) Following the debate, the Chairman put the motion set out in paragraph (1) above to the vote and the voting was as follows:

For (65)

Mrs A Allen, Mr M Angell, Mr M Balfour, Mr P Barrington-King, Mr P Bartlett, Mrs C Bell, Mrs P Beresford, Mrs R Binks, Mr R Bird, Mr T Bond, Mr A Booth, Mr A Bowles, Mr D Brazier, Mr J Burden, Mr D Butler, Miss S Carey, Mr P Carter, Mrs S Chandler, Mr I Chittenden, Mrs P Cole, Mr N Collor, Mr A Cook, Mr G Cooke, Mr P Cooper, Mrs M Crabtree, Mr M Dance, Mrs T Dean, Mr D Farrell, Mrs L Game, Mr R Gough, Ms S Hamilton, Mr P Harman, Mr M Hill, Mr T Hills, Mrs S Hohler, Mr S Holden, Mr P Homewood, Mr A Hook, Mr E Hotson, Mrs L Hurst, Mr J Kite, Mr G Koowaree, Mr P Lake, Ida Linfield, Mr R Long, Mr R Love, Mr G Lymer, Mr A Marsh, Ms D Marsh, Mr J McInroy, Mr D Murphy, Mr M Northey, Mr P Oakford, Mr D Pascoe, Mr M Payne,

17 JUNE 2020

Mrs S Prendergast, Mr K Pugh, Miss C Rankin, Mr H Rayner, Mr A Ridgers, Mr C Simkins, Mr B Sweetland, Mr M Whiting, Mr M Whybrow, Mr J Wright

Against (1)

Ms K Constantine

Abstained (2)

Mr B Lewis, Dr L Sullivan

Motion carried

(3) RESOLVED that Michael George be appointed as the Independent Person for the Members' Code of Conduct for the four-year term 1 July 2020 to 30 June 2024.

222. Treasury Management 6 Month Review 2019/20

(1) Mr Oakford moved, and Mrs Crabtree seconded the following motion:

“The County Council is asked to note the report.”

(2) The motion set out in paragraph (1) above was agreed without a formal vote.

(3) RESOLVED that the report be noted.

(Mr Bartlett, in accordance with the interest declared at minute no 208 (2) above, withdrew from the meeting during consideration of this item)

KENT COUNTY COUNCIL

MINUTES of a meeting of the Kent County Council held online on Thursday, 16 July 2020.

PRESENT:

Mr G K Gibbens (Chairman)
Mr M J Northey (Vice-Chairman)

Mrs A D Allen, MBE, Mr M J Angell, Mr M A C Balfour, Mr P V Barrington-King, Mr P Bartlett, Mrs C Bell, Mrs P M Beresford, Mrs R Binks, Mr R H Bird, Mr T Bond, Mr A Booth, Mr A H T Bowles, Mr D L Brazier, Mr J Burden, Miss S J Carey, Mr P B Carter, CBE, Mrs S Chandler, Mr N J D Chard, Mr I S Chittenden, Mr J Clinch, Mrs P T Cole, Mr N J Collor, Ms K Constantine, Mr A Cook, Mr G Cooke, Mrs M E Crabtree, Mr D S Daley, Mr M C Dance, Miss E Dawson, Mrs T Dean, MBE, Mr D Farrell, Mrs L Game, Mr R W Gough, Ms S Hamilton, Mr P M Harman, Mr P M Hill, OBE, Mr A R Hills, Mrs S V Hohler, Mr S Holden, Mr P J Homewood, Mr A J Hook, Mr M J Horwood, Mr E E C Hotson, Mrs L Hurst, Mr J A Kite, MBE, Mr P W A Lake, Mr B H Lewis, Ida Linfield, Mr R L H Long, TD, Mr R C Love, OBE, Mr G Lymer, Mr S C Manion, Mr R A Marsh, Ms D Marsh, Mr J P McInroy, Mr D D Monk, Mr D Murphy, Mr P J Oakford, Mr J M Ozog, Mr R A Pascoe, Mr M D Payne, Mrs S Prendergast, Mr K Pugh, Miss C Rankin, Mr H Rayner, Mr A M Ridgers, Mr C Simkins, Dr L Sullivan, Mr B J Sweetland, Mr R J Thomas, Mr M Whiting, Mr M E Whybrow and Mr J Wright

IN ATTENDANCE: Mr D Cockburn (Corporate Director Strategic & Corporate Services), Mr B Watts (General Counsel) and Mrs A Hunter (Principal Democratic Services Officer)

UNRESTRICTED ITEMS

223. Apologies for Absence

The General Counsel reported apologies from Mr Butler, Mr Cooper, Mr Koowaree, Mr Lymer, Mr Monk and Mrs Stockell.

224. Declarations of Disclosable Pecuniary Interests or Other Significant Interests in items on the agenda

None.

225. Minutes of the meeting held 17 June 2020 and, if in order, to be approved as a correct record

The Chairman stated that consideration of the draft minutes from the meeting on 17 June 2020 would be deferred until the next meeting of the County Council

226. Chairman's Announcements

Mr Ian Thomas

(1) The Chairman stated that it was with regret that he had to inform Members of the death of Mr Ian Thomas, Conservative Member for Whitstable East and Herne Bay West from May 2017.

(2) Mr Marsh, Mr Love, Ida Linfield, Mr Farrell, the Chairman and Mr Robert Thomas paid tribute to Mr Ian Thomas.

(3) All Members present held a minute's silence in silence in memory of Mr Ian Thomas.

(4) After the one-minute silence, the Chairman moved, the Vice-Chairman seconded and it was resolved unanimously that:

“This Council records the sense of loss it feels on the sad passing of Mr Ian Thomas and extends to his family and friends our heartfelt sympathy to them in their sad bereavement.”

Care Homes

(5) The Chairman began his announcements by referring to the COVID-19 pandemic and the impact that it had had on Kent's communities. He formally thanked care workers and all members of staff in Kent's care homes who had worked tirelessly and at personal risk to continue to look after Kent's most vulnerable older residents during the pandemic.

(6) The Chairman also thanked all of Kent's key workers for continuing to deliver vital services to residents during the unprecedented time.

227. Questions

In accordance with Sections 14.15 to 14.22 of the Constitution, 11 questions were asked and replies given. A record of all questions put and answers given at the meeting is available online with the papers for this meeting.

As Mr Lymer was not in the meeting, he received a written response to his question.

228. Report by Leader of the Council (Oral)

(1) The Leader updated the Council on events since the previous meeting and said he would focus on the key challenges and issues that the Council faced in the coming months and the preparations being made to address them. He referred to the progress that had been made in developing the Council's interim strategic plan and environmental strategy and said that these topics would be discussed later in the meeting during the relevant agenda items. He also referred to a risk report which would be submitted to the Governance and Audit Committee, focusing on the Council's financial pressures, the possibility of further outbreaks of COVID-19, winter

pressures, economic pressures, transport issues, the return to school, and the end of the Brexit transition period on the 31 December 2020.

(2) Mr Gough stated that Kent County Council had identified £118m in spending pressures and foregone income as a result of COVID-19. He said Kent County Council had received £67m from the first two tranches of government support. A further tranche of support for local government of £500m had been announced and, based on previous allocations, he anticipated that the Council would receive approximately £8m-£12m. He also said that, despite this support, a significant funding gap would remain. During the period of lockdown, there had been areas of significant underspend in the early months of the financial year, but there was a strong expectation that demand for services, including in Integrated Children's Services, would increase in the autumn. Mr Gough referred to the significant school-related transport funding gap and the need to address the gap in-year. He said that County Council on 10 September would provide an opportunity to focus on the Council's in-year budget position and its plans for the longer term.

(3) Mr Gough stated the £118m he had referred to, did not include any reductions in Council Tax income. Whilst this was an immediate issue for Kent's district councils, it would feedback into Kent County Council's budget later in the year. He went on to say that the government's announcements, suggesting that losses could be spread over three years, were to an extent, a deferral of issues, a number of which must be decided within the spending round. He emphasised the importance of continuing to work on the Council's in-year budget position, preparing for the longer term and continuing to lobby the government for additional support.

(4) Mr Gough acknowledged the concerns that had been raised in relation to pupils returning to school in September, particularly with regards to school transport. He referred to the government's plans for re-opening of schools in September and said that further guidance was expected. He said social distancing requirements would put pressure on bus capacity and that Kent County Council would be expected to intervene to support the provision of additional capacity. He recognised the importance of school transport to parents and schools and said the Council's Public Transport team continued to work hard to ensure that plans were in place for September. He said that, in recognition of the current uncertainty, a part-year option for the purchase of the Kent Travel Saver would be available, with details to follow, as and when social distancing requirements changed. He added that the Council continued to work with transport operators to ensure that plans were brought forward as quickly as possible, to give clarity to parents and the best possible return to school.

(5) Mr Gough referred to recent national media reports about suicides among young people and emphasised the need for caution in identifying deaths as suicides in advance of coroners' findings. He said the reports had arisen from an initiative of Sarah Hammond, Director of Integrated Services (Children's Social Work Lead) to address the impact of school closures on the learning, mental health and social interactions of young people. These issues had also been raised by national figures, such as Her Majesty's Chief Inspector of Education, Children's Services and Skills, and the Children's Commissioner. He said that, while deaths among young people, particularly suicides, were always horrible, it was erroneous to suggest they were more prevalent in Kent than elsewhere. He said it was the report on the issue nationally which had generated references to events in Kent and that children's

services within Kent had provided good support for vulnerable young people during the pandemic, in many respects, going above and beyond that provided elsewhere. The biggest cause for concern had been that as a result of concerns about health, in Kent, as elsewhere, only about 10% of vulnerable children and young people, who were entitled to attend school during lockdown, did so.

(6) Mr Gough referred to plans to deal with local outbreaks of Covid-19 and highlighted Kent's role through its public health function, as well as through a Local Outbreak Engagement Board. He said that a local outbreak plan had been released at the end of the previous month and was subject to ongoing revision. He said the plan would be considered by the Kent Leaders every month, updates would be brought to the Cabinet Members Meeting, and any signs of a local outbreak, would trigger action by a group of Cabinet Members and partners in district and borough councils. He said a Recovery and Resilience plan, in response to the pressure on the Kent economy, was being brought forward and that it had already been shared widely with Members, the business community and external partners. He added that the Council was also working to bring forward an employment task force focusing on the issues relating to young people and others within the labour market during these unprecedented times.

(7) In conclusion, Mr Gough referred to the end of the transition period on 31 December, following the UK leaving the European Union, and to the approach of focusing on models that ensured adequate preparation for international trading including the recently announced border operating model and the development of a portal for the operation of freight services. He emphasised the importance of traffic management and keeping Kent's roads moving especially if government initiatives were not fully successful, particularly at the start. He added that clarity had been sought about the government's approach to enforcement, particularly in relation to vehicles that were not border-ready coming into Kent and district traffic management. He said that the government's announcement regarding Junction 10A of the M20 provided some clarity. However, the County Council had been clear that the proposed lorry park should be part of transition arrangements and not be designed to deal with all issues relating to lorry parking in Kent.

(8) Mr Bird, the Leader of the Opposition, commended the work of the Council in recent months and expressed his views in relation to the uncertain future. He commented on the financial pressures faced by local authorities across the country, and, whilst he acknowledged the additional funding from government, he expressed concern that services would have to be cut back affecting the most vulnerable in society, and inhibiting the ability of the Council's preventative services to help residents and communities recover from the debilitating impact of coronavirus and the lockdown. He also expressed the view that educational inequalities were likely to worsen and, whilst some schools had provided online lessons during the lockdown, many children had been unable to access them or had received no encouragement to engage with education. Whilst he agreed with Mr Gough's comments relating to children returning to school in September, he said the government needed to restore confidence in public transport to avoid road congestion and air pollution and expressed concern for children whose parents did not want them to return to school in September or use public transport to get to school. He also said many children with special needs and their families needed additional support to regain a sense of normality, rebuild social relationships and take a break from their caring responsibilities. Mr Bird also referred to the comments of the Children's Commission,

who had said there were too many teenagers in Kent who were at risk of falling through gaps in the school and social care systems, Mr Bird said that more needed to be done to prevent this generation of teenagers becoming disaffected NEETS or being groomed by criminal gangs.

(9) Mr Bird said the proposed customs post and lorry park in Ashford was preferable to Dover becoming gridlocked or parts of the M20 being shut down, however, in his view, funds would be better spend preserving services in Kent and investing in the future. He considered that the government's negotiations with Britain's largest trading partners had been inadequate and outlined some of the costs being faced by British businesses as a result of post-Brexit border checks. Mr Bird concluded by saying that the biggest threat remained the Covid-19 pandemic. While he was pleased that the national lockdown had ended, he hoped that the government would provide accurate data and adequate support for local authorities where it was necessary to impose local lockdowns.

(10) Mr Farrell, Leader of the Labour Group, started by referring to the comments he had made at the last meeting of the County Council in July about the experiences of Kent residents during the pandemic. He said that attempts to blame carers for outbreaks of the coronavirus in care homes brought shame on the government and that the number of deaths among care home residents was 13 times higher in the UK than in Germany. He asked if the Leader of the Council would consider distancing himself from the Prime Minister's words blaming care workers for Covid-19 deaths in care homes. He referred to the actions of the Commons Health and Social Care Select Committee chairman who, in an article in the Telegraph, had called for all NHS and social care staff to be tested regularly and on the same day had voted, along with the MP for Ashford and others, against mass testing for key workers. Mr Farrell commented on the confusion about the rules on wearing facemasks and the delay of three months between the outbreak of the pandemic and mandating the wearing of facemasks. He commented on a report about deaths among young people with special needs published in the Guardian and emphasised the importance of devising proposals to support all young people, and especially those who were most vulnerable.

(11) Mr Farrell said that he hoped that if there was a further outbreak of the coronavirus that procurement of personal protective equipment at national level would improve. He asked about the trigger points for declaring a second period of lockdown and how businesses would be supported once the current furlough scheme ended. Mr Farrell referred to the current uncertainty in relation to home to school transport and arrangements for the Kent Test if a second period of lockdown was necessary. He also asked the Leader if he would consider sharing information, presented informally to Cabinet members and the Kent Leaders group, with the opposition groups. He referred to the support to local government by the Ministry of Communities, Housing and Local Government, SELEP schemes and the 'Eat Out to Help Out' scheme as well as the proposal to build a customs clearance facility in Ashford. He said this proposal was not the answer to disruption at Kent ports and expressed his concern about the location of the facility and the lack of resident and Member engagement on the matter.

(12) Due to a connectivity issue, Mr Whybrow was unable to give his response to the Leaders' update. The Chairman stated that Mr Whybrow would be asked to provide the Leader with a copy of his response.

(13) Mr Gough replied by referring to the comments which had been made by the Opposition leaders in relation to the Brexit transition period, traffic management and lorry parking in Kent and said that he sought to convey, in his update, the degree to which the council was responding to those challenges and seeking to protect the interests of the people of Kent. He stated that the Council's responsibility was to ensure that Kent was as prepared as possible. He agreed with the comments made about the impact of the lockdown and school closures on children and their families nationally and reiterated the positive work that Sarah Hammond had undertaken to address local concerns. He said Kent's Social Care Services held a proud record of sustaining contact with vulnerable young people and their families and during the lockdown had often used innovative methods to ensure the service was operating effectively.

(14) Mr Gough referred to the extensive work that continued to be undertaken with Kent's schools in terms of the return to school in September, which included a focus on gaps in learning. He said that Richard Long, Cabinet Member for Education and Skills, was considering a proposal to defer the Kent Test to October, which would set out a direction of travel that could be communicated to families. In relation to care homes, he said that the Council continued to work in partnership with social care providers.

(15) Mr Gough stated that, whilst every outbreak of Covid-19 in care homes was a concern, and every death a tragedy, the proportion of care homes in Kent that had experienced an outbreak was 29%, which was the lowest in the South East and much lower than in many areas across the country. He commended the Council's approach, particularly the co-operation between Strategic Commissioning and Commercial Services, in providing PPE to a wide range of care providers in Kent.

(16) In conclusion, Mr Gough stated that he would continue to focus on ensuring that the Council was prepared to meet each of the challenges alluded to and provide the very best possible outcome for Kent's residents

229. Strategic Reset - recovery, resilience and reset in Kent County Council

(1) Mr Gough moved and Mr Oakford seconded the following motion:

"That County Council is asked to:

- a) Consider the fundamental changes in KCC's operating environment and how this will evolve the Strategic Commissioning Authority operating model for the council;
- b) Agree to develop political priorities to inform an Interim Strategic Plan for October 2020;
- c) Agree the roadmap to develop a new 5 Year Plan by 2021 (Appendix A); and
- d) Agree to provide oversight and decision making for the new Strategic Reset Programme (Appendix B)

- (2) Following the debate, the Chairman put the motion as set out in paragraph (1) above to the vote and the voting was as follows:

(For 52)

Mrs A Allen, Mr M Angell, Mr M Balfour, Mr P Barrington-King, Mr P Bartlett, Mrs C Bell, Mrs P Beresford, Mr T Bond, Mr A Booth, Mr A Bowles, Mr D Brazier, Miss S Carey, Mrs S Chandler, Mr N Chard, Mrs P Cole, Mr N Collor, Mr A Cook, Mr G Cooke, Mrs M Crabtree, Mr M Dance, Miss E Dawson, Mrs L Game, Ms S Hamilton, Mr M Hill, Mr T Hills, Mrs S Hohler, Mr S Holden, Mr P Homewood, Mr M Horwood, Mr E Hotson, Mrs L Hurst, Mr J Kite, Mr R Long, Mr R Love, Mr S Manion, Ms D Marsh, Mr J McInroy, Mr P Messenger, Mr D Murphy, Mr M Northey, Mr P Oakford, Mr J Ozog, Mr D Pascoe, Mr K Pugh, Miss C Rankin, Mr H Rayner, Mr A Ridgers, Mr C Simkins, Mr B Sweetland, Mr R Thomas, Mr M Whiting, Mr J Wright
Against (14)

Mr R Bird, Mr J Burden, Mr I Chittenden, Mr J Clinch, Ms K Constantine, Mr D Daley, Mrs T Dean, Mr D Farrell, Mr P Harman, Mr A Hook, Mr B Lewis, Ida Linfield, Dr L Sullivan, Mr M Whybrow

Abstain (0)

Motion carried

RESOLVED that the

- a) consideration of the fundamental changes in KCC's operating environment and how this will evolve the Strategic Commissioning Authority operating model for the council be noted;
- b) development of political priorities to inform an Interim Strategic Plan for October 2020 be agreed;
- c) the roadmap to develop a new 5 Year Plan by 2021 (Appendix A) be agreed
- d) County Council's oversight and decision making for the new Strategic Reset Programme (Appendix B) be agreed.

230. Kent County Council Approach to Net-Zero

- (1) Miss Carey moved and Mr Hills seconded the following motion:

"That County Council is asked to:

- a) Note the progress made and comment on the proposed approach; and

- (2) Note the indicative funding that will need to be secured to a Miss Carey moved and Mr Hills seconded the following motion:

"That County Council is asked to:

- b) Note the progress made and comment on the proposed approach; and

- c) Note the indicative funding that will need to be secured to achieve this.
- (3) Following the debate, the motion was agreed without a formal vote.
- (4) RESOLVED that the progress made, the comments on the proposed approach and the indicative funding that will need to be secured to achieve this be noted.

231. Select Committee - Affordable Housing

- (1) Mr Whiting moved and Mr Thomas seconded the following motion:

“That the County Council:

- a) Endorse the Select Committee report;
 - b) Thank the Select Committee for a useful report on a complex and challenging issue; and
 - c) Thank the witnesses and others who provided evidence and made valuable contributions to the work of the Select Committee.”
- (2) Following the debate, the Chairman put the motion as set out in paragraph (1) above to the vote and the voting was as follows:

For (50)

Mrs A Allen, Mr M Angell, Mrs C Bell, Mr R Bird, Mr T Bond, Mr A Booth, Mr D Brazier, Mr J Burden, Miss S Carey, Mrs S Chandler, Mr N Chard, Mr I Chittenden, Mr N Collor, Ms K Constantine, Mr A Cook, Mrs M Crabtree, Mr D Daley, Mrs T Dean, Mr D Farrell, Mrs L Game, Ms S Hamilton, Mr P Harman, Mr M Hill, Mr T Hills, Mr P Homewood, Mr A Hook, Mr M Horwood, Mr E Hotson, Mrs L Hurst, Mr J Kite, Mr B Lewis, Mr R Long, Mr R Love, Mr S Manion, Mr A Marsh, Ms D Marsh, Mr J McInroy, Mr D Murphy, Mr M Northey, Mr P Oakford, Mr M Payne, Mr K Pugh, Miss C Rankin, Mr A Ridgers, Mr C Simkins, Dr L Sullivan, Mr R Thomas, Mr M Whiting, Mr M Whybrow, Mr J Wright

Against (3)

Mr A Bowles, Mr J Clinch, Mr H Rayner

Abstain (6)

Mr M Balfour, Mr P Barrington-King, Mr G Cooke, Mrs S Hohler, Mr S Holden, Mr D Pascoe

Motion carried

(3) RESOLVED that the

- a) Select Committee report on Affordable Housing be endorsed;
- b) Select Committee be thanked for a useful report on a complex and challenging issue; and
- c) the witnesses and others who provided evidence be thanked for their valuable contributions to the work of the Select Committee.

232. End of Year Performance Report, 2019/20

(1) Mr Gough moved and Mr Oakford seconded the following motion:

“That the County Council NOTE the Performance Report.”

(2) The motion set out in paragraph (1) above was agreed without a formal vote.

(3) RESOLVED that the Performance Report be noted.

233. Motion for Time Limited Debate

(1) Mr Hook moved and Mr Bird seconded the following motion:

“This Council:

- a) is mindful of the recent death of George Floyd in the United States and of the demonstrations that followed;*
- b) is aware of the depth of public concern expressed during recent weeks in Britain about ingrained institutional racism directed against non-white persons; and*
- c) is conscious of the disproportionate impact of the Covid-19 pandemic on black and minority ethnic residents.*

Therefore, this Council places on record its unequivocal support for BAME people in Kent. In particular, this Council re-affirms its commitment to promoting equality, valuing diversity and combatting unfair treatment and all forms of racial injustice."

(2) Mr Holden proposed and Mrs Prendergast seconded the following amendment:

"This Council:

*a) is mindful of the recent death of George Floyd in the United States and of the demonstrations that followed **in many countries and areas, including Kent;***

~~b) Is aware of the depth of public concern expressed during recent weeks in Britain about ingrained institutional racism directed against non-white persons; and~~

*e) **b) It is also mindful of the emerging evidence that shows a** ~~is conscious of the disproportionate impact of the COVID-19 pandemic on black and minority ethnic residents on~~ **sections of communities in Kent.***

~~Therefore, this Council places on record its unequivocal support for BAME people in Kent. In particular, this Council re-affirms its commitment through its policies and actions to promoting promote equality for all, to valuing value diversity, and to combatting combat unfair treatment and all forms of racial or other injustice."~~

(3) Following the debate, the Chairman put the amendment set out in paragraph (2) above to the vote and the voting was as follows:

For (56)

Mrs A Allen, Mr M Angell, Mr M Balfour, Mr P Barrington-King, Mr P Bartlett, Mrs C Bell, Mrs P Beresford, Mrs R Binks, Mr T Bond, Mr A Booth, Mr A Bowles, Mr D Brazier, Miss S Carey, Mr P Carter, Mrs S Chandler, Mr N Chard, Mrs P Cole, Mr A Cook, Mr G Cooke, Mrs M Crabtree, Mr M Dance, Miss E Dawson, Mrs L Game, Mr R Gough, Ms S Hamilton, Mr M Hill, Mr T Hills, Mrs S Hohler, Mr S Holden, Mr P Homewood, Mr M Horwood, Mr E Hotson, Mrs L Hurst, Mr P Lake, Mr R Long, Mr R Love, Mr S Manion, Mr A Marsh, Ms D Marsh, Mr J McInroy, Mr D Monk, Mr D Murphy, Mr M Northey, Mr P Oakford, Mr J Ozog, Mr D Pascoe, Mr M Payne, Mrs S Prendergast, Mr K Pugh, Miss C Rankin, Mr H Rayner, Mr A Ridgers, Mr C Simkins, Mr B Sweetland, Mr M Whiting, Mr J Wright

Against (14)

Mr R Bird, Mr J Burden, Mr I Chittenden, Mr J Clinch, Ms K Constantine, Mr D Daley, Mrs T Dean, Mr D Farrell, Mr P Harman, Mr A Hook, Mr B Lewis, Ida Linfield, Dr L Sullivan, Mr M Whybrow

Abstain (0)

Amendment Carried

(1) The Chairman put the substantive motion as set out in paragraph (2) above to the vote and the voting was as follows:

For (61)

Mrs A Allen, Mr M Angell, Mr M Balfour, Mr P Barrington-King, Mr P Bartlett, Mrs C Bell, Mrs P Beresford, Mrs R Binks, Mr T Bond, Mr A Booth, Mr A Bowles, Mr D Brazier, Mr J Burden, Miss S Carey, Mrs S Chandler, Mr N Chard, Mrs P Cole, Ms K Constantine, Mr A Cook, Mr G Cooke, Mrs M Crabtree, Mr M Dance, Miss E Dawson, Mr D Farrell, Mrs L Game, Mr R Gough, Ms S Hamilton, Mr P Harman, Mr M Hill, Mr T Hills, Mrs S Hohler, Mr S Holden, Mr P Homewood, Mr M Horwood, Mr E Hotson, Mrs L Hurst, Mr J Kite, Mr P Lake, Mr B Lewis, Mr R Long, Mr R Love, Mr S Manion, Mr A Marsh, Ms D Marsh, Mr J McInroy, Mr D Monk, Mr D Murphy, Mr M Northey, Mr P Oakford, Mr J Ozog, Mr D Pascoe, Mr M Payne, Mrs S Prendergast, Mr K Pugh, Mr H Rayner, Mr A Ridgers, Mr C Simkins, Dr L Sullivan, Mr B Sweetland, Mr M Whiting, Mr J Wright

Against (8)

Mr R Bird, Mr I Chittenden, Mr J Clinch, Mr D Daley, Mrs T Dean, Mr A Hook, Ida Linfield, Mr M Whybrow

Abstain (0)

Substantive Motion Carried

(2) RESOLVED that:

This Council:

- a) Is mindful of the recent death of George Floyd in the United States and of the demonstrations that followed in many countries and areas, including Kent;
- b) It is also mindful of the emerging evidence that shows a disproportionate impact of COVID-19 on sections of communities in Kent.

Therefore, this Council re-affirms its commitment through its policies and actions to promote equality for all, to value diversity, and to combat unfair treatment and all forms of racial or other injustice.

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By: Ben Watts, General Counsel (Monitoring Officer)

To: All Elected Members

Subject: Report Under Section 5 of the Local Government and Housing Act 1989

Date: 2nd September 2020
For consideration at: County Council – 10th September 2020

Classification: Unrestricted

Summary: This report is made under section 5 of the Local Government and Housing Act relating to a breach of statutory duties by Kent County Council.

Introduction

1. On 17th August 2020, I formally advised Members that I had been notified by the statutory Director for Children Services (DCS) of an imminent breach of the Council's legal duties arising from the unprecedented pressure being placed on KCC by the arrivals of unaccompanied asylum seeking children.
2. The role of the Monitoring Officer in such circumstances is set out in section 5 of the Local Government and Housing Act 1989. I am required under section 5(2) to prepare a report in circumstances where an action, omission or decision leads to the Council operating outside our statutory duties. For completeness, I have determined that the current situation requires me to write a report which will then be considered by County Council on 10 September 2020.
3. Ultimately, the legislation is in place to ensure that all Members of the Council are sighted on such serious issues. The legislation does not entirely contemplate such a situation where the Leader, the Cabinet Member for Children's Services, the DCS and myself are in agreement around the legal position but that is largely due to the unique circumstances that have led to this declaration.
4. The Leader and Cabinet Member for Children's Services wrote separately to provide further details for Members in relation to the situation and the actions that were and are being taken politically and operationally. Any questions that Members may have politically or operationally are not for response by me and remain for the Leader and Cabinet Member supported and advised by the statutory Director of Children's Services and his deputies.

Breach of Statutory Duty

5. Kent County Council has a range of statutory duties in relation to vulnerable children. The majority of these are arranged within the Children Act 1989 and include dozens of separate duties that the Council is required to discharge regarding vulnerable children. It is important to note that "duties" are mandatory and the responsibility under the legislation is non-delegable.

6. Section 20 of the Children Act is a key duty to provide accommodation for children in need within the Kent County Council administrative area. This means that where children are lost, abandoned or have no appropriate carer/person with parental responsibility that the Council must step in.
7. On 17th August 2020, the DCS advised me that he no longer felt able to safely discharge the section 20 duty to receive children into our care at the port of Dover. In taking that position, he had to reflect on our statutory duty to those unaccompanied minors arriving at the port and balance that with the other duties owed under the Children Act to those children already in the care of the County Council. He also had to consider the likely standard of care that could be offered to any child that arrived at the port and was taken into our care. All children are entitled by law to a minimum of standard of safe and legal care.
8. In the circumstances, I regretfully accept that Kent County Council was unable to meet our statutory duty to accommodate these young people. At that moment, the competing interests of two sets of statutory duties meant that the Council would inevitably fall outside at least one of them.
9. The two sets of statutory duties have been in tension for a number of years and in particular because of the exponential increase in new arrivals at Dover since the beginning of the year. Members have been advised of the efforts by the Council through the Leader, Cabinet Member and senior officers to avoid the circumstances of 17th August coming to pass including escalation and discussion with Government.
10. In applying my mind to the breach of statutory duty, I am satisfied that the relevant Members and Officers were and remain committed to complying with the obligations under section 20 of the Children's Act at the earliest opportunity.
11. Ordinarily, under the Local Government and Housing Act, a Monitoring Officer would be looking at a decision, proposal or omission that was being consciously taken. The legislation presumes that the Monitoring Officer is then provided with an opportunity to prepare a report before the decision is given effect (section 5 (5)(b)). I have accepted that such an opportunity was not possible in these circumstances with the final acceleration of number prompted by the placement of France on quarantine list for COVID-19 purposes.
12. Since the beginning of the year, the number of unaccompanied asylum-seeking children in our care has risen from around 240 to around 600. In addition to this, KCC supports approximately 940 young people as care leavers who were formerly unaccompanied asylum-seeking children in our care. Whilst the numbers steadily accelerated across the year, in just the first few weeks of August there were close to 100 arrivals. In the absence of significant numbers being transferred to other local authorities, the pace and volume of arrivals overwhelmed the Council's service capacity.
13. In an effort to continue to meet all of our statutory duties, as the numbers rose the Council significantly increased capacity whilst support was sought and concerns were formally raised. Having grown capacity, the continuing increases

in numbers could only be met through significantly and unsustainably increasing the caseloads of social workers.

14. On 17 August, the Council's capacity to safely accommodate new arrivals was entirely exhausted. It is important to understand the considerable efforts of the Council through Members and Officers to continue to meet our statutory duties. With 600 in our care now, KCC is nearly 3 times over the government guidelines for the number of this cohort of vulnerable young people that Kent should or could safely look after (0.07% or 230 children in Kent).

Legal Issues

15. For the period that the Council operates outside our statutory duties, we face legal risk, no matter how valid the reasons for our current circumstances. This is because the statutory duties are not optional and not transferable.
16. In my capacity as Monitoring Officer, I seek to ensure that the Council returns to lawfulness as quickly as possible. It is recognised that a number of issues will need resolving in order for the Council to return to lawfulness.
17. The legal mechanism which Parliament has established to address unprecedented circumstances of this sort are powers conferred on the Home Secretary pursuant to sections 69 to 72 of the Immigration Act 2016.
18. To date, the Home Office has administered a scheme that relies on the voluntary transfer of unaccompanied asylum-seeking children as a means of seeking to equitably distribute the burden of discharging local authority functions in respect of such vulnerable young people. It has been suggested that the Home Office is considering introducing a mandatory scheme pursuant to the 2016 Act. Members will be kept updated on developments in this regard and the implications and legal options.
19. The efforts of staff within the service to maintain lawfulness and now return to a lawful position have been considerable. I will continue to review the position on a fortnightly basis with the Cabinet Member and the DCS (or their nominated deputies in absence) and record the outcome of that review.
20. I will keep all Members of the Council apprised at regular intervals and will advise in writing when Kent County Council is able once again to meet all of our statutory duties.

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Amendments to the Revenue Budget 2020-21

	Sctn	Page
Recommendations and summary	1	2
Background	2	4
Amended Revenue Budget	3	5
Budget risks, adequacy of reserves, impact on cashflow	4	10
Medium term outlook	5	11
Robustness of estimates and adequacy of reserves	6	13
A reminder of the last five months	7	15

Appendices

From	Leader of the Council, Roger Gough Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, Peter Oakford
Relevant Director	Corporate Director Finance, Zena Cooke
Report author(s)	Head of Finance Policy, Planning and Strategy Dave Shipton
Circulated to	County Council, 10th September 2020
Classification	Unrestricted

Members are reminded that Section 106 of the Local Government Finance Act 1992 applies to any meeting where consideration is given to matters relating to, or which might affect, the calculation of Council Tax. Any Member of a local authority who is liable to pay Council Tax and who has any unpaid Council Tax amount overdue for at least two months, even if there is an arrangement to pay off the arrears, must declare the fact that they are in arrears and must not cast their vote on anything related to KCC's Budget or Council Tax.

Contact details

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Corporate Director of Finance	Zena Cooke	03000 419 205	zena.cooke@kent.gov.uk

Directorates – abbreviations in this report

ASCH - Adult Social Care and Health	CYPE - Children, Young People and Education
GET - Growth, Environment & Transport	S&CS - Strategic & Corporate Services
	FI&U - Financing Items and Unallocated

County Council is asked to agree the following:

Numbers

1	£1,099.9m	The amended net revenue budget requirement for '20-21, up from £1,064m Original Budget.	Sctn 2, table 1
2	£36.3m	The individual proposed net spending changes across the Council as summarised in table 1 and detailed in Appendix A.	As above
3	£72.4m	Covid-19 additional response spending, income losses, underspends and provisions for potential recovery costs to be held as an unallocated central provision pending confirmation of full impact	Sctn 5
4	£36.3m	Revised directorate budgets, financing items and unallocated as per revised revenue budgets (appendix B)	

To note

- 5 The progress on the review of reserves being conducted by the Council's Corporate Director, Finance (half way down the page of section 3).
- 6 The Corporate Director, Finance's opinion on the robustness of the budget estimates and the level of reserves held by the Council (section 5).
- 7 The outcome of the public consultation (Appendix D)
- 8 The financial outlook for later years in the absence of a multi-year settlement from government, significant potential spending growth and impact of recession on future council tax and business rate collection funds and tax base estimates (section 4).

On delegating authority

- 9 To continue to delegate responsibility to Cabinet Members and Corporate Directors to manage the budget within the parameters set out in the Constitution and Financial Regulations.
- 10 To delegate authority to the Corporate Director, Finance (after consultation with the Leader, Cabinet Member for Finance, Corporate & Traded Services and the political Group Leaders) to resolve any minor technical issues for the final budget publication which do not materially alter the approved budget or change the net budget requirement. This includes approving the distribution of any unallocated amounts within the approved budget.

'Response', 'Recovery' – an explanation

Response costs are for actions that we've already taken and which relate to the period when Covid-19 first surfaced, e.g. we set up a temporary mortuary. **Recovery costs** are for actions we then did – or plan to do – to get us back up and running, e.g. if school buses can only carry half the number of pupils, we will need twice as many buses when schools reopen.

Summary

Net pressure of £23.8m as a result of Covid-19	This is a combination of pressures of £96.3m due to additional spending, delayed savings and loss of income, £3m reduction in funding from business rate pool and £75.3m additional un-ringfenced grants from central government
In-year underspends of £24m	These have been accrued during the first four months of the year mainly arising from reduced spending during the lockdown period
£37m of specific grants	These include £30.2m of grants provided by government departments to be spent in accordance with prescribed criteria and £6.8m of funding that can be claimed based on actual costs. Many of these grants have been announced in recent weeks and in line with usual practice are netted off against spending and have no impact on controllable budget. Before the grants had been announced we had included forecast cost of these activities against the Covid-19 impact on the controllable budget
£20.3m of non Covid-19 overspends	These include £6.2m of activities originally planned in 2019-20 which Cabinet have agreed can be funded from underspends rolled forward and overspends identified in 2019-20 after the original budget was agreed
£12.8m of further savings to be delivered during the remainder of the current year	These are necessary to continue to plan for a balanced budget and summarised in table 9 on page 8
The amendment includes a combination of one-off and recurring costs	In total £32.8m of identified costs are recurring impacting on future years' budgets. These together with the more usual spending growth estimates and potential collection fund deficits and reduction in local tax base pose a significant financial challenge for 2021-22 and later years
£212m forecast in reserves at end of 2020-21	After drawdown of underspends rolled forward from 2019-20 and Covid-19 reserves. Comprises £175m earmarked reserves and £37m general reserve
Nearly 2,000 consultation responses	Overwhelming response is that the Council should lobby government for additional funding to respond to Covid-19
Overall balanced budget for 2020-21 but still with significant uncertainties later in the year and future years	Although we have balanced 2020-21 the challenge for 2021-22 could be to find between £150m to £200m from spending reductions and savings. This is considerably greater than the challenge we faced in any year over the last 10 years

Reasons for Amendment

This amendment to the budget is necessary as a result of the unprecedented changes to the Council's revenue spending plans and income as a result of the Covid-19 pandemic and the subsequent economic fallout. These changes are such that it is essential that the Council reconsiders spending priorities in the current year as well as approves the spending from the additional un-ring-fenced Emergency Grant. The additional spending and income from other Covid-19 related specific grant allocations also need to be incorporated into the amended budget.

The amendment also allows for adjustments to manage the impact of in-year overspends unrelated to Covid-19. Such overspends are not uncommon in the early months of the financial year, but it is important they are addressed in this amendment and not left to be resolved through the normal monitoring processes. This is partly due to the magnitude and nature of these overspends, as well as concerns that the longer term impact of Covid-19 is such that there are still significant uncertainties over spending and income for the remainder of the year and future years. This means some of the usual counter-balancing factors are unlikely to be at our disposal this year. An example is the council tax collection fund where we have highlighted the likelihood that a substantial deficit could be accrued by collection authorities (district councils) during the current year. This means that we cannot rely on a surplus to help resolve the budget in the same way as in previous years.

The need for a budget amendment was endorsed by Cabinet on 22nd June based on the reported £50m shortfall in emergency funding from central government and the predicted impact on the Council's controllable budget. Since that endorsement there have been a number of changes that have reduced the predicted impact:

- A further £10m emergency funding was announced on 2nd July and received on 3rd August
- Some of the costs that we initially predicted have now been funded by additional specific grant allocations e.g. infection control in care homes, NHS discharges, asylum, home to school transport
- Some of the predictions are now less than earlier forecasts as the full impact of the pandemic has emerged e.g. we have not needed the temporary mortuary capacity previously predicted based on government models, the availability of personal protective equipment has improved significantly, etc.
- The scale of underspends during the first few months of the year due mainly to the impact of lockdown have now been assessed and can now be factored into the budget with sufficient confidence

The final section of this report sets out the timelines how the picture has emerged and changed throughout the first four months of the year leading up to this amendment. We have always made it clear that the Covid-19 pandemic was a unique circumstance and a clearer picture would need to emerge before fundamental decisions are taken.

This amendment is based on a number of largely one-off factors to address the current year's budget so that we can work on resolving the longer term issues also set out later in this report.

The Council's Constitution specifically defines the role of all Members in defining and agreeing the policy and budgetary framework of the Council in accordance with applicable laws providing sufficiency of resources. This amendment does not require the full scrutiny process through Cabinet Committee meetings and the Scrutiny Committee meeting as it only deals with changes to the original approved budget in response to changed circumstances and does not recast the entire budget. We have held an informal member briefing in advance of the Council meeting similar to the briefing prior to the February Budget meeting. This ensures that all Members have had an opportunity to raise issues in advance of being asked to formally amend the 2020-21 revenue budget.

Our Amended 2020-21 Budget – key numbers (and all row references are to table 1 overleaf)

£36.3m The increase in our 2020-21 Original Budget, up from £1,063.7m approved by County Council in February to £1,099.9m (note some of these changes have already been considered by Cabinet on 20th July following the first monitoring report of the year) – row 3

£24.0m Our 2020-21 forecast full year underspends (mainly Covid-19 related) - row 10

£12.8m Further savings/ extra income required to deliver a balanced amended Budget – row 11

£116.7m Gross impact on the controllable 2020-21 budget, both Covid-19 (**£96.3m**) and non-Covid-19 (**£20.3m**) – row 7

Government Covid-19 contributions that help us cover the £116.6m gross impact (all table 3)

£23.8m Gap between our Covid-19 costs in the controllable budget and un-ringfenced grants from Government received to date

Looking ahead

£32.8m The increase in recurring costs, £20.8m of which is Covid-19 related – tables 2, 5, 7, 8

Revenue spending: a reminder of what it is

Revenue spending is spent on the provision of day to day services, either directly through KCC staff and operational buildings, or commissioned from third parties. Revenue spending is identified as gross spend and net spend after taking account of service income and specific government grants. The net revenue budget requirement is funded by a combination of Council Tax, locally retained Business Rates and un-ring-fenced grants from the Ministry of Housing Communities and Local Government (MHCLG) included in the local government finance settlement. Grants from other government departments are ring-fenced to specific activities and are shown as income to offset the related spending.

Proposed Amended Budget - £36.3m increase

As Table 1 below shows, the proposed Amended Budget requires an increase in the net budget requirement of £36.3m. This is funded from a combination of the tranches of emergency grant paid in 2020-21 (£38.3m), reduction in income from business rate pool (-£3.0m) and other non Covid-19 grants confirmed after the original budget was approved (+£1.1m). In words, the tables shows we have £116.7m gross impact of additional spending pressures, income losses and undeliverable savings. This £116.7m is a big number, and it's analysed further below.

To balance the budget, there are various items (rows 8 to 11). Note the £24m underspends that have already been delivered in the first part of the year (mainly but not entirely due to reduced activity during Covid-19 lockdown). We are confident that we can include these underspends as they relate to clearly budgeted expenditure that has not been incurred in the first few months of the year and while in normal times managers would look to hold some of these underspends to offset overspends this is not necessary as the budget amendment includes provision for both the overspends that have already been identified and estimates for foreseeable risks later in the year. One of the underspends is the additional spending following the amendment to the budget approved at County Council on 13th February to increase expenditure on detached youth work. As a result of the pandemic it was not appropriate to recruit to these posts, resulting in a one-off part year underspend in 2020-21. However, the additional £500k is still built into the base budget allowing recruitment to proceed as part of the easing of lockdown and reopening of services.

Also, there's £12.8m proposed savings to be delivered throughout the remainder of the year from further management action and policy choices. These are shown in more detail in table 9.

2020-21 Budget changes in total, and by directorate

1

	£m	Total A	By directorate					Also see table
			Adult Social Care & Health	Children, Young People & Education	Growth Environ- ment & Transport	Strategic & Corporate Services	Financing & Unalloc- ated	
			B	C	D	E	F	
Amended Proposed	1	1,099.9	402.4	282.0	173.8	89.9	151.9	
Original Approved	2	1,063.7	399.5	273.0	178.9	82.3	130.0	
Increase/ (decrease)	3	36.3	3.0	9.0	(5.2)	7.6	21.9	
Gross impact								
Additional Spending Pressures	4	89.0	25.1	13.4	10.2	15.7	24.7	
Income Losses	5	20.1	1.3	2.9	4.8	1.1	10.1	
Undeliverable savings	6	7.6	3.4	1.3	0.2	0.7	2.0	
Sub-total - total gross impact	7	116.7	29.7	17.5	15.2	17.5	36.7	2,5,6
How budget gets balanced								
Drawdown from reserves	8	(71.5)	-	-	-	(0.1)	(71.5)	
Changes Approved at Cabinet 20th July	9	27.9	-	-	-	-	27.9	
Underspends, many due to Lockdown	10	(24.0)	(3.5)	(10.3)	(7.8)	(2.2)	(0.2)	
Proposed Further Action	11	(12.8)	-	-	(7.9)	(0.5)	(4.5)	9
Total	12	36.3	26.2	7.2	(0.5)	14.8	(11.5)	4
tfr to unallocated	13	-	(23.2)	1.8	(4.7)	(7.2)	33.4	
Revised Total 14 = 3		36.3	3.0	9.0	(5.2)	7.6	21.9	4

Gross impact - £116.7m

As seen from Table 2, over 80% of this gross impact is Covid-19 related. Also, £32.8m of it is recurring. See the end of this 'Proposed Amended Budget' section for more analysis of this £116.6m.

2020-21 Gross impact of Covid

2

	£m	Total A	Covid B	Non-Covid C
One-off	1	83.8	75.5	8.4
Recurring	2	32.8	20.8	12.0
	3	116.7	96.3	20.3

Covid-19 related impact (£23.8m gap by year-end)

The table below shows full year figures (historic for last year, year to date actual and committed, and forecast to year-end for this year):

Total Gross impact of Covid

3

	£m	Total	19-20	20-21
Additional Spending Pressures	1	72.0	0.8	71.2
Income Losses	2	19.1	0.9	18.2
Undeliverable savings	3	6.9	-	6.9
Gross Impact of Covid 19	4	98.0	1.7	96.3
Business Rate pool	5	3.0	-	3.0
Government Grant	6	(77.3)	(1.7)	(75.6)
Gross Difference	7	23.8	-	23.8
Underspends (not all Covid-19 related)	8	(24.0)	-	(24.0)
Net difference	9	(0.3)	-	(0.3)

Table 4 below shows the main change to our Original Budget's funding figures arising from the additional Government grants – see the £38.2m Emergency Grant.

2020-21 funding - Original and Amended

4

	£m	Incr/ (decr)	Original	Amended	Also see
Covid-19 Emergency Grant Tranches 2 and 3	1	38.2	-	38.2	
Other un-ringenced Grants	2	0.4	1.7	2.1	
Business Rate Compensation Grant	3	0.2	12.7	12.8	
Retained Business Rates Levy 2019-20 reconciling amount	4	0.5	-	0.5	
Business Rate Top-up	5	-	138.4	138.4	
Improved Better Care Fund	6	-	48.5	48.5	
Additional Social Care Support (Spending Round 2019)	7	-	23.8	23.8	
Social Care Support Grant	8	-	10.5	10.5	
Revenue Support grant	9	-	9.6	9.6	
New Homes Bonus	10	-	6.4	6.4	
Total Grants	11	39.3	251.8	291.1	
Council Tax Precepts and Collection Fund	12	-	753.3	753.3	
Business Rate retained growth and Collection Fund	13	-	55.5	55.5	
Business Rate Pool	14	(3.0)	3.0	-	
Total		36.3	1,063.7	1,099.9	1

More analysis on the £116.7m gross impact

This page analyses the number several ways. For full details of all the changes in the proposed amended Budget, see Appendix A.

Recurring v non-recurring; Covid v Non-Covid; by directorate, etc

Recurring v non-recurring		£m	Total	Adult Social Care & Health	Children, Young People & Education	Growth Environ- ment & Transport	Strategic & Corporate Services	Financing & Unalloc -ated	Also see table
One-off	1		83.8	26.5	10.7	14.2	9.9	22.5	1,2
Recurring	2		32.8	3.2	6.9	1.0	7.6	14.2	1,2
Total	3		116.7	29.7	17.5	15.2	17.5	36.7	1,2

Covid v Non-Covid		£m	Total	ASCH	CYPE	GET	S&CS	FI&U	
Covid	1		96.3	26.8	8.5	12.5	9.5	39.1	1,2,7
Non-Covid	2		20.3	3.0	9.0	2.7	8.0	-2.3	1,2,8
Total	3		116.7	29.7	17.5	15.2	17.5	36.7	1,2

Covid split		£m	Total	ASCH	CYPE	GET	S&CS	FI&U	
One-off	1		75.5	26.8	8.5	12.5	8.1	19.6	
Recurring	2		20.8	0.0	0.0	0.0	1.3	19.5	
Total	3		96.3	26.8	8.5	12.5	9.5	39.1	6

Non-Covid split		£m	Total	ASCH	CYPE	GET	S&CS	FI&U	
One-off	1		8.4	-0.3	2.1	1.7	1.8	3.0	
Recurring	2		12.0	3.2	6.9	1.0	6.2	-5.3	
Total	3		20.3	3.0	9.0	2.7	8.0	-2.3	6

More analysis on the £12.8m further one-off savings

The proposed amended budget includes the following further £12.8m one-off savings to be delivered during the remainder of the current year

More analysis of the £12.8m proposed further one-off savings

	£m	9
Release unallocated provision for Strategic Priorities	3.3	
Capitalisation of highways maintenance	3.0	
Rephasing recommissioning of Highways Maintenance contracts	2.0	
Revenue costs chargeable to capital grants	1.5	
Reduction in Minimum Revenue Provision	1.2	
Reduction in Member grants and allowances	0.5	
Vacancy management across services	0.4	
One-off reduction in Library Book fund and defer service development	0.4	
Other one-off savings on highways and waste	0.3	
Other minor savings	0.3	
	12.8	

Some financial risks are higher, some lower than when the original budget was set	Appendix C gives an update on risk assessment and reserve adequacy. As seen, some risks are down, e.g. the risk of higher inflation. Some risks are up e.g. the general financial climate
Overall, though, risks are now <i>significantly</i> higher	We face increased uncertainty (will there be a second wave? Have we set enough aside for estimated costs during recovery phase?). We've the undesirable combination in future years of additional recurring expenditure (funded this year from one-off sources), and lower income (a lower council tax/business rate taxbase, plus worse collection rates).
We are unlikely to be able to increase our reserves	Doing so would improve financial resilience, but it's not likely to happen because of the lead-in time needed to change policy to reduce spending. However we could increase reserves by year-end if we can continue to suppress non-essential spending throughout the remainder of the current year.
Hence this amendment focuses on where expenditure can be controlled	This is areas such as premises costs, consumables and staff travel, and includes provision for the risk of future demand led spending increases, as set out in table 9. These provisions for future risks will initially be held unallocated pending confirmation of the impact.
We are reviewing reserves and hope to conclude by end of October	Back in February, we said we'd do such a review, and we've made good progress. We've redefined the purposes for which reserves are held (to more closely reflect the Local Authority Accounting Practice guidance (LAAP Bulletin 99) and investigated reserves not used for several years. We hope to complete it by the end of October.

Summary in words

Short-term, we've funded increases in recurring costs through one-offs (emergency government funding, underspends during lock-down, etc), but we can't rely on these one-offs for the longer term. Also, if the downturn in the economy prevails, it will hit our tax precepts and share of collection fund balances.

The future is highly uncertain. The combination of higher spending and lower income we potentially face could present a much greater threat to the Council's financial viability than the challenge we have faced over the last 10 years through austerity.

The government has already announced that it intends to allow that collection fund deficits to be written off over three years and has indicated they could share the burden of irrecoverable council tax losses. However, the detail of any such arrangements will only be announced in the Spending Review. In recent budgets we have had to make substantial savings in response to rising spending demands and reductions in central government grants although we have also had the cushion of in year collection fund surpluses and higher than forecast council tax base growth. These have helped us in the past to balance the budget. If these surpluses and tax base growth are not available for 2021-22 (as seems likely), it will make the challenge of balancing the budget significantly harder.

Summary in numbers

We could be facing a substantial gap in the budget for 2021-22. This arises from :

- (1) £32.83m of recurring additional costs arising from the 2020-21 budget amendment – we saw this in previous sections
- (2) Further additional cost increases in 2021-22 for the reasons we usually build into the budget (rising prices, increased demand, etc)
- (3) The risk of the need for further spending growth to deal with the long-term consequences of the Covid-19 pandemic and economic recession
- (4) Share of collection fund deficits incurred this year (one possible scenario for council tax collection fund based on current trends is £23.8m although until we get further into the year this cannot be confirmed)
- (5) Reduction in business rate and council tax base due to a lasting recession (additional support discounts and ongoing collection losses, one possible scenario based on current trends is £27.7m although until we get further into the year this cannot be confirmed)

This combination could result in a savings requirement in 2021-22 of up to £150m to £200m, without further funding from government. This would be a huge challenge out of all proportion to previous savings requirements.

“The Section 151 officer can formally report that the budget estimates in this amendment are as robust as possible in the circumstances and the level of reserves adequate, as required by the Local Government Act 2003. The approval of an amended balanced budget would mean that there is no immediate risk of a requirement to consider a Section 114 notice at this stage although this needs to be kept under constant review as plans for 2021-22 and later years are developed.”

The figures – and see further down the page for the £26.6m that has to be approved

- £212m** Our total reserves forecast as at the end of 2020-21 around the same as when the Original Budget was approved
- £175m** Specific reserves earmarked for particular purposes
- £37m** General reserves – this level is *in line with best practice* as recommended by CIPFA and the Audit Commission

The Corporate Director Finance must formally give an opinion	As required by the Local Government Act 2003, the Section 151 officer (for Kent this is the Corporate Director of Finance) must formally give opinion as to the robustness of the budget estimates and the level of reserves held by the Council.
We’ve accounted for Covid-19 numbers thoroughly	We’ve kept a log of all extra expenditure to date from Covid-19. And we’ve estimated expenditure to the year-end – our finance staff and service managers worked on this together.
We’ve included £32.4m provision for recovery...	We’ve included provisions to cover some of the most significant risks during the recovery phase. This £32.4m is to be held unallocated until such times as the impact has been fully assessed.
... which can later be allocated or used to address other uncertainties...	This is a prudent approach to ensure best value as far as we can and safeguard the Council’s financial resilience.
... including those listed in Appendix C	Appendix C lists other budget risks which we are not able yet to quantify; there’s no specific provision for them within the amended budget. The Appendix also lists the proposed management action for minimising the impact of these risks, but there is no option to cover them financially other than from the Council’s reserves. Hence we must remain vigilant, hold down spending and only incur essential costs.

We incurred £1.7m additional costs and loss of income during the last 3 weeks of 2019/20

When the pandemic was announced, we started to capture information about our additional costs, and we put £1.7m in our 2019/20 accounts for additional spending and lost income response associated with the Covid-19 response, e.g. for distress payments to bus providers, PPE purchases, IT equipment and licences to support home working, etc.

On 27 March, we received £39m, our first tranche of Emergency Grant. We used this to offset the £1.7m noted above, and put the remaining £37.3m in a specific reserve to be drawn down in 2020-21.

We've received £114.3m of additional Government funding

This is the £77.3m from Section 2, plus £37m of ring-fenced and claimed grants which have no impact on the Net Revenue Budget requirement as the additional income offsets a corresponding increase in gross expenditure.

The grants have been sufficient to cover initial costs incurred and income losses immediately after the pandemic, but won't cover forecast costs and income losses for the entire year. All the grants are listed in table 10.

How the Government allocated grants

The tranches of Emergency Grant have been allocated according to a different formula for each tranche.

- **Tranche 1** was heavily weighted towards authorities with social care responsibilities using the social care relative needs formula (RNF) with a small proportion allocated according to estimated population.
- **Tranche 2** was allocated according to estimated population with 35% allocated to lower tier (district councils), 62% to upper tier (counties) and 3% to fire authorities in two tier areas.
- **Tranche 3** was allocated according to a formula based on estimated population adjusted for area costs and deprivation, with 21.1% going to lower tier authorities (districts) and 78.9% upper tier (counties) in two tier areas.

Additional Funding

	Dept	Total	2019-20	2020-21	10
Additional unringfenced grants		£m	£m	£m	
Emergency Grant tranche 1	MHCLG	39.0	39.0		
Emergency Grant tranche 2	MHCLG	27.9		27.9	
Emergency Grant tranche 3	MHCLG	10.3		10.3	
Total MHCLG unringfenced grants		77.3	39.0	38.2	
Grants which are subject to claims					
NHS Hospital Discharge	DHSC	5.8		5.8	
Compensation for loss of income	MHCLG	0.0		0.0	
Emergency grant for authorities with significant Asylum costs	DfE	1.0		1.0	
Total grant claims		6.8	0.0	6.8	
Additional Specific Grants					
Social Care Infection Control Grant	DHSC	18.9		18.9	
Test and Trace Grant	DHSC	6.3		6.3	
Emergency Assistance Grant for Food and Essential Supplies	DEFRA	1.7		1.7	
Additional School and College Transport Capacity funding	DfE	1.5		1.5	
Covid Bus Services Support Grant	DfT	1.3		1.3	
Emergency Active Travel Fund (Revenue grant)	DfT	0.5		0.5	
Total Specific Grants		30.2	0.0	30.2	
Advance of grants already in Settlement & Approved budget (only eases cashflow)					
Business Rates Compensation Grant	MHCLG	12.7	12.7		
Social Care Support Grant & Improved Better Care Fund	MHCLG	20.7		20.7	
Total Early Advances		33.4	12.7	20.7	

We've submitted monthly returns to Government on our Covid figures

The Ministry of Housing Communities and Local Government (MHCLG) asked councils to submit a monthly return; also, billing authorities (districts and boroughs in Kent) provide information about local tax collection, plus further information requests have been added in each successive return.

Our monthly returns (Table 11 below) show a remarkably consistent picture in spite of the uncertainties albeit the composition of the impact on controllable budget and impact on specific grant funded activities has changed over time.

The returns have also shown a forecast shortfall between the grants we get and the covid-related costs and income losses (row 7), albeit the forecast shortfall has come down from just under £80m in the April return to just under £39m in July mostly due to the further tranches of government funding (both un-ringfenced and specific).

Rows 8 to 25 give further detail on the additional spending and the income losses.

Grants cover initial costs, but not forecast costs

Selected figures from monthly returns

Monthly return

11

2019-20 and 2020-21		April	May	June	July
Emergency Grant Notified	1	39.0	66.9	66.9	77.3
Grant Allocated to Service Spend	2	38.2	66.3	66.9	77.3

Total forecasts

Additional spending	3 = 17	106.1	100.4	96.6	92.8
Income losses	4 = 25	19.3	17.1	21.0	23.0
	5	125.5	117.5	117.6	115.9
Less grant notified	6 = 1	(39.0)	(66.9)	(66.9)	(77.3)
F'cast shortfall from Grant	7	86.5	50.5	50.7	38.6

Additional Spending

		April	May	June	July
Adult Social Care	8	56.6	49.8	45.1	44.2
Children's Services	9	6.0	8.1	8.1	7.2
Education	10	10.1	15.9	17.8	17.4
Highways & Transport	11	16.0	4.3	4.7	5.2
Public Health	12	1.0	0.7	0.7	0.8
Cultural & Related	13	-	0.2	0.2	-
Environment & Regulatory	14	11.7	4.3	3.5	3.3
Finance & Corporate	15	4.8	8.6	7.2	4.0
Other	16		8.5	9.2	10.8
Total	17 = 3	106.1	100.4	96.6	92.8

Income losses

		April	May	June	July
Sales Fees and Charges	18	8.5	-	-	-
Highways and Transport	19	-	2.9	3.8	5.6
Cultural and Related	20	-	0.2	0.2	2.9
Other	21	-	3.7	5.0	5.4
Sub Total Sales Fees and Charges	22	8.5	6.8	9.0	13.9
Commercial Income	23	5.0	5.0	6.0	4.0
Other Income	24	5.8	5.3	6.1	5.1
Total	25 = 4	19.3	17.1	21.0	23.0

Appendix

Changes to Directorate Spending Plans 2020-21	A
Revised Directorate Budgets Key Spending Lines	B
Updated Analysis of Budget Risks and Reserves	C
Budget Amendment Public Consultation Report	D

Background documents

Below are click-throughs to reports, more information, etc.
Click on the item number to be taken to the relevant webpage.

KCC's Budget webpage	<u>1</u>
KCC's Corporate Risk Register and Risk Management Policy & Strategy	2
KCC's approved 2020-21 Budget	3
KCC's supplementary Budget Consultation, launched 13 th July 2020	4
KCC's report on supplementary 2020 Budget Consultation	5
Emergency Grant Allocations from MHCLG	6
Detailed Variation Statements for Key Service Lines	7

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Appendix A - Detailed 2020-21 Revenue Planned Changes by Directorate

Heading	Description	ASCH		CYPE (incl DCS Age 0-25)		GET		S&CS (incl PH)		FI&U		Total			
		One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	TOTAL £000s	
2020-21 Base	Approved budget by County Council on 13th February 2020		399,468.3		273,034.1		178,922.9		82,262.9		129,966.1		1,063,654.3	1,063,654.3	
<u>Changes to Growth Proposals (+/-) arising from COVID-19 Response</u>															
Revenue budget changes approved by Cabinet 20th July 2020												27,934.0	27,934.0	0.0	27,934.0
Staffing and associated costs															
Adult Social Care	Additional advertising and recruitment to the care sector for additional requirements to meet the impact of COVID-19	87.5											87.5	87.5	
Public Health - Staff	Anticipated costs of extended working hours & paid overtime for Public Health staff & consultants							30.0					30.0	30.0	
Coroners	Additional forecast staffing and other expenditure due to increased workload and non availability of courts following the COVID pandemic					300.0							300.0	300.0	
Various Growth, Environment & Transport Services	Continuity payments for sessional staff up to the end of October in line with KCC HR Policy. Includes Registration, Country Parks, Driver Diversion (National Driver Offender Retraining Scheme - NDORS), School Crossing Patrols, Cycle Testing					350.0							350.0	350.0	
Working from Home	Additional IT and Health & Safety costs incurred to support people to work from home							1,308.4					1,308.4	1,308.4	
Infection Control	Temporary staff costs incurred for administering the Infection Control Grant which cannot be charged to the Infection Control Grant	19.0											19.0	19.0	
Other	Other minor staffing costs	31.3		169.5		110.1							310.9	310.9	
Price & Demand															
Adult Social Care Residential, Nursing, Homecare & SIS Market Sustainability	One-off market sustainability payment to Residential, Nursing, Homecare & Supporting Independence Service (SIS) providers (Key Decision 20-00041)	13,471.5											13,471.5	13,471.5	
Adult Social Care Daycare Market Sustainability	One-off market sustainability payment to daycare providers	5,687.7											5,687.7	5,687.7	
Adaptive & Assistive Technology	Purchase of video care phones and licences to support remote client assessment and prevent client isolation (Key Decision 20-00042)	1,147.5											1,147.5	1,147.5	
Personal Protective Equipment (PPE)	Purchase of additional PPE equipment for frontline KCC staff and service providers, including initial emergency free of charge provision to some care providers. This does not include the impact of a potential second wave.	82.6				64.8		3,031.0					3,178.4	3,178.4	
Discharge from hospital	Estimate of increased residential and nursing placements above baseline figures arising from COVID-19									1,000.0			1,000.0	1,000.0	
Discharge from hospital	Increased number of Homecare clients arising from COVID-19	1,000.0											1,000.0	1,000.0	
Discharge from hospital	Measures to minimise delayed discharges and prevent or delay avoidable admissions to hospital, such as supply of Appetito meals	45.0											45.0	45.0	
Kent Support & Assistance Service (KSAS)	Additional COVID-19 KSAS spend	115.9											115.9	115.9	

Appendix A - Detailed 2020-21 Revenue Planned Changes by Directorate

Heading	Description	ASCH		CYPE (incl DCS Age 0-25)		GET		S&CS (incl PH)		FI&U		Total		
		One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	TOTAL £000s
Adult Social Care Block Beds	To procure additional bed capacity from the current Older Persons Residential & Nursing market. These beds are short term (6 months) and used to free capacity within the hospital system during the peak periods of COVID-19 (Key Decision 20-00044)	135.2										135.2		135.2
Free School Meals	Additional costs of providing free school meals for children not attending school			200.0								200.0		200.0
Home to School Transport	Impact of payments made to provider to sustain the market while a significantly reduced service is being provided			3,700.0								3,700.0		3,700.0
Public Health - Healthy Lifestyles	Alternative service provision for Healthy lifestyles, primarily smoking cessation including prescribing							86.6				86.6		86.6
Public Health - Sexual Health and Healthy Lifestyles	Market sustainability payments for GPs and Pharmacies relating to sexual health and healthy lifestyle activity not delivered/ reduced delivery during the covid lockdown period							226.7				226.7		226.7
Public Health - Healthy Lifestyles	Additional funding to the voluntary sector to support sustainability and community activities, due to COVID 19							200.0				200.0		200.0
Public Health - Mental Health & Children's Services	Costs to increase capacity in the phone helpline for residents with mental health concerns and increase of digital mental health provision for young people							116.4				116.4		116.4
Public Health - Sexual Health	Increased demand for online sexual health services (home testing STI kits)							50.0				50.0		50.0
Public Health - Substance Misuse	Increased cost and demand to treat dependence on opioids							18.0				18.0		18.0
Public Health - Substance Misuse	Additional referrals and price increases for in-patient detox services							250.0				250.0		250.0
Public Health - Sexual Health, & Substance Misuse	Additional cleaning of premises used for Public Health services							54.4				54.4		54.4
Coroners - Additional Mortuary Provision	Provision of emergency mortuary capacity following Government advice on the potential increase in deaths. This included rental and running costs of the facility, staffing and security costs					2,000.0						2,000.0		2,000.0
Kent Travel Saver (KTS), English National Concessionary Travel Scheme (ENCTS)	In line with Government advice, operators continued to be paid at 100% of budget, despite activity levels being nil or significantly below normal levels. This was to sustain the market and to ensure services could resume once lockdown was lifted and the schools reopened.					4,616.0						4,616.0		4,616.0
Waste	Support provided to District & Borough Councils with kerbside waste collections. This included provision of additional vehicles and staffing, to cope with the increased kerbside collections following the closure of the Household Waste Recycling Centres (HWRC).					400.0						400.0		400.0
Economic Development	KCC contribution to establish the Growth Hub (helpline).					105.0						105.0		105.0
Adult Social Care Direct Payments	Supporting clients in receipt of Direct Payments that require alternative care provision during the pandemic and are still required to pay for their usual service provision	261.5										261.5		261.5
Legal fees	Legal costs regarding State aid queries with infection control and NHS hospital discharge	14.1										14.1		14.1
ICT Services	Costs for additional support from Cantium Business Solutions							500.0				500.0		500.0
Deep cleaning	Deep cleaning of premises when required							6.4				6.4		6.4

Appendix A - Detailed 2020-21 Revenue Planned Changes by Directorate

Heading	Description	ASCH		CYPE (incl DCS Age 0-25)		GET		S&CS (incl PH)		FI&U		Total		
		One-off	Recurring	One-off	Recurring	One-off	Recurring	One-off	Recurring	One-off	Recurring	One-off	Recurring	TOTAL
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Contact Centre	Increased capacity for the contact centre to meet the increased call volumes, together with the provision of the Kent Together initiative during the Covid response							807.0					807.0	807.0
SEN	Additional SEN costs to support vulnerable children			100.0									100.0	100.0
Legal Fees	Additional legal fees incurred due to COVID-19							101.6					101.6	101.6
Waste	Additional costs incurred due to the delay of retendering of the food waste contract					109.5							109.5	109.5
Children in Care	Additional costs of supporting children in care during lockdown												313.7	313.7
Other	Other minor Price and Demand pressures	8.4		17.0				19.3					44.7	44.7
Commissioned Services														
Corporate Landlord	Impact on the capital construction programme of COVID 19, to be funded by a revenue contribution from the capital grant							128.2					128.2	128.2
Kent Travel Saver Refunds	Cost of processing refunds for the Kent Travel Saver e.g. a charge was levied by Cantium Business Solutions to manage this process					91.0							91.0	91.0
Policy														
Software Licences	Update to Microsoft licences to better support the business needs of the Council whilst working remotely							1,343.3					1,343.3	1,343.3
Loss of Income														
Adult Social Care Daycare	Loss of income for clients not attending daycare services	255.0											255.0	255.0
Reduction in Social Care income	Anticipated increase in client debts resulting in an increase in bad debt provision for Older Persons Residential Care services	619.4											619.4	619.4
Reduction in Social Care income	Anticipated increase in client debts resulting in an increase in bad debt provision for Older Persons Community Care services	230.7											230.7	230.7
Reduction in Social Care income	Anticipated increase in client debts resulting in an increase in bad debt provision for Physical Disability Residential Care services	24.0											24.0	24.0
Reduction in Social Care income	Anticipated increase in client debts resulting in an increase in bad debt provision for Physical Disability Community Care services	96.5											96.5	96.5
Reduction in Social Care income	Anticipated increase in client debts resulting in an increase in bad debt provision for Learning Disability Residential Care services	19.0											19.0	19.0
Reduction in Social Care income	Anticipated increase in client debts resulting in an increase in bad debt provision for Learning Disability Community Care services	8.0											8.0	8.0
Reduction in Social Care income	Anticipated increase in client debts resulting in an increase in bad debt provision for Mental Health Residential Care services	0.4											0.4	0.4
Reduction in Social Care income	Anticipated increase in client debts resulting in an increase in bad debt provision for Mental Health Community Care services	2.0											2.0	2.0
Home to School Transport	16+ travel saver loss of one term's income. In order to maintain supply we have continued to pay transport providers so no off-setting reduction in spending			1,000.0									1,000.0	1,000.0
Community Learning Skills	Loss of tuition income for Adult Education			1,300.0									1,300.0	1,300.0
Attendance & Behaviour Service	Reduction in income due to schools being closed			212.0									212.0	212.0

Appendix A - Detailed 2020-21 Revenue Planned Changes by Directorate

Heading	Description	ASCH		CYPE (incl DCS Age 0-25)		GET		S&CS (incl PH)		FI&U		Total		
		One-off	Recurring	One-off	Recurring	One-off	Recurring	One-off	Recurring	One-off	Recurring	One-off	Recurring	TOTAL
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Kent Travel Saver	Loss of income due to reduced usage during lockdown					544.6						544.6		544.6
Libraries & Registration	Loss of income due to reduced usage during lockdown					2,196.8						2,196.8		2,196.8
Country Parks	Loss of income due to reduced usage during lockdown					195.6						195.6		195.6
Kent Scientific Services	Loss of income due to reduced usage during lockdown					74.6						74.6		74.6
Hardelet	Loss of income due to reduced usage during lockdown					81.7						81.7		81.7
Turner Contemporary	Loss of car parking income at the KCC owned Turner Contemporary site					40.0						40.0		40.0
Planning Apps	Loss of income due to reduced usage during lockdown					98.3						98.3		98.3
Public Rights of Way	Loss of income due to reduced usage during lockdown, including reduce grants, developer contributions and from parish councils					79.4						79.4		79.4
Trading Standards	Loss of income due to reduced usage during lockdown, including reduced grants					90.0						90.0		90.0
Emergency Planning	Loss of income due to reduced usage during lockdown, including income from customers/organisations in respect of training and support					60.0						60.0		60.0
Driver Diversion	Loss of income due to reduced usage during lockdown					174.4						174.4		174.4
Highways Definition (permit income)	Loss of income due to reduced usage during lockdown					102.9						102.9		102.9
Rental income	Loss of rental income due to lockdown							284.8				284.8		284.8
Academy Appeals	Loss of income from academies for the appeals process							112.3				112.3		112.3
Investment income	Loss of investment income									650.5		650.5		650.5
Dividend Income	Reduced income from wholly owned companies									4,000.0		4,000.0		4,000.0
Other	Other minor income losses			182.0		12.0		32.8				226.8		226.8
Underspends due to COVID-19														
Home to School Transport	Impact of reduced activity on Home to school transport. Some of this underspend has been offset by a payment to providers to support the supply chain.			-8,700.0								-8,700.0		-8,700.0
Public Transport	Underspends from services not received on Kent Travel Saver and concessionary fares. Some of this underspend has been offset by a payment to providers to support the supply chain, which was in line with Government advice to continue paying 100% of budgeted activity					-4,616.0						-4,616.0		-4,616.0
Waste	Reduced waste tonnage being taken to HWRCs (whilst closed), instead increased tonnages collected at kerbside and taken to the Transfer Stations for onward disposal					-678.7						-678.7		-678.7
Member Services	Reduced spending on printing, travel & room hire							-158.0				-158.0		-158.0
General underspends	General underspends as a result of the pandemic including reduced staff travel costs; office related costs such as printing and stationery; external venue hire costs and recruitment related costs	-423.0		-783.0		-533.9		-20.1				-1,760.0		-1,760.0
Various	Underspends from services not received. Includes Registration, Country Parks, Driver Diversion (NDORS), School Crossing Patrols, Cycle Testing					-350.0						-350.0		-350.0
Community Learning Skills	Anticipated underspends from sessional pay reductions and reductions to property costs			-548.0								-548.0		-548.0
Public Health - Sexual Health and Healthy Lifestyles	Adjustment for market sustainability payments which have been met from existing budgets							-226.7				-226.7		-226.7

Appendix A - Detailed 2020-21 Revenue Planned Changes by Directorate

Heading	Description	ASCH		CYPE (incl DCS Age 0-25)		GET		S&CS (incl PH)		FI&U		Total		
		One-off	Recurring	One-off	Recurring	One-off	Recurring	One-off	Recurring	One-off	Recurring	One-off	Recurring	TOTAL
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Public Health - Sexual Health and Healthy Lifestyles	Redeployment of Public Health commissioned staff (non KCC) to support hospital discharge								-765.2				-765.2	-765.2
Hospital Discharge	To reduce costs now funded through the NHS Hospital Discharge Scheme	-2,519.5											-2,519.5	-2,519.5
Public Transport	Use of Government Grant (Covid Bus Services Support Grant - CBSSG) to offset the continued payment to operators at budgeted levels even though income levels were depleted					-1,643.0							-1,643.0	-1,643.0
Adult Social Care Day Centres	Savings in Fuel, Food, Room Hire, Equipment and Materials as a result of keeping In-house Day Centres closed	-102.7											-102.7	-102.7
Client Transport	Underspend on Client Transport as a result of the pandemic	-500.0											-500.0	-500.0
Energy costs	Reduction in energy costs as a result of some buildings being temporarily closed							-250.0					-250.0	-250.0
Detached Responsive Youth Work	Delay in Detached Responsive Youth Work due to inability to recruit due to Covid restrictions			-250.0									-250.0	-250.0
Non Delivery of Savings														
Adult Social Care	Delay in delivery of Making A Difference Everyday (MADE) Programme for Adult Social Care & Health Transformation Project	2,260.1											2,260.1	2,260.1
Provision for Bad Debt	Delay in delivery of net reduction in bad debt provision from investment and improvement in debt collection	500.0											500.0	500.0
Service Integration within CYPE Directorate	Non delivery of moving to a new service delivery model following the integration of Children's Services			1,250.0									1,250.0	1,250.0
Waste	Delay in the commissioning of the new food waste contract, meaning a temporary contract was required					153.8							153.8	153.8
Investment income	Inability to deliver increased investment income target due to impact of pandemic on cashflow, dividends and interest rates									2,000.0			2,000.0	2,000.0
Adults Transformations	Inability to deliver Targeted interventions saving, which was part of the final stage of efficiency savings arising from the implementation of a new ASCH operating model	664.0											664.0	664.0
Efficiency savings	Inability to deliver planned restructure savings due to Covid-19					57.0							57.0	57.0
Specific funded activity														
Infection Control	Infection Control Grant payments. 75% of which was used to make mandatory payments of £971 per bed to all Adult Social Care Residential Providers in Kent (Key Decision 20-00061), the remaining 25% will be allocated to support the whole care market (including homecare, supported living and those on direct payments) with wider resilience in relation to COVID-19 Infection Control. (Key Decision 20-00067)	18,877.8											18,877.8	18,877.8
Infection Control	Grant received from DHSC to cover Infection control	-18,877.8											-18,877.8	-18,877.8
NHS Hospital Discharge Claim	KCC pooled costs associated with supporting the NHS response to COVID-19 to avoid hospital admission and enable hospital discharge. This represents the net cost of our contribution to the pool. (Key Decision 20-00084 pending)	4,514.5						1,248.2					5,762.7	5,762.7

Appendix A - Detailed 2020-21 Revenue Planned Changes by Directorate

Heading	Description	ASCH		CYPE (incl DCS Age 0-25)		GET		S&CS (incl PH)		FI&U		Total		
		One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	TOTAL £000s
NHS Hospital Discharge Claim	Reimbursement by NHS of KCC pooled costs associated with supporting the NHS response to COVID-19 to avoid hospital admission and enable hospital discharge. This represents the net cost of our contribution to the pool. (Key Decision 20-00084 pending)	-4,514.5						-1,248.2				-5,762.7		-5,762.7
Test and Trace (Public Health - Health Protection)	Costs associated with Public Health responsibilities under the test and trace grant including consequence management of Covid-19 outbreaks in Kent							6,311.4				6,311.4		6,311.4
Test and Trace (Public Health - Health Protection)	Grant received from DHSC							-6,311.4				-6,311.4		-6,311.4
Covid 19 Bus Services Support Grant	Support to local bus services such as tendered bus services that may be experiencing revenue shortfalls, and to help support any adjustments to services required with the aim to ensure that local bus services continue to operate in the right places, and at the right times of day, during the COVID-19 outbreak					723.1						723.1		723.1
Covid 19 Bus Services Support Grant	Grant received from DfT					-723.1						-723.1		-723.1
Emergency Active Travel Fund tranche (revenue)	Costs of installing temporary cycling and walking facilities during the pandemic					470.0						470.0		470.0
Emergency Active Travel Fund tranche (revenue)	Grant received from DfT (revenue element only)					-470.0						-470.0		-470.0
Unaccompanied Asylum Seeking Children	Emergency accommodation for Unaccompanied asylum seeking children due to a lack of a national relocation scheme			1,000.0								1,000.0		1,000.0
Unaccompanied Asylum Seeking Children	Grant received from Home Office			-1,000.0								-1,000.0		-1,000.0
Subtotal - COVID-19 Emergency Response		23,241.1	0.0	-1,836.8	0.0	4,285.9	0.0	5,943.9	1,343.3	35,584.5	0.0	67,218.6	1,343.3	68,561.9
Changes to Growth Proposals (+/-) arising from the COVID-19 Recovery Phase														
Staffing and associated costs														
Sessional staff	Overtime and backfill for sessional staff. This includes Registration, Country Parks, Driver Diversion (National Driver Offender Retraining Scheme - NDORS), School Crossing Patrols, Cycle Testing					95.6						95.6		95.6
Adult Social Care	Anticipated additional assessment and case management capacity to deal with increased client numbers due to hospital discharges and the impact of Covid-19 on care providers.										2,000.0		2,000.0	2,000.0
Children's Social care	Anticipated additional social work capacity to deal with deferred referrals during lockdown and maintain acceptable caseloads										1,000.0		1,000.0	1,000.0
Price & Demand														
Emerging Pressures	Provision for unquantified pressures on other Council services not specifically identified in the recovery phase										7,000.0		7,000.0	7,000.0
Waste	Costs incurred for security and social distancing signs at HWRC					282.6						282.6		282.6
Reopening Buildings	Third party surveys and planning for building reopening plus resultant works							750.0				750.0		750.0

Appendix A - Detailed 2020-21 Revenue Planned Changes by Directorate

Heading	Description	ASCH		CYPE (incl DCS Age 0-25)		GET		S&CS (incl PH)		FI&U		Total			
		One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	TOTAL £000s	
Adult Social Care	Provision for additional sustainability requirements to maintain business critical elements of the Social Care market.												7,000.0	7,000.0	7,000.0
Adults with Learning Disabilities, Physical Disabilities and Autism Services	Estimate of increased number of Learning Disability placements above baseline figures arising from COVID-19									500.0		500.0			500.0
Children in Care	Increase in the number and cost of Children in Care placements resulting from possible increase in demand following lockdown											2,500.0		2,500.0	2,500.0
Fair Access	Additional costs of providing Kent Test			85.0										85.0	85.0
Mobile classrooms	Use of mobile classrooms to mitigate the delay in the capital construction programme due to COVID-19									2,000.0		2,000.0			2,000.0
Commissioned Services															
Basic Need Capital Programme	Impact on the capital construction programme due to COVID 19 including measures to mitigate the impact on service delivery to be funded by a revenue contribution from the Covid grant									4,000.0		4,000.0			4,000.0
Loss of Income															
Kent Travel Saver	Forecast loss of income due to expected reduction in the number of passes being renewed (and ergo less parental contributions, but with costs largely fixed), as well as due to social distancing requirements on buses and fewer passengers being permitted so passes need to be restricted									4,400.0		4,400.0			4,400.0
Registration & Libraries	Forecast loss of ceremony and library income during recovery as less people are wanting to continue with their ceremonies given guest numbers are limited and inability to hold receptions									1,000.0		1,000.0			1,000.0
Specific funded activity															
Covid 19 Bus Services Support Grant Restart Scheme	Support to local bus services such as tendered bus services that may be experiencing revenue shortfalls, and to help support any adjustments to services required with the aim to ensure that local bus services continue to operate in the right places, and at the right times of day, during the COVID-19 outbreak covering the period 9th June to 3rd August					620.1						620.1			620.1
Covid 19 Bus Services Support Grant Restart Scheme	Grant received from DfT covering the period 9th June to 3rd August					-620.1						-620.1			-620.1
Covid 19 Local Authority Emergency Assistance Grant for Food and Essential Supplies	Local Welfare Support payments from July onwards to meet immediate need and help those who are struggling to afford food and essentials due to Covid 19.	1,669.2										1,669.2			1,669.2
Covid 19 Local Authority Emergency Assistance Grant for Food and Essential Supplies	Grant received from DEFRA. £200k of this funding is allocated to Kent Community Foundation, with the balance divided equally between KCC's Kent Support and Assistance Service and the 12 District Councils in Kent. (Key Decision 20-00093)	-1,669.2										-1,669.2			-1,669.2
Covid 19 school & college transport capacity funding	Estimated impact on Home to School/College transport costs of implementing the current social distancing requirements on public transport			1,542.8								1,542.8			1,542.8
Covid 19 school & college transport capacity funding	Additional DfE grant			-1,542.8								-1,542.8			-1,542.8

Appendix A - Detailed 2020-21 Revenue Planned Changes by Directorate

Heading	Description	ASCH		CYPE (incl DCS Age 0-25)		GET		S&CS (incl PH)		FI&U		Total		
		One-off	Recurring	One-off	Recurring	One-off	Recurring	One-off	Recurring	One-off	Recurring	One-off	Recurring	TOTAL
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Underspend due to COVID-19														
Facilities Management	Reduction in Total Facilities Management costs as a result of some buildings being temporarily closed							-750.0				-750.0		-750.0
County Council Time Limited Debate on travel to work for disabled people	Delay until 2021-22 proposal to support disabled people with travelling to work by extending the time in which the concessionary travel scheme is operational									-200.0		-200.0		-200.0
Subtotal - COVID-19 Recovery		0.0	0.0	85.0	0.0	378.2	0.0	0.0	0.0	11,700.0	19,500.0	12,163.2	19,500.0	31,663.2
Business As Usual Changes to Growth Proposals														
Revenue budget changes approved by Cabinet 20th July 2020		-701.0	-11.8	701.0	-10.2		195.1	49.0	1,083.4	-49.0	-1,256.5	0.0	0.0	0.0
Other internal base budget adjustments		420.2		-205.8		1,199.9		1,710.3	2,187.3	3,101.7	-2,187.3	6,226.3		6,226.3
Staffing and associated costs														
Apprenticeship Levy	Correction to the base budget to reflect the actual cost of the 0.5% of pay bill levied by Government										250.0		250.0	250.0
Price Demand														
Home to School transport	Increase in HTST Budget to reflect activity changes in 2019-20 expected to continue in the new academic year				157.4								157.4	157.4
Children's Social Care	Increase in budget for placements of Looked After Children to reflect activity changes in 2019-20 including the impact of new placements being placed with Independent Fostering Agencies which are more expensive				5,194.8								5,194.8	5,194.8
18-25 Placements	Increase in budget for placements of 18-25 year olds to reflect activity changes in 2019-20				633.7								633.7	633.7
SEN & Disability	Increase required to reflect 2019-20 outturn levels of EHCP assessments & associated ongoing support				677.2								677.2	677.2
Education School Places	Installation, hire & removal of mobile classrooms to support Basic Need Programme			400.0								400.0		400.0
Adult Social Care	Underlying base budget pressures brought forward from 2019-20 across a number of services		3,251.2										3,251.2	3,251.2
Waste	Reduction in Green Waste tonnage						-47.0						-47.0	-47.0
Residual Waste	Lower price charged for residual waste than assumed in the budget						-400.0						-400.0	-400.0
ICT Services	ICT Third Party Contracts price increases above 2020-21 budget level								11.2				11.2	11.2
Facilities Management	Impact of Contract retender and change of provider								1,168.7				1,168.7	1,168.7
Costs of disposal of surplus property	Increased revenue impact of 4% cap on capitalisation of costs of disposal of surplus properties pending an improvement in market conditions and implementation of changes to disposal strategy								200.0				200.0	200.0
Emerging Pressures Provision	Removal of provision included in the 2020-21 approved budget for emerging pressures as emerging pressures are reflected in this budget amendment										-2,000.0		-2,000.0	-2,000.0
Highway Asset Management	Increase to Urban grass cutting costs						75.0						75.0	75.0

Appendix A - Detailed 2020-21 Revenue Planned Changes by Directorate

Heading	Description	ASCH		CYPE (incl DCS Age 0-25)		GET		S&CS (incl PH)		FI&U		Total		
		One-off	Recurring	One-off	Recurring	One-off	Recurring	One-off	Recurring	One-off	Recurring	One-off	Recurring	TOTAL
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Commissioned Services														
Safeguarding Children	Kent Safeguarding Children's Multi-Agency Partnership - commissioning of Serious Case Reviews and training following a change in Government arrangements								150.0				150.0	150.0
Re-procurement costs of Facilities Management	Increase in procurement costs associated with reprocurement of Facilities Management contract								60.0				60.0	60.0
Early Help & Preventative Services	Time lag between reduction in grant income for Trouble Families and the contract ending			250.0									250.0	250.0
Policy														
School Improvement	Commitments against School Improvement grant received in 2019-20			984.0									984.0	984.0
Waste	Cost of remedial works required prior to change to the HWRC/Transfer Station management contract in November 2020 when the new contractor will take over maintenance responsibilities					100.0							100.0	100.0
Waste	Deferral of additional running costs for the new HWRC at Allington as this will now not be operational until 2021-22					-150.0							-150.0	-150.0
Community Wardens	Part year effect of the enhancement to terms and conditions of the existing Warden workforce. This is effectively funded from the allocation in the 2020-21 budget for Strategic Statement Priorities							140.0					140.0	140.0
Volunteer & Apprentice Wardens	Part year effect of a Volunteer and Apprentice Wardens pilot, effectively funded from the allocation in the 2020-21 budget for Strategic Statement Priorities					60.0							60.0	60.0
Strategic Priorities	Reduction in the Growth for Strategic Statement Priorities to fund the increases in the Community Wardens, and Volunteer & Apprentice Wardens budget									-60.0	-140.0		-60.0	-140.0
Commissioning Standards	Work on Chartered Institute of Purchasing & Supply (CIPS) standards and getting our policies, procedures and processes certificated by CIPS which is key to improving our internal processes							50.0					50.0	50.0
Winter Maintenance	Underspend from 2019-20 to be used to fund the pressures a mild winter places on highway soft landscaping maintenance					504.6							504.6	504.6
Loss of Income														
Education	Unachievable income targets in relation to education services and planning resources				200.0								200.0	200.0
Gypsy & Traveller Service	Removal of income target due to inability to introduce the planned fees and charges policy							150.0					150.0	150.0
Trading Standards	Revised income target based on current activity and loss of Government funding							80.0					80.0	80.0
Waste	Reduction in waste income from textiles, paper & card and Materials Recycling Facilities due to market volatility/pricing and tonnage including changes to waste contracts							788.0					788.0	788.0

Appendix A - Detailed 2020-21 Revenue Planned Changes by Directorate

Heading	Description	ASCH		CYPE (incl DCS Age 0-25)		GET		S&CS (incl PH)		FI&U		Total		
		One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	TOTAL £000s
Surplus Properties	Holding costs for ex school sites no longer to be held for Education purposes and therefore no longer chargeable to the Education grant								500.0				500.0	500.0
Property Related Services	Unachievable, historic surplus target from Schools income on the Client Services contracts.							187.3					187.3	187.3
Non Delivery of Savings														
Office Estate	Slippage in Asset Utilisation and New Ways of Working phase 2 savings based on the latest Modernising the Council plans							691.0					691.0	691.0
Subtotal - Business As Usual Changes to Growth Proposals		-280.8	3,239.4	2,129.2	6,852.9	1,714.5	981.1	1,809.3	6,238.9	2,992.7	-5,333.8	8,364.9	11,978.5	20,343.4
Actions to close the Budget Gap														
Policy														
Highways Maintenance Contract	Delay in the recommissioning of the Highways Maintenance contract resulting in a delay in the projected increase in contract values					-1,994.3						-1,994.3		-1,994.3
Libraries	One-off reduction to the book fund					-300.0						-300.0		-300.0
Libraries registration & archives	Defer some service development					-100.0						-100.0		-100.0
Libraries registration & archives	Review of staffing and vacancy management					-49.5						-49.5		-49.5
Community Wardens	Review of staffing and vacancy management					-130.0						-130.0		-130.0
Strategic Planning	Review of staffing and vacancy management					-65.0						-65.0		-65.0
Sustainable Communities	Review of staffing and vacancy management					-60.0						-60.0		-60.0
Public protection	Review of staffing and vacancy management					-37.0						-37.0		-37.0
Emergency Planning & Kent Scientific Services	Review of staffing and vacancy management					-50.0						-50.0		-50.0
Highways, Transport & Waste	Review of staffing and vacancy management					-25.0						-25.0		-25.0
Strategic Management	One off release of underspend					-150.0						-150.0		-150.0
Highways Maintenance	Further capitalisation of eligible highway maintenance costs following receipt of additional Government grant					-3,000.0						-3,000.0		-3,000.0
Highways	Revenue costs chargeable to capital grants					-1,500.0						-1,500.0		-1,500.0
Highways Maintenance	One-off release of reactive budget given Government grant for increased proactive maintenance spend					-100.0						-100.0		-100.0
Streetlight Energy	On-off release of streetlight energy budget due to delay in new streetlight adoptions at new housing developments etc					-200.0						-200.0		-200.0
Minimum Revenue Provision (MRP)	Reduction in MRP required based on assets completed in 2019-20									-1,151.0		-1,151.0		-1,151.0
Strategic Priorities Funding	Removal of remaining funding set aside for Strategic Priorities									-3,300.0		-3,300.0		-3,300.0
Flood Protection	Deferral of planned Flood protection project until 2021-22					-70.0						-70.0		-70.0
Member Community Grants	£5k per Member reduction in Community Grants budget							-405.0				-405.0		-405.0
Member Allowances	5% reduction in Member Allowances from September							-55.2				-55.2		-55.2
Other	Other minor policy savings					-37.0						-37.0		-37.0
Subtotal - Actions to close the Budget Gap		0.0	0.0	0.0	0.0	-7,867.8	0.0	-460.2	0.0	-4,451.0	0.0	-12,779.0	0.0	-12,779.0
Total Additional Spending		22,960.3	3,239.4	377.4	6,852.9	-1,489.2	981.1	7,293.0	7,582.2	45,826.2	14,166.2	74,967.7	32,821.8	107,789.5

Appendix A - Detailed 2020-21 Revenue Planned Changes by Directorate

Heading	Description	ASCH		CYPE (incl DCS Age 0-25)		GET		S&CS (incl PH)		FI&U		Total		
		One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	TOTAL £000s
Use of Reserves														
Covid 19 grant (tranche 1)	Drawdown from reserves of balance of our share of the initial £1.6bn support provided nationally by the Government in March 2020 for the pandemic response									-37,306.7		-37,306.7		-37,306.7
Public Health - Reserves	Drawdown from Public Health reserve to ensure public health spending can remain fully funded within the ring-fenced grant and other income sources available to Public Health Service							-67.9				-67.9		-67.9
Roll Forwards	Draw down from rolling budget reserve to fund roll forwards approved by cabinet									-6,226.3		-6,226.3		-6,226.3
Covid 19 grant (tranche 2)	Removal of the contribution to reserves of Covid 19 tranche 2 grant, as approved in the revenue budget changes approved by Cabinet on 20th July 2020, as this is now being allocated via this budget amendment									-27,934.0		-27,934.0		-27,934.0
Subtotal - Use of Reserves		0.0	0.0	0.0	0.0	0.0	0.0	-67.9	0.0	-71,467.0	0.0	-71,534.9	0.0	-71,534.9
Transfer of proposed Covid Response and Recovery budgets to unallocated		-23,241.1	0.0	1,751.8	0.0	-4,664.1	0.0	-5,876.0	-1,343.3	32,029.4	1,343.3	0.0	0.0	0.0
GAP												32,270.4	-32,270.4	0.0
Proposed Amended Budget		-280.8	402,707.7	2,129.2	279,887.0	-6,153.3	179,904.0	1,349.1	88,501.8	6,388.6	145,475.6	35,703.2	1,064,205.7	1,099,908.9
Change from Published 2020-21 Budget		2,958.6		8,982.1		-5,172.2		7,588.0		21,898.1				36,254.6
Changes approved by Cabinet 22nd June 2020 - roll forwards		118.7		95.7		1,199.9		1,691.3		3,120.7				6,226.3
Changes approved by Cabinet 20th July 2020 - revenue budget changes & tranche 2 Covid grant		-411.3		389.3		195.1		3,338.7		24,422.2				27,934.0
Further Change requiring approval		3,251.2		8,497.1		-6,567.2		2,558.0		-5,644.8				2,094.3

Appendix A - Detailed 2020-21 Revenue Planned Changes by Directorate

Funding		Per Approved 2020-21 budget			In Year change			Proposed Revised 2020-21 Budget		
		One-off £'000	Recurring £'000	TOTAL £'000	One-off £'000	Recurring £'000	TOTAL £'000	One-off £'000	Recurring £'000	TOTAL £'000
Final Settlement	<i>KCC share of the Final Local Government Finance settlement based on published Spending Round</i>									
Revenue Support Grant	Comprises share of previous Formula Grant, Early Intervention Grant, Learning Disability Grant, Council Tax Freeze Grant, Care Act Grant etc. allocated as revenue support grant, including impact of one year roll forward settlement announced in Spending Round 2019 on 4th September 2019.		9,641.7	9,641.7			0.0		9,641.7	9,641.7
New Social Care Grant for 2020-21	Additional grant funding for Adult & Children Social Care announced by the Chancellor in the Spending Round 2019 Statement on 4th September 2019		23,835.9	23,835.9			0.0		23,835.9	23,835.9
Social Care Support Grant	Further one-off extension of the Adult Social Care Support Grant per the one year roll forward settlement announced in Spending Round 2019 on 4th September 2019		10,530.9	10,530.9			0.0		10,530.9	10,530.9
Business Rate Top-up	Top-up derived by comparing local share of business rates according to historical average and business rate baseline share of previous grants including annual uplift in line with business rate multiplier, as per the one year roll forward settlement announced in the Spending Round 2019		138,429.0	138,429.0			0.0		138,429.0	138,429.0
Improved Better Care Fund (iBCF)	MHCLG unringfenced grant allocated towards improved integration between social care and health, including the additional adult social care funding announced in the Chancellor's Spring Budget on 8th March 2017, and the winter pressures funding provided in 2018-19 and 2019-20 which is rolled into iBCF for 2020-21		48,544.2	48,544.2			0.0		48,544.2	48,544.2
New Homes Bonus Grant	MHCLG unringfenced grant allocated according to increase in tax base, as per the one year roll forward settlement announced in the Spending Round 2019		6,430.2	6,430.2			0.0		6,430.2	6,430.2
Business Rate Compensation	Compensation for additional reliefs on business rates for small businesses, retail premises and reduction in multiplier paid as un-ring-fenced grant by MHCLG		12,661.9	12,661.9			0.0		12,661.9	12,661.9
Business Rate Compensation 2019-20 reconciling amount	Estimate of final reconciling amount related to 2019-20 of compensation for additional reliefs on business rates for small businesses, retail premises and reduction in multiplier paid as un-ring-fenced grant by MHCLG (subject to audit)					182.4	182.4		182.4	182.4
Unringfenced grants	Unringfenced grants from other Government Departments		1,737.9	1,737.9		369.0	369.0		2,106.9	2,106.9
Covid 19 grant (tranche 2)	Kent County Council allocation from the additional £1.6bn support for the Covid pandemic announced by the Government on 18th April 2020. This brought the total support from Government to £3.2bn nationally.				27,934.0		27,934.0	27,934.0		27,934.0
Covid 19 grant (tranche 3)	Kent County Council allocation from the additional £0.5bn support for the Covid pandemic announced by the Government on 2nd July 2020. This brought the total support from Government to £3.7bn nationally.				10,312.5		10,312.5	10,312.5		10,312.5

Appendix A - Detailed 2020-21 Revenue Planned Changes by Directorate

Funding		Per Approved 2020-21 budget			In Year change			Proposed Revised 2020-21 Budget		
		One-off £'000	Recurring £'000	TOTAL £'000	One-off £'000	Recurring £'000	TOTAL £'000	One-off £'000	Recurring £'000	TOTAL £'000
Business Rates										
Business Rate Baseline	Local share of business rates baseline in the Local Government Finance Settlement based on historical average with annual uplift in line with business rate multiplier, as per the one year roll forward settlement announced in the Spending Round 2019		49,468.9	49,468.9			0.0		49,468.9	49,468.9
Business Rate Local Share	KCC 9% share of local tax base growth as notified by district councils less baseline share identified above		6,469.1	6,469.1	-3,000.0		-3,000.0	-3,000.0	6,469.1	3,469.1
Business Rate Local Share - 2019-20 reconciling amount	Final notification of Retained Business Rates Levy for 2019-20				456.7		456.7	456.7		456.7
Business Rate Collection Fund	KCC share of surpluses and deficits on business rate collection in prior years		2,562.9	2,562.9			0.0		2,562.9	2,562.9
Local Taxation										
Council Tax Base	KCC band D equivalent tax base notified by district councils		669,277.8	669,277.8			0.0		669,277.8	669,277.8
Council Tax Increase	Impact of increase in Council Tax up to the 2% referendum limit		14,375.9	14,375.9			0.0		14,375.9	14,375.9
Adult Social Care Levy	Impact of further 2% increase in Council Tax for Adult Social Care Levy (total shown relates to 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 increases combined)		65,789.7	65,789.7			0.0		65,789.7	65,789.7
Council Tax Collection Fund	KCC share of surpluses and deficits on Council Tax collection in prior years		3,898.3	3,898.3			0.0		3,898.3	3,898.3
Total Funding			1,063,654.3	1,063,654.3	35,703.2	551.4	36,254.6	35,703.2	1,064,205.7	1,099,908.9

Key:
 CYPE Children, Young People and Education
 ASCH Adult Social Care and Health
 DCS Disabled Children's Services
 GET Growth, Environment & Transport
 S&CS Strategic & Corporate Services
 PH Public Health
 FI&U Financing Items and Unallocated

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APPENDIX B - REVENUE BUDGET - SUMMARY

Revenue Spending:

Row ref	2020-21 Approved Budget (Net) £000s	Directorate	2020-21 Proposed Amended Budget							
			Staffing	Non Staffing	Gross Expenditure	Income	Grants	Net Cost	+/- from 2020-21 Approved Budget	
			£000s	£000s	£000s	£000s	£000s	£000s	£000s	
1	399,468.3	Adult Social Care & Health ASCH	93,831.4	487,081.0	580,912.4	-138,467.3	-40,018.2	402,426.9	2,958.6	
2	273,034.1	Children, Young People & Education (excluding Schools' Delegated Budgets)	640,101.4	592,700.2	1,232,801.6	-101,833.5	-848,951.9	282,016.2	8,982.1	
3	0.0	Schools' Delegated Budgets	515,551.0	159,579.8	675,130.8	-49,287.4	-625,843.4	0.0	0.0	
4	178,922.9	Growth, Environment & Transport	54,780.1	166,388.8	221,168.9	-37,997.3	-9,420.9	173,750.7	-5,172.2	
5	82,262.9	Strategic & Corporate Services	43,299.9	152,787.8	196,087.7	-22,992.1	-83,244.7	89,850.9	7,588.0	
6	129,966.1	Financing Items & Unallocated	4,442.2	146,577.1	151,019.3	853.9	-9.0	151,864.2	21,898.1	
7	1,063,654.3	Budget Requirement	1,352,005.9	1,705,114.8	3,057,120.7	-349,723.7	-1,607,488.1	1,099,908.9	36,254.6	
8	1,063,654.3	Budget Requirement (excluding Schools' Delegated Budgets)	836,455.0	1,545,534.9	2,381,989.9	-300,436.3	-981,644.7	1,099,908.9	36,254.6	
Funded By:										
9	-753,341.7	Council Tax Yield including Collection Fund					-753,341.7	-753,341.7	0.0	
10	-58,500.9	Local Share of Business Rates & Business Rate Collection Fund					-55,957.6	-55,957.6	2,543.3	
Unringfenced Grants:										
11	-9,641.7	Revenue Support Grant (RSG)					-9,641.7	-9,641.7	0.0	
12	-34,366.8	Social Care Support Grant					-34,366.8	-34,366.8	0.0	
14	-138,429.0	Business Rate Top-Up					-138,429.0	-138,429.0	0.0	
15	-12,661.9	Business Rate Compensation Grant					-12,844.3	-12,844.3	-182.4	
16	-48,544.2	Improved Better Care Fund (iBCF)					-48,544.2	-48,544.2	0.0	
17	-6,430.2	New Homes Bonus (NHB)					-6,430.2	-6,430.2	0.0	
18	0.0	Covid-19 Financial Support Grant					-38,246.5	-38,246.5	-38,246.5	
19	-1,737.9	Other Unringfenced Grants					-2,106.9	-2,106.9	-369.0	
20	0.0	Total	1,352,005.9	1,705,114.8	3,057,120.7	-349,723.7	-2,707,397.0	0.0	0.0	

APPENDIX B - REVENUE BUDGET - SUMMARY

The hierarchy below illustrates the Council's structure, and which Divisions sit in each Directorate, along with the proposed amended net budget for 2020-21 in £000s.

Kent County Council		1,099,908.9					
Directorate		Budget (£000s)		Division		Budget (£000s)	
Adult Social Care & Health	ASCH	402,426.9		Strategic Management & Directorate Budgets	SMDBA	19,447.7	
				Adult Social Care & Health Operations	ASCHO	372,915.4	
				Business Delivery Unit	BDU	10,063.8	
Children, Young People & Education	CYPE	282,016.2		Strategic Management & Directorate Budgets	SMDBC	4,179.2	
				Education	EDU	49,090.2	
				Integrated Children's Services (East & West)	ICS	158,401.1	
				Special Educational Needs & Disabilities	SEND	70,345.7	
				Schools' Delegated Budgets	SDB	0.0	
Growth, Environment & Transport	GET	173,750.7		Strategic Management & Directorate Budgets	SMDBG	1,392.8	
				Economic Development	ED	4,596.4	
				Highways, Transportation & Waste	HTW	141,734.4	
				Environment, Planning & Enforcement	EPE	17,307.6	
				Libraries, Registration & Archives	LRA	8,719.5	
Strategic & Corporate Services	S&CS	89,850.9		Strategic Management & Directorate Budgets	SMDBS	-1,244.3	
				People & Communication	P&C	13,156.6	
				Finance	FIN	10,150.1	
				Governance, Law & Democracy	GLD	8,842.6	
				Infrastructure	INF	24,649.7	
				Corporate Landlord	CL	24,379.3	
				Strategic Commissioning including Public Health	SCincPH	7,956.0	
				Strategy, Policy, Relationships & Corporate Assurance	SPRCA	1,960.9	
Financing Items & Unallocated	FI&U	151,864.2		Financing Items - General		67,427.5	
				Financing Items - Unallocated		84,436.7	

APPENDIX B - REVENUE BUDGET - KEY SERVICES

Row Ref	2020-21 Approved Budget (Net Cost) £000s	Division & Key Service	2020-21 Proposed Amended Budget					Key Service Description
			Staffing £000s	Non Staffing £000s	Gross Expenditure £000s	Income £000s	Grants £000s	

Adult Social Care & Health (ASCH)

Interim Corporate Director: Richard Smith

£402.4m

Please note that Adult Social Care is presented in their new structure, which was implemented in September 2020. The base Budget column reflects these changes.

Strategic Management & Directorate Budgets (SMDBA)

Interim Corporate Director: Richard Smith

1	-7,524.9	Transfers to and from reserves	0.0	-7,524.9	-7,524.9	0.0	0.0	-7,524.9	Transfers to and from KCC's reserves to support the ASCH directorate
2	13,380.4	Community Based Preventative Services	0.0	18,640.9	18,640.9	-4,509.4	-751.1	13,380.4	Social Support Services provided by the voluntary sector to prevent social isolation and provide information and early intervention / preventative services to enable Service Users to remain independent. Including services for residents with immediate need and who are in crisis, to live independently by signposting to alternative appropriate services and helping with the purchase of equipment and supplies to ensure the safety and comfort of the most vulnerable in our society. This service line also includes Local Healthwatch which is a statutory service commissioned by KCC to ensure that patients, users of social care services and their carers, and the public, have a say in how these services are commissioned and delivered on their behalf
3	6,991.4	Housing Related Support	0.0	8,439.4	8,439.4	-1,266.3	-181.7	6,991.4	Housing related support for 7,800 vulnerable households via supported housing, Home Improvement Agencies, women's refuges and community based support to enable them to gain the skills they need to live independently in their own home including emergency welfare assistance and advice to households in an emergency or crisis
4	0.0	Partnership Support Services	0.0	10,425.6	10,425.6	-10,425.6	0.0	0.0	Manages a number of operational support services, which enable the Directorate to achieve its partnership agenda. Includes pooled budgets with health which fund community infrastructure to facilitate discharges from specialist hospitals and prevent new admissions for people with Learning disabilities (LD) or (Autism spectrum conditions (ASC)
5	2,950.3	Social Support for Carers	0.0	4,697.0	4,697.0	-1,746.7	0.0	2,950.3	Services supporting carers provided by the voluntary sector
6	319.5	Strategic Safeguarding	710.0	59.9	769.9	-164.0	-215.7	390.2	Strategic resource management to ensure a coherent policy and direction for the protection of vulnerable adults, including Strategic Safeguarding Manager, Kent and Medway Safeguarding Board and Prevent Priority resource
7	3,260.3	Strategic Management & Directorate Support (ASCH)	1,261.4	22,491.5	23,752.9	-160.0	-20,332.6	3,260.3	Central Directorate costs including the costs of the Corporate Director, Directors, and associated Officers
8	19,377.0	Total - Strategic Management & Directorate Budgets (SMDBA)	1,971.4	57,229.4	59,200.8	-18,272.0	-21,481.1	19,447.7	

APPENDIX B - REVENUE BUDGET - KEY SERVICES

Row Ref	2020-21 Approved Budget (Net Cost) £000s	Division & Key Service	2020-21 Proposed Amended Budget					Key Service Description
			Staffing £000s	Non Staffing £000s	Gross Expenditure £000s	Income £000s	Grants £000s	

Adult Social Care & Health Operations (ASCHO)

Directors: Chris McKenzie (West) and Janice Duff (East)

9	463.1	ASCH Operations - Divisional Management & Support	450.0	119.9	569.9	0.0	0.0	569.9	Divisional management costs enabling the business to achieve its strategic aims
10	80,028.2	Adult Learning Disability - Community Based Services & Support for Carers	0.0	88,665.0	88,665.0	-8,207.5	-852.6	79,604.9	Commissioned Community-Based Services for Learning Disability Service Users (aged 26+) including homecare, direct payments, day care and supported living
11	61,013.3	Adult Learning Disability - Residential Care Services & Support for Carers	0.0	67,627.5	67,627.5	-5,525.0	0.0	62,102.5	Commissioned Residential Care Services (and Short Breaks) for Learning Disability Service Users (aged 26+)
12	5,797.5	Adult Learning Disability - Case Management & Assessment Service	6,041.3	344.8	6,386.1	-264.9	-11.1	6,110.1	Social care staff providing assessment of community care needs and safeguarding investigation undertaken by Case Managers
13	6,158.6	Adult Mental Health - Community Based Services	0.0	7,214.8	7,214.8	-490.3	-13.9	6,710.6	Commissioned Community-Based Services for Mental Health Service Users (aged 18+) including homecare, direct payments, day care and supported living
14	13,302.2	Adult Mental Health - Residential Care Services	0.0	13,819.0	13,819.0	-780.2	0.0	13,038.8	Commissioned Residential Care Services for Mental Health Service Users (aged 18+)
15	10,106.9	Adult Mental Health - Case Management & Assessment Services	9,901.3	385.1	10,286.4	-283.7	-101.1	9,901.6	Social care staff providing assessment of community care needs and safeguarding investigation undertaken by Mental Health professionals
16	17,332.9	Adult Physical Disability - Community Based Services	0.0	20,465.7	20,465.7	-2,124.0	-1,008.8	17,332.9	Commissioned Community-Based Services for Physical Disability Service Users (aged 26+ and those with an acquired long-term condition aged 18-25) including domiciliary care, direct payments, day care and supported living
17	13,997.2	Adult Physical Disability - Residential Care Services	0.0	16,373.1	16,373.1	-2,376.1	0.0	13,997.0	Residential Care Services for Physical Disability Service Users (aged 26+ and those with an acquired long-term condition aged 18-25)
18	37,448.6	Older People - Community Based Services	0.0	66,197.3	66,197.3	-24,245.1	-2,515.3	39,436.9	Commissioned Community-Based Services for Older People (aged 65+) including homecare, direct payments, day care and supported living
19	51,102.8	Older People - Residential Care Services	0.0	103,259.5	103,259.5	-51,653.1	-503.6	51,102.8	Commissioned Residential and Nursing Care Services for Older People (aged 65+)
20	24,665.7	Older People & Physical Disability - Assessment and Deprivation of Liberty Safeguards Services	25,767.7	1,944.3	27,712.0	-2,445.2	-626.9	24,639.9	Social care staff providing assessment of community care needs and safeguarding investigation undertaken by Case Managers
21	601.7	Older People & Physical Disability Carer Support - Commissioned	0.0	2,178.5	2,178.5	-1,564.5	-12.3	601.7	Commissioned services to support carers
22	3,924.0	Older People & Physical Disability - In House Community Homecare Service	10,218.1	621.7	10,839.8	-5,756.4	-1,073.5	4,009.9	In-House Community-Based Enablement Services at point of first referral to enable Adult Service Users to continue living independently

APPENDIX B - REVENUE BUDGET - KEY SERVICES

Row Ref	2020-21 Approved Budget (Net Cost) £000s	Division & Key Service	2020-21 Proposed Amended Budget						Key Service Description
			Staffing £000s	Non Staffing £000s	Gross Expenditure £000s	Income £000s	Grants £000s	Net Cost £000s	
23	6,469.6	Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Community Based Services	0.0	7,233.5	7,233.5	-803.9	0.0	6,429.6	Commissioned Community-Based Services for Physical Disability Service Users (aged 26+) with long-term conditions from birth or early childhood, Autism and Sensory Service Users (aged 18+) including homecare, direct payments, day care and supported living
24	1,213.7	Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Residential Care Services	0.0	1,324.7	1,324.7	-111.0	0.0	1,213.7	Commissioned Residential Care Services (and Short Breaks) for Physical Disability Service Users (aged 26+) with long-term conditions from birth or early childhood, Autism and Sensory Service Users (aged 18+)
25	1,900.7	Sensory & Autism - Assessment Service	1,730.0	112.9	1,842.9	0.0	0.0	1,842.9	Social care staff providing assessment of community care needs and safeguarding investigation undertaken by Case Managers
26	2,019.1	Adaptive & Assistive Technology	0.0	9,436.2	9,436.2	-6,916.6	-500.5	2,019.1	Occupational Therapy Services working in partnership with Health to provide equipment and telecare
27	2,602.3	Adult In House Carer Services	2,463.4	172.4	2,635.8	0.0	-34.1	2,601.7	In-House residential respite services to support carers
28	7,204.6	Adult In House Community Services	6,434.8	919.1	7,353.9	-70.7	0.0	7,283.2	In-House Community-Based Services for Learning Disability Service Users (aged 18+) and Physical Disability (aged 18-25) including In-house Day centres and other services to enable Service Users to remain independent
29	3,176.1	Adult In House Enablement Services	3,207.1	5,786.8	8,993.9	-189.1	-5,584.9	3,219.9	In-House Community-Based Enablement Services to enable Adult Service Users to return to living independently
30	707.3	Service Provision - Divisional Management & Support	389.3	61.5	450.8	0.0	0.0	450.8	Divisional management costs enabling the Directorate to achieve its business aims
31	2,808.3	Looked After Children (with Disability) - In House Provision	4,539.3	105.3	4,644.6	-1,781.2	0.0	2,863.4	In-House Residential Respite and Enablement Services to support Looked After Children and families
32	15,753.8	Older People - In House Provision	10,933.6	14,597.1	25,530.7	-4,012.6	-5,686.5	15,831.6	In-House provision for Older People, including in-house residential and day care centres, and integrated care centres
33	369,798.2	Total - Adult Social Care & Health Operations (ASCHO)	82,075.9	428,965.7	511,041.6	-119,601.1	-18,525.1	372,915.4	

APPENDIX B - REVENUE BUDGET - KEY SERVICES

Row Ref	2020-21 Approved Budget (Net Cost) £000s	Division & Key Service	2020-21 Proposed Amended Budget					Key Service Description
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Business Delivery Unit (BDU)

Head of Service: Helen Gillivan

34	7,632.7	Business Delivery	7,940.0	422.9	8,362.9	-362.4	-12.0	7,988.5	Manages the operational business support function for the Directorate to achieve the operational business outcomes. This includes Project Management, Practice and Quality Assurance, Professional Strategic and Collaborative Working, the Principal Social Worker (PSW) and Principal Occupational Therapist (OT) who support operations to oversee quality assurance and the continual improvement of social work and OT practice, Customer Experience, Customer Care and Complaint, Systems and Operational Analytics, Purchasing, Communications and Business Resilience
35	264.9	Safeguarding Adults	240.5	24.4	264.9	0.0	0.0	264.9	A multi-agency partnership / framework to ensure a coherent policy and arrangements for the protection of vulnerable adults
36	728.5	Independent Living Support	770.4	139.6	910.0	-231.8	0.0	678.2	The Independent Living Support Service offers a wide range of support to help service users live as independently as possible. Included on this line are the ILSS Technicians Service, ILSS Independent Mobility Assessors, the Blue Badge Service and ILSS Management
37	1,667.0	Statutory and Policy Support	833.2	299.0	1,132.2	0.0	0.0	1,132.2	Manages the Statutory and Policy support function for the Directorate to achieve the operational business outcomes. This includes Policy and Quality Assurance, Technical Support for Business Operations and Practice Development
38	10,293.1	Total - Business Delivery Unit (BDU)	9,784.1	885.9	10,670.0	-594.2	-12.0	10,063.8	

Page 66

39	399,468.3	Total - Adult Social Care & Health (ASCH)	93,831.4	487,081.0	580,912.4	-138,467.3	-40,018.2	402,426.9	
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APPENDIX B - REVENUE BUDGET - KEY SERVICES

Row Ref	2020-21 Approved Budget (Net Cost) £000s	Division & Key Service	2020-21 Proposed Amended Budget					Key Service Description
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Children, Young People & Education (CYPE)

Corporate Director: Matt Dunkley CBE

£282.0m

Strategic Management & Directorate Budgets (SMDBC)

Corporate Director: Matt Dunkley CBE

40	4,179.2	Strategic Management & Directorate Budgets (CYPE)	1,212.1	6,824.7	8,036.8	-684.0	-3,173.6	4,179.2	Central Directorate costs including the Strategic Director and Directorate pension costs
41	0.0	Budget & Saving Plans to be allocated (CYPE)	0.0	0.0	0.0	0.0	0.0	0.0	Budgets and savings held here until plans have been finalised and can be allocated to specific Key Services lines
42	4,179.2	Total - Strategic Management & Directorate Budgets (SMDBC)	1,212.1	6,824.7	8,036.8	-684.0	-3,173.6	4,179.2	

Education (EDU)

Corporate Director: David Adams

43	-720.8	Community Learning & Skills (CLS)	9,487.8	3,651.7	13,139.5	-3,130.1	-10,730.6	-721.2	Provision of adult education courses and family and responsive learning, together with the delivery of English and Maths learning, to help people improve their employability skills
44	0.0	Early Years Education	0.0	72,953.5	72,953.5	0.0	-72,953.5	0.0	Parents' statutory entitlement to free Early Years education provision, most commonly from private, voluntary and independent providers for which KCC provides reimbursement from the Dedicated Schools Grant. There is a universal entitlement of 15 hours per week for all 3 and 4 year olds, increasing to 30 hours for children of working parents. This budget also provides entitlement to eligible 2 year olds for up to 15 hours per week
45	3,880.3	Education Services provided by The Education People	0.0	8,960.8	8,960.8	0.0	-5,080.5	3,880.3	A range of statutory education services provided by The Education People, including School Improvement, Education Safeguarding, Skills & Employability, Schools Financial Services, and Outdoor Education
46	10.3	Fair Access & Planning Services	2,198.0	690.7	2,888.7	-58.0	-2,820.6	10.1	Planning the provision of school places and managing the schools admissions and eligibility for school transport services
47	44,303.8	Home to School & College Transport	198.2	49,168.1	49,366.3	-3,362.3	-1,542.8	44,461.2	Transport to education establishments for all entitled pupils including specialist transport to school and college for children and young people with Special Educational Needs & Disabilities, together with free mainstream school transport, and the partly subsidised Kent 16+ Travel Saver (which includes an individual contribution). A small team support specific pupils with their travel arrangements to schools to enable them to become independent as they transition to secondary school

APPENDIX B - REVENUE BUDGET - KEY SERVICES

Row Ref	2020-21 Approved Budget (Net Cost) £000s	Division & Key Service	2020-21 Proposed Amended Budget					Key Service Description	
			Staffing £000s	Non Staffing £000s	Gross Expenditure £000s	Income £000s	Grants £000s		Net Cost £000s
48	-1,066.1	Other School Services	123.8	37,676.3	37,800.1	-19,765.2	-17,717.0	317.9	Provision of a wide range of support services to schools (most of which operate on a traded basis)
49	927.8	Education Management & Division Support	1,107.7	799.8	1,907.5	150.0	-915.6	1,141.9	Includes Area Education Officers and their direct support, costs associated with Academy conversions, and other Divisional management and support costs
50	47,335.3	Total - Education (EDU)	13,115.5	173,900.9	187,016.4	-26,165.6	-111,760.6	49,090.2	

Integrated Children's Services (East & West) (ICS)

Directors: Stuart Collins (Early Help & Preventative Services Lead) & Sarah Hammond (Children's Social Work Lead)

51	6,818.8	Early Help & Preventative Services	10,694.3	5,943.5	16,637.8	-2,823.3	-6,746.3	7,068.2	Early intervention and prevention services for families, children and young people, including services provided under the Tackling Troubled Families Scheme and Headstart project to improve the mental health and emotional wellbeing of 10-16 year olds
52	3,558.4	Children's Centres	6,376.0	1,194.2	7,570.2	-4,012.2	0.0	3,558.0	Provides integrated early childhood services to young children and their families (many of whom are disadvantaged), in order to improve their development and life chances so that children are school ready and parents have support and opportunity to gain parenting skills
53	4,717.5	Youth Services	4,997.0	2,244.9	7,241.9	-1,214.0	-1,310.4	4,717.5	Youth Services enable young people to access positive educational and recreational leisure time activities to improve their wellbeing and personal and social development. The Youth Justice Service assesses, plans and intervenes with 10-17 year olds who have come to the attention of the Police or judicial system, to prevent them offending
54	0.0	Pupil Referral Units & Inclusion	1,540.4	6,821.0	8,361.4	-267.0	-8,095.2	-0.8	Pupil Referral Units (PRU's) are short-stay centres which provide education for children who are excluded, sick, or otherwise unable to attend a mainstream school, until they are reintegrated. Inclusion Advisers work with pupils, families, and schools to improve pupil behaviour and attendance, which reduces the need for permanent or fixed-term exclusion
55	60,385.6	Looked After Children - Care & Support	4,463.9	64,577.5	69,041.4	-1,056.4	-3,354.8	64,630.2	Looked After Children Services including residential, fostering, and supported accommodation for under 18s, and Virtual Schools Kent
56	3,270.1	Children in Need - Care & Support	0.0	3,315.5	3,315.5	-45.4	0.0	3,270.1	Service for Children in Need (aged 0-18) including day care, direct payments, payments to voluntary organisations, and short breaks for carers
57	46,790.5	Children's Social Work Services - Assessment & Safeguarding Service	48,499.8	2,660.7	51,160.5	-3,022.8	-1,350.8	46,786.9	Social care staffing providing assessment of children and families' needs, ongoing support to looked after children, and Safeguarding Service

APPENDIX B - REVENUE BUDGET - KEY SERVICES

Row Ref	2020-21 Approved Budget (Net Cost) £000s	Division & Key Service	2020-21 Proposed Amended Budget					Key Service Description	
			Staffing £000s	Non Staffing £000s	Gross Expenditure £000s	Income £000s	Grants £000s		Net Cost £000s
58	14,807.4	Adoption & Special Guardianship Arrangements & Service	2,111.6	12,798.4	14,910.0	-103.0	0.0	14,807.0	The Adoption Service works to achieve alternative permanent care arrangements for Looked after Children within a family setting. This includes family finding, assessing and matching, and offering support services to adoptive families and children. Special guardianship arrangements are also supported, so a child may live with someone other than their parent(s) on a long term basis
59	7,486.0	Care Leavers Service	4,313.5	7,956.6	12,270.1	-2,192.1	-1,501.0	8,577.0	Enables and assists care leavers (post 18) to develop their skills and enhance their life opportunities as they progress into adulthood
60	0.0	Asylum	851.3	18,559.6	19,410.9	-1,574.7	-17,896.2	-60.0	Supporting unaccompanied asylum seekers under the age of 18 and those aged 18 or over (who were previously in care when aged under 18) as Care Leavers
61	5,048.0	Integrated Services (Children's) Management & Directorate Support	6,105.4	1,427.0	7,532.4	-323.5	-2,161.9	5,047.0	Directorate support costs including practice development for both early help and children social work functions along with the provision of management information for the whole Directorate
62	152,882.3	Total - Integrated Children's Services (East & West) (ICS)	89,953.2	127,498.9	217,452.1	-16,634.4	-42,416.6	158,401.1	

Page 59

Special Educational Needs and Disabilities (SEND)

Director: Mark Walker

63	26,344.5	Adult Learning & Physical Disability Pathway - Community Based Services	0.0	27,231.4	27,231.4	-1,298.5	-17.2	25,915.7	Commissioned Community Based Services for Physical Disability Service Users and Learning Disability Service Users (aged 18+) including domiciliary care, direct payments, day care, and supported living to enable Service Users to remain independent
64	7,948.3	Adult Learning & Physical Disability Pathway - Residential Care Services & Support for Carers	0.0	9,913.2	9,913.2	-502.9	0.0	9,410.3	Residential Care Services (and Short Breaks) for Learning Disability Service Users and Physical Disability Service Users (aged 18+) and services to support carers
65	5,291.8	Children in Need (Disability) - Care & Support	0.0	5,094.6	5,094.6	-2.8	0.0	5,091.8	Service for Children in Need (aged 0-18) with a Disability including day care, direct payments, payments to voluntary organisations, and short breaks for carers
66	1,691.6	Childrens Disability 0-18 Commissioning	0.0	1,768.8	1,768.8	-77.2	0.0	1,691.6	Commissioned Community Based Services (aged 0-18) including short breaks, direct payments and group day care services

APPENDIX B - REVENUE BUDGET - KEY SERVICES

Row Ref	2020-21 Approved Budget (Net Cost) £000s	Division & Key Service	2020-21 Proposed Amended Budget						Key Service Description
			Staffing £000s	Non Staffing £000s	Gross Expenditure £000s	Income £000s	Grants £000s	Net Cost £000s	
67	7,932.6	Disabled Children & Young People Service (0-25 LD & Complex PD) - Assessment Service	7,395.8	536.6	7,932.4	0.0	0.0	7,932.4	Social care staff providing assessment and support services for Service Users (aged 0-25) with Learning Disability, Complex Physical Disabilities and Sensory Impairment
68	9,937.0	Looked After Children (with Disability) - Care & Support	0.0	11,745.5	11,745.5	-1,608.5	0.0	10,137.0	Commissioned services for Looked After Children (aged 0-18) with a Disability including both short and long term residential care and fostering services
69	9,491.5	Special Educational Needs & Psychology Services	12,873.8	68,605.8	81,479.6	-5,572.2	-65,740.5	10,166.9	Assessment and placement of children and young people with Special Educational Needs including those with Education Health Care Plans (EHCPs)
70	68,637.3	Total - Special Educational Needs and Disabilities (SEND)	20,269.6	124,895.9	145,165.5	-9,062.1	-65,757.7	70,345.7	
71	273,034.1	Total - Children, Young People & Education (CYPE) excluding Schools' Delegated Budgets	124,550.4	433,120.4	557,670.8	-52,546.1	-223,108.5	282,016.2	
Schools' Delegated Budgets (SDB) Corporate Director: Matt Dunkley CBE									
72	0.0	Schools' Delegated Budgets	515,551.0	159,579.8	675,130.8	-49,287.4	-625,843.4	0.0	Holds the Dedicated Schools Grant (DSG) for Kent schools
73	273,034.1	Total - Children, Young People & Education (CYPE) including Schools' Delegated Budgets	640,101.4	592,700.2	1,232,801.6	-101,833.5	-848,951.9	282,016.2	

APPENDIX B - REVENUE BUDGET - KEY SERVICES

Row Ref	2020-21 Approved Budget (Net Cost) £000s	Division & Key Service	2020-21 Proposed Amended Budget					Key Service Description
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Growth, Environment & Transport (GET)

£173.8m

Corporate Director: Barbara Cooper

Strategic Management & Directorate Budgets (SMDBG)

Corporate Director: Barbara Cooper

74	1,552.8	Strategic Management & Directorate Budgets (GET)	621.3	839.5	1,460.8	-68.0	0.0	1,392.8	Cross Directorate costs, including the Corporate Director
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Economic Development (ED)

Director: David Smith CBE

75	2,920.3	Economic Development	2,538.0	2,878.0	5,416.0	-1,141.6	-1,167.1	3,107.3	Working with public, private, and voluntary sectors to support Kent's economic growth (including Kent and Medway Business Loan Fund)
76	1,434.7	Arts	312.8	1,271.1	1,583.9	-94.8	0.0	1,489.1	Supporting Kent's creative and cultural economy (including Turner Contemporary)
77	4,355.0	Total - Economic Development (ED)	2,850.8	4,149.1	6,999.9	-1,236.4	-1,167.1	4,596.4	

Highways, Transport & Waste (HTW)

Director: Simon Jones

78	5,630.8	Highway Transportation (including School Crossing Patrols)	6,858.4	2,560.0	9,418.4	-2,613.5	-613.1	6,191.8	Reducing casualties and traffic congestion on Kent's roads by enabling the delivery of a £300m+ capital programme of engineering schemes by managing traffic and through road safety improvements, education and campaigns. Assisting developers in identifying and delivering solutions to protect our network from the negative impacts of development traffic
79	13,313.7	Highway Asset Management (Roads and Footways)	5,965.9	3,571.6	9,537.5	0.0	-1,500.0	8,037.5	Safety inspections, emergency and routine maintenance, and minor repairs to Roads, Footways and Cycleways (including repairing damage by Third Parties), Traffic Management, Fly Tipping removal

APPENDIX B - REVENUE BUDGET - KEY SERVICES

Row Ref	2020-21 Approved Budget (Net Cost) £000s	Division & Key Service	2020-21 Proposed Amended Budget					Key Service Description	
			Staffing £000s	Non Staffing £000s	Gross Expenditure £000s	Income £000s	Grants £000s		Net Cost £000s
80	17,606.7	Highway Asset Management (Other)	5,164.2	15,850.7	21,014.9	-3,987.5	0.0	17,027.4	Safety inspections, routine maintenance and minor repair of traffic signals, CCTV cameras, highway drainage cleansing, repairs and soakaways, highway trees, shrubs and grass cutting, weed spraying, bridges and tunnels, permitting, inspection and coordination of all works undertaken by utility companies, developers and KCC contractors, winter service and adverse weather, street lighting and lit signs and bollards maintenance and energy costs of street lighting, Kent lane rental scheme, permits and licences, Third Party damage to other assets
81	6,489.8	Subsidised Buses and Community Transport	100.0	9,899.3	9,999.3	-2,421.7	-1,087.8	6,489.8	Financial support for otherwise uneconomic bus routes (including the Kent Karrier service), as well as community transport schemes
82	17,224.6	Concessionary Fares	0.0	17,271.6	17,271.6	-47.0	0.0	17,224.6	A statutory concessionary travel scheme, providing free bus travel for the elderly, disabled and disabled user companions
83	8,097.5	Kent Travel Saver	0.0	16,801.5	16,801.5	-7,360.8	-1,343.2	8,097.5	Provides discounted travel on the Kent bus network for young people aged 11-16.
84	40,066.9	Residual Waste	0.0	40,097.2	40,097.2	-442.3	0.0	39,654.9	Statutory waste services for Kent residents including treatment and disposal of residual household waste
85	32,937.0	Waste Facilities & Recycling Centres	0.0	35,152.3	35,152.3	-1,478.3	0.0	33,674.0	Statutory waste services for Kent residents including Household recycling centres, cost of recycling, and composting household waste
86	5,554.6	Highways, Transport & Waste Management Costs and Commercial Operations	4,307.5	3,124.8	7,432.3	-2,095.4	0.0	5,336.9	Management, planning, procurement and monitoring of transport services, work with Environment Agency to reduce waste, pollution monitoring at landfill sites, commissioning and contract management of care waste management service, business services including provision of Speed Awareness courses, and business support for Highways, Transportation & Waste
87	146,921.6	Total - Highways, Transport & Waste (HTW)	22,396.0	144,329.0	166,725.0	-20,446.5	-4,544.1	141,734.4	

APPENDIX B - REVENUE BUDGET - KEY SERVICES

Row Ref	2020-21 Approved Budget (Net Cost) £000s	Division & Key Service	2020-21 Proposed Amended Budget					Key Service Description
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Environment, Planning & Enforcement (EPE)

Interim Director: Stephanie Holt-Castle

88	10,878.8	Public Protection (Enforcement)	9,004.9	4,958.4	13,963.3	-2,962.3	0.0	11,001.0	Public Protection services including Trading Standards, Community Wardens, Coroners, Kent Scientific Services (KSS), Resilience, and Emergencies
89	5,416.2	Environment & Planning	7,775.6	8,438.3	16,213.9	-6,871.1	-3,709.7	5,633.1	Covers a wide range of services including Country Parks, development of sports and physical activity, Kent Downs Area of Outstanding Natural Beauty (AONB), Public Rights of Way (PROW), Gypsy & Traveller Unit, delivery of key strategic transport improvement, heritage services, sustainable business and communities, planning, and climate change projects
90	673.5	Environment, Planning & Enforcement Management Costs	665.6	16.1	681.7	-8.2	0.0	673.5	Divisional management costs
91	16,968.5	Total - Environment, Planning & Enforcement (EPE)	17,446.1	13,412.8	30,858.9	-9,841.6	-3,709.7	17,307.6	

Libraries, Registration & Archives (LRA)

Head of Service: James Pearson

92	9,125.0	Libraries, Registration & Archives	11,465.9	3,658.4	15,124.3	-6,404.8	0.0	8,719.5	The Libraries, Registration & Archives (LRA) service is delivered through a network of 99 libraries, 5 Register Offices, 5 mobile libraries, an archive centre, the stock distribution and support function building at Quarry Wood, the information service which includes the public 'Ask a Kent Librarian' service, and the 24 hour accessible online services. The LRA service also delivers the records management service on behalf of KCC, is contracted to deliver 5 prison libraries in Kent and the registration service on behalf of the London Borough of Bexley
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93	178,922.9	Total - Growth, Environment & Transport (GET)	54,780.1	166,388.8	221,168.9	-37,997.3	-9,420.9	173,750.7	
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APPENDIX B - REVENUE BUDGET - KEY SERVICES

Row Ref	2020-21 Approved Budget (Net Cost) £000s	Division & Key Service	2020-21 Proposed Amended Budget					Key Service Description
			Staffing £000s	Non Staffing £000s	Gross Expenditure £000s	Income £000s	Grants £000s	

Strategic & Corporate Services (S&CS)

£89.9m

Corporate Director: David Cockburn

Strategic Management & Directorate Budgets (SMDBS)

Corporate Director: David Cockburn

94	-1,244.3	Strategic Management & Directorate Budgets (S&CS)	527.5	2,904.0	3,431.5	-625.8	-4,050.0	-1,244.3	Central Directorate costs and grant contributions to Corporate Services' overheads
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People & Communications (P&C)

Corporate Director: Amanda Beer

95	7,716.5	Human Resources Related Services	4,916.8	3,772.6	8,689.4	-952.9	-1.0	7,735.5	Strategic and operational Human Resource (HR) services to KCC. Advisory role to ensure that KCC meets its statutory responsibility in terms of Health & Safety, Employment Law, and Equality Legislation in relation to employment. Transactional HR services commissioned from Cantium Business Solutions Ltd
96	5,421.1	Customer Contact, Communications & Consultations	1,952.8	4,055.0	6,007.8	-497.7	-89.0	5,421.1	Responsible for communicating with the public, customer contact services, effective consultation, and information provision
97	13,137.6	Total - People & Communications (P&C)	6,869.6	7,827.6	14,697.2	-1,450.6	-90.0	13,156.6	

Finance (FIN)

Corporate Director: Zena Cooke

98	10,109.0	Finance	11,451.7	5,172.2	16,623.9	-5,569.0	-904.8	10,150.1	Provision of finance advice to support both managers and Members in planning, managing, and reporting upon the Council's financial resources. Transactional financial services commissioned from Cantium Business Solutions Ltd
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APPENDIX B - REVENUE BUDGET - KEY SERVICES

Row Ref	2020-21 Approved Budget (Net Cost) £000s	Division & Key Service	2020-21 Proposed Amended Budget					Key Service Description
			Staffing £000s	Non Staffing £000s	Gross Expenditure £000s	Income £000s	Grants £000s	

Governance, Law & Democracy (GLD)

Director: Ben Watts

99	6,119.4	Governance & Law	2,800.5	3,597.1	6,397.6	-298.8	-35.0	6,063.8	Includes the cost of supporting the 81 elected Members of the County Council and their responsibilities, together with the management of the contract with Invicta Law Ltd for legal advice and services to KCC, public bodies, and other local authorities. Co-ordination of responses to Freedom of Information (FOI) requests
100	1,620.0	Local Member Grants	0.0	2,778.8	2,778.8	0.0	0.0	2,778.8	Member Grants made to a wide range of community based groups, individuals and organisations
101	7,739.4	Total - Governance, Law & Democracy (GLD)	2,800.5	6,375.9	9,176.4	-298.8	-35.0	8,842.6	

Infrastructure (INF)

Director: Rebecca Spore

102	5,068.9	Property Related Services	6,514.5	810.8	7,325.3	-1,392.8	0.0	5,932.5	Strategic management of KCC's estate. Leads on delivery of the Council's Property Asset Management Strategy together with the commissioning of Gen ² Property Ltd to deliver the day to day management of the KCC estate
103	16,529.7	ICT Related Services	2,089.7	19,638.9	21,728.6	-2,862.4	-149.0	18,717.2	Leads on defining future provision and strategy for ICT, ensuring the best use of available technology to support the needs of the Council. ICT services commissioned from Cantium Business Solutions Ltd. Business Partnership providing service delivery assurance and monitoring of deliverables
104	21,598.6	Total - Infrastructure (INF)	8,604.2	20,449.7	29,053.9	-4,255.2	-149.0	24,649.7	

Corporate Landlord (CL)

Director: Rebecca Spore

105	21,332.6	Corporate Landlord	0.0	31,628.7	31,628.7	-7,062.4	-187.0	24,379.3	Day to day costs relating to the running of the Council's complex estate of operational front line buildings; the office estate and holding costs of non-operational buildings
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APPENDIX B - REVENUE BUDGET - KEY SERVICES

Row Ref	2020-21 Approved Budget (Net Cost) £000s	Division & Key Service	2020-21 Proposed Amended Budget					Key Service Description
			Staffing £000s	Non Staffing £000s	Gross Expenditure £000s	Income £000s	Grants £000s	

Strategic Commissioning including Public Health (SCincPH)
 Directors: Vincent Godfrey (Strategic Commissioning) & Andrew Scott-Clark (Public Health)

106	7,779.1	Strategic Commissioning	8,196.2	921.4	9,117.6	-712.0	-527.1	7,878.5	Responsible for developing and delivering a commissioning and procurement strategy for the Authority. Includes commissioning, contract management, and procurement functions
107	0.0	Public Health - Children's Programme	0.0	32,906.8	32,906.8	0.0	-32,906.8	0.0	Includes provision for 0-19 year olds and their families including: Health Visiting, School Public Health, Oral Health, services delivered through Children's Centres and Adolescent services
108	0.0	Public Health - Mental Health, Substance Misuse & Community Safety	135.0	12,392.1	12,527.1	-850.4	-11,614.1	62.6	Includes the provision of drug and alcohol services, domestic abuse services and Mental Health early intervention
109	0.0	Public Health - Sexual Health	0.0	14,168.2	14,168.2	-1,600.0	-12,564.5	3.7	Commissioning of mandated contraception and sexually transmitted infection advice and treatment services
110	0.0	Public Health - Healthy Lifestyles	0.0	8,604.0	8,604.0	0.0	-8,592.8	11.2	Improving health and lifestyles through provision of Integrated Lifestyle services and NHS Health Checks to support the following outcomes; reduction in smoking, improved exercise and healthy eating to tackle obesity levels
111	0.0	Public Health - Advice and Other Staffing	2,939.1	7,566.4	10,505.5	-131.9	-10,373.6	0.0	Includes cost of management, commissioning, and operational staff to deliver statutory Public Health advice
112	7,779.1	Total - Strategic Commissioning including Public Health (SCincPH)	11,270.3	76,558.9	87,829.2	-3,294.3	-76,578.9	7,956.0	

Strategy, Policy, Relationships & Corporate Assurance (SPRCA)
 Director: David Whittle

113	1,810.9	Strategy, Policy, Relationships & Corporate Assurance	1,776.1	1,870.8	3,646.9	-436.0	-1,250.0	1,960.9	Supports the political and managerial leadership of KCC through strategic policy development
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114	82,262.9	Total - Strategic & Corporate Services (S&CS)	43,299.9	152,787.8	196,087.7	-22,992.1	-83,244.7	89,850.9	
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APPENDIX B - REVENUE BUDGET - KEY SERVICES

Row Ref	2020-21 Approved Budget (Net Cost) £000s	Division & Key Service	2020-21 Proposed Amended Budget					Key Service Description
			Staffing £000s	Non Staffing £000s	Gross Expenditure £000s	Income £000s	Grants £000s	

Financing Items & Unallocated (FI&U)

£151.9m

Corporate Director: Zena Cooke

115	112,020.6	Financing Items - General	1,220.2	85,178.0	86,398.2	-18,961.7	-9.0	67,427.5	Includes net debt costs (including investment income), transfers to and from reserves, net contributions from KCC owned companies, and others including Insurance Fund, audit fees and Apprenticeship Levy
116	17,945.5	Financing Items - Unallocated	3,222.0	61,399.1	64,621.1	19,815.6	0.0	84,436.7	Includes Covid-19 additional response spending, income losses, underspends and provisions for potential recovery costs to be held as an unallocated central provision pending confirmation of full impact

117	129,966.1	Total - Financing Items & Unallocated (FI&U)	4,442.2	146,577.1	151,019.3	853.9	-9.0	151,864.2	
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118	2,063,654.3	Total Budget	836,455.0	1,545,534.9	2,381,989.9	-300,436.3	-981,644.7	1,099,908.9	
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119	1,063,654.3	Total Budget (excluding Schools' Delegated Budgets on Row 72)	320,904.0	1,385,955.1	1,706,859.1	-251,148.9	-355,801.3	1,099,908.9	
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Appendix C - Assessment of Level of Reserves

1 Introduction

Reviewing the Council's level of reserves is an important part of the annual budgetary process	The review must be balanced and reasonable, factoring in the current financial standing of the Council, the funding outlook into the medium term and beyond, and most importantly, the financial risk environment the Council is operating in.
This budget amendment is no different	It is even more essential given the heightened risk of uncertainty now and in future years arising from the fallout of the Covid-19 pandemic.

2 Background

There are 11 factors to consider when assessing the adequacy of reserves	The Chartered Institute of Public Finance and Accountancy (CIPFA) recommend that 11 factors should be considered when reviewing the level of reserves (see section 6)
The adequacy of reserves is subjective	There is no formula approach to calculating the precise level of reserves to be held; it is a matter of judgement. It is the responsibility of the Council's Section 151 Officer.

3 Government Settlement

The government's original spending plans for 2020-21 were announced on 4 September 2019	For the sector as a whole this was a one-year settlement, with a repeat of 2019-20 grants plus an additional £2.9bn (6%) from Council Tax increases, inflationary uplifts to business rates and a £1bn grant to support social care spending pressures.
The final Local Government Finance Settlement was reflected in the 2020-21 budget presented to full Council on 13 February	The original assessment of reserves took account of the reduced risk from a better than expected 2020-21 settlement compared to the forecast in the 2019-22 MTFP, and the heightened medium-term uncertainty arising from only having a one-year settlement and potential changes in central government policy following the 12th December general election.
On 11 March the Covid-19 outbreak was declared a pandemic. On the same day the Chancellor announced the March 2020 Budget	The Chancellor's Budget was presented in two parts: - the immediate response to the emergency - the typical presentation of medium-term tax and spending plans
KCC received £39m in March as part of the immediate response to the emergency	The immediate response included the announcement of an initial tranche nationally of £1.6bn emergency funding for local authorities. KCC's share was £39m. £1.7m of this was used to fund expenditure in 2019-20 with the remainder transferred to a specific Covid-19 reserve to be used in 2020-21
Several subsequent grant announcements have been made but the medium term outlook is uncertain	These additional grants have helped to mitigate increased risks in 2020-21. However, subsequent years are even more uncertain due to the lack of government spending/provisional settlement and the risk to council tax and business rates collection fund and future tax base estimates from the recession caused by the

lockdown period.

The speed of economic recovery and the government's response to support local authorities will have a significant impact.

4 Comparison with other County Councils

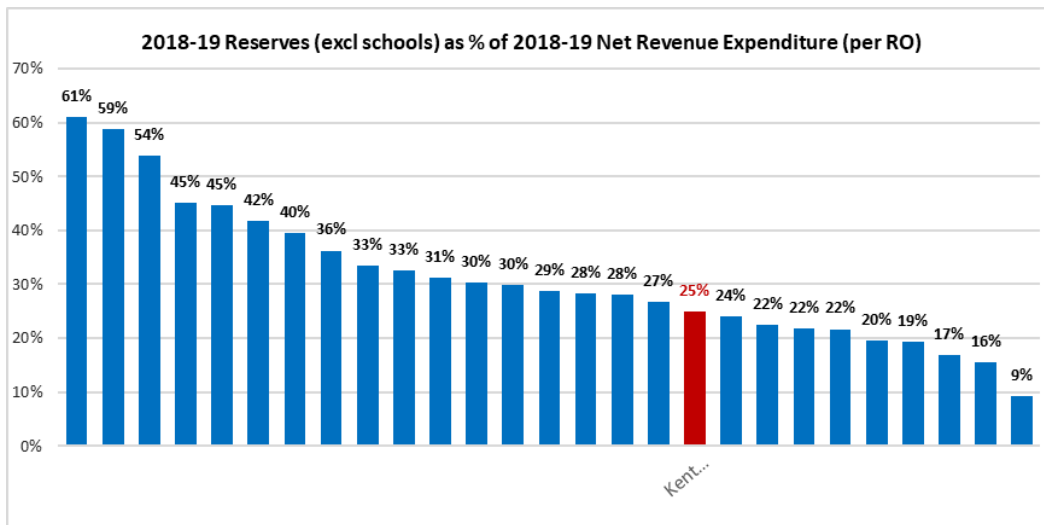
The graph below shows that KCC ranks 18th out of 27 county councils in terms of the percentage of reserves held.

This is based on the same 2018-19 data as the original budget and updated data from 2019-20 will not be available until later in year. This is the same ranking from last year despite an increase in the overall reserves of £27.6m compared to 2017-18.

Reserves comprise general reserves for unforeseeable circumstances and earmarked reserves for specific eventualities

Total reserves have been relatively stable at an average of around £200m in most years and £223.5m on 31 March 2019 (25%) but this is below the average of other county councils

KCC has used some of its earmarked reserves to support the revenue budget in recent years but has also been able to set aside additional reserves to offset higher financial risks, particularly in 2018-19 from better than expected additional business rates income from the retention pilot and roll-forwards approved at the end of the year.



The graph above shows the lowest Authority at 9%, up to the highest at 61%. KCC is at 25%

This figure of 25% is made up of the General Fund Reserve of £37.1m (around 4% of net budget) and Earmarked Reserves (including Public Health and trading surpluses but excluding Schools, Capital Receipts and Capital Grants unapplied) of £186.4m, totalling £223.5m.

Details can be found in the 2018-19 Statement of Accounts, in Notes 23 and 25.

Reserves must be considered alongside borrowing to form a complete picture of financial resilience

Capital spending can be funded from borrowing to protect reserves, but reserves can also be used to reduce the need for borrowing.

The graph below shows the percentage reserves to percentage debt ratio. KCC is ranked 21st out of the 27 Counties.

This year the calculation has changed to include other long-term liabilities as well as borrowing to be consistent with the gross external debt position used by CIPFA in their Financial Resilience index. This index is an analytical tool designed to provide councils with a clear understanding of their position in terms of financial risk. The index is made up of a set of indicators, which can be used to compare against similar authorities. As a result, the Council has moved from 20th to 21st in the rankings.

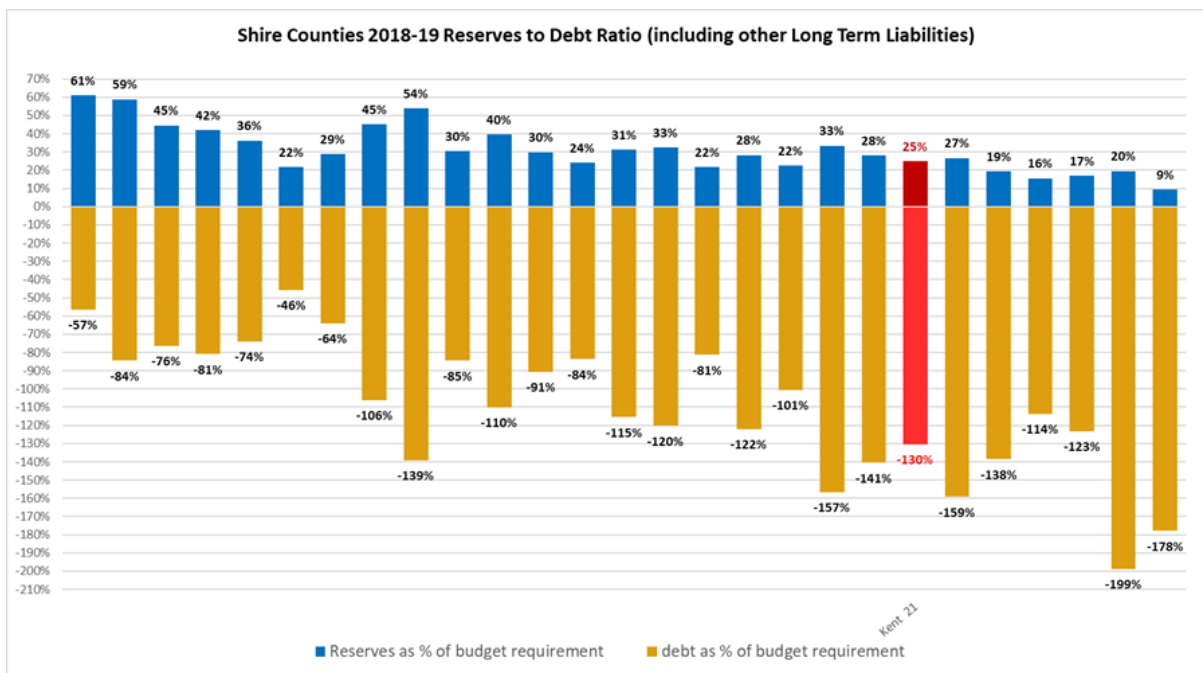
KCC has relatively high levels of historic external debt of £906.2m

Despite the Council's more recent approach to rely on internal borrowing, this position reflects KCC's historic external debt levels.

There is little that can be done in the short term

As most debt is long-term, with significant early repayment penalties far exceeding the benefits of redeeming the debt, this position is unlikely to change for some time. Whilst KCC has sufficient cash balances, the Council's current policy is to support capital spending with internal borrowing rather than external debt.

The continuing need to finance capital expenditure with borrowing presents a significant risk to the level of reserves and financial resilience of the Council.



5 Financial Resilience

There is a much greater emphasis from government on monitoring the financial resilience of councils

There have been well publicised financial difficulties in some councils. With the heightened risk of more councils getting into financial difficulties over the coming years, CIPFA has reviewed its range of guidance tools and services.

CIPFA has developed a Financial Resilience Index

The index is designed to promote better financial management and to provide early warning systems, aiming to be an authoritative measure of a council's financial resilience drawing on published information. The tool is not a

performance measure of service outcomes or quality, nor a review of leadership but is a dashboard indicating warnings (not a full diagnostic tool).

The financial resilience index is based on 2018-19 outturn. As with the comparison of reserves and debt this section is unchanged from the original approved budget as the CIPFA tool will not be updated until later in the autumn when the 2019-20 outturn information is available for all councils.

The Financial Resilience Index is based on 11 measures:

1. Reserves sustainability measure (the number of years it will take for a council to deplete their reserves if they continue to use them at the same rate as the average of the last three years)
2. Level of reserves
3. Change in reserves
4. Interest payable as a proportion of net revenue expenditure
5. Gross external debt
6. Social care ratio (proportion of net revenue spending accounted for by children's social care and adult social care)
7. Fees and charges to service expenditure ratio (sales, fees and charges as a proportion of gross service expenditure)
8. Council Tax requirement to net revenue expenditure ratio
9. Growth above baseline (the difference between the baseline funding level and retained rates income, over the baseline funding level)
10. Auditors VFM judgement
11. Children's Social Care judgement (Ofsted rating for children's social care)

The resilience indices will sit alongside the newly released CIPFA Financial Management Code

This will support good practice in the planning and execution of sustainable finances

KCC has recently commissioned CIPFA to undertake an evaluation of KCC's financial management arrangements

The conclusions and recommendations from the CIPFA Financial management Review will be considered as part of the 2021-22 budget

The current assessment is that the Council is not in imminent danger of financial failure




The Council is in the lower half of the resilience range, and therefore the Council cannot be complacent and must continue to maintain financial rigour. Whilst the risk of financial failure is not imminent, there is a need to remain vigilant, particularly in relation to accumulated debt and associated financing costs

6 Analysis of Risk

Below are each of the 11 factors CIPFA recommend should be considered when reviewing the level of reserves and balances is given a 'direction of travel' (DoT) indicator since the original 2020-21 budget was set.

An upward direction means an improved position for this council (i.e. the risk is less than it was at the time the original 2020-21 budget was approved).

The background for each of the 11 factors is provided as well as the analysis of risk

DoT	Heading	Background	Risk Analysis
	Assumptions regarding inflation and interest rates	<p>Inflation has been on a general continual downward trend. At the time of budget setting for 20-21 it was below the government target of 2%.</p> <p>Since February 2020 and during lockdown inflation fell further. Despite a small rise in July 2020 as the economy started to recover, most forecasts predict inflation will remain well below the 2% target until mid-2022.</p> <p>Interest rates, largely determined by the Bank of England base rate, has been 0.75% since August 2018. In response to the pandemic, in March 2020 the base rate was reduced to 0.25% and then to 0.1%.</p>	<p>In the short term the lower forecast rate of inflation reduces the Council's risk.</p> <p>However, many of the Council's contracts are no longer index linked and market conditions in certain sectors are likely to have a significant impact on spending.</p> <p>In the longer term, inflation at or close to the 2% target and low interest rates result in a broadly neutral impact.</p>
	Estimates of the level and timing of capital receipts	<p>The Council relies significantly on capital receipts to part fund the capital programme.</p> <p>Delivery of receipts against targets has fallen behind in recent years requiring the use of short-term borrowing/use of reserves.</p> <p>Before the pandemic there were concerns about the ability to deliver the capital receipts needed to fund the current capital programme, and during lockdown market activity dried up.</p>	<p>The council is unlikely to catch-up for the lost time during the remainder of the current financial year.</p> <p>There is still a healthy pipeline of potential receipts and capacity to identify opportunities and monitor progress. This should ensure over the medium term that this risk can be reduced.</p>
	The capacity to manage in-year budget pressures and strategy for dealing with demand and service delivery in the longer term	<p>2019-20 was the 20th consecutive year that ended with a small net surplus. However, the first monitoring report for 2020-21 (and this budget amendment) includes significant additional demand led spending unrelated to Covid-19 pandemic.</p> <p>The amendment includes further proposed savings to offset spending demands and includes provision for further increased demand led costs during the recovery phase.</p> <p>The budget strategy for 2021-22 must include ways to resist some of the growth proposals, creating the need to identify budget savings and income streams to balance the budget.</p>	<p>There is an increased risk at this stage due to heightened uncertainty.</p> <p>It is likely that in future years there will be further demand led pressures which unless recognised in the Comprehensive Spending Review could become unaffordable.</p> <p>As each year passes it becomes harder to resist pressures or find savings/income and the council has less and less expenditure that can be de-commissioned at short notice.</p>

	Strength of financial reporting and ability to activate contingency plans if planned savings cannot be delivered	<p>There is confidence in the validity of financial reporting. Reporting has been enhanced to better focus on the major factors affecting financial performance.</p> <p>Some progress towards enhancing outcomes-based budgeting within the Council has been made but there is scope for further development.</p>	<p>The council has engaged CIPFA to carry out an evaluation of compliance with the Financial Management Code as part of a wider review of financial Management.</p> <p>Once the review is completed this risk will be reassessed.</p>
	Risks inherent in any new partnerships, major outsourcing arrangements and major capital developments	<p>Partnership arrangements with NHS organisations have worked well during the pandemic with fewer hospital discharges into care than in other areas.</p> <p>Collaborative working with district councils has enabled improved assessment of the possible impact of the recession on future tax yields and collection fund balances, resulting in enhanced joint cashflow planning.</p> <p>The returns from the Council's trading companies have been severely impacted by lockdown and from a major cyber breach affecting Commercial Services.</p>	<p>The impact of lockdown on the council's trading companies has increased financial risk since the original budget was approved.</p> <p>The risk that retendering of major contracts could result in higher prices due to market conditions has also been impacted by the pandemic. Some contract retenders have been deferred, extending current contracts for a further period.</p> <p>There are concerns about the Council's ability to continue to sustain a capital programme tackling both statutory responsibilities and making infrastructure improvements. In the longer term these objectives cannot be delivered without an increasing reliance on borrowing.</p>
	Financial standing of the Authority (level of borrowing, debt outstanding, use of reserves etc.)	<p>The budget amendment does not include any additional drawdown from reserves other than the Covid-19 emergency grant paid into reserves and the underspends agreed by Cabinet to be rolled forward into 2020-21.</p> <p>Good progress has also been made to review existing reserves in line with Local Authority Accounting Practice (LAAP) bulletin 99.</p> <p>Estimated reserves at the end of 2020-21 are largely the same (around £210m) as estimated in the original 2020-21 budget.</p> <p>The level of borrowing to support previous capital investments remains relatively high compared to other counties. Much of the accumulated debt is long term with only 15% due to mature over the next 5 years.</p> <p>In recent years the Council has been</p>	<p>Risk in relation to reserves remains unchanged. The overall level of reserves is more stable in comparison to other authorities, although they remain relatively low.</p> <p>The general financial health of the Council remains fairly static, however there is no room for complacency.</p> <p>The Council's ability to finance future capital spending from borrowing remains a significant concern.</p> <p>It has been confirmed that the Fair Funding review will not be implemented 2021-22, and thus the expectation that legacy debt is better reflected in the Local Government</p>

able to use cash reserves to support the capital programme (internal borrowing) rather than increasing external debt as this represented a lower overall financing cost.

Finance Settlement will not happen for at least another year.



The Authority's record of budget and financial management including the robustness of medium-term plans

This continues to be effective resulting in twenty consecutive years of underspend including 2019-20.

The additional funding for social care announced in the Spending Round, together with the continuation of the adult social care Council Tax precept for a further year has contributed towards funding rising social care demands and costs.

The ability to continue to deliver an underspend or a balanced budget becomes increasingly more difficult with rising demands and insufficient, short term funding.

Until the Comprehensive Spending Review is completed, it remains unrealistic to publish a Medium Term Financial Plan although the Council's leadership continues to consider various medium term scenarios.

There continues to be significant concern about the viability of social care funding and the sustainability of the market over the medium to long term.



Virement and year-end procedures in relation to under and overspends

The Council continues to adhere to sound financial governance and virement procedures set out in its financial regulations.

The Council continues to have a good record of closing its accounts in a timely manner including agreeing rollovers for over and underspends.



The availability of reserves and government grants/other funds to deal with major unforeseen events

The Covid-19 pandemic has substantially increased the risk that the Council will need to rely on the availability of government grants, and ultimately reserves to balance the budget. This severely compromises the financial resilience of the Council.

Until the third tranche of emergency grant was confirmed in July, the Council had not identified sufficient available reserves to make up for the shortfall between additional Covid-19 spending requirements and income losses and available grant.

There is overspending and an accumulated deficit on the High Needs Block of the Dedicated Schools Grant (DSG) relating to spend to support children and young people with Special Educational Needs and Disabilities (SEND). Since the introduction of the Children and Families Act 2014, the Council has seen an unprecedented rise in the number of children and young people

Pending the outcome of the Comprehensive Spending Review there remains a significant risk that draw down from reserves will be needed to balance future budgets. This now poses the most significant budget risk.

There is a significant risk in relation to the overspending and accumulated deficit on the High Needs Block of the Dedicated Schools Grant (DSG), which government needs to address.

assessed for Education and Health Care Plans (EHCPs). High needs funding within the DSG has not kept pace resulting in in-year overspends and an accumulated deficit on the unallocated DSG reserve. This is a national problem but has been particularly acute in Kent and several other large county councils. To date the government has not provided councils with sufficient funding and has not introduced structural reforms to eliminate the overspends or repay the deficits. They have also not provided satisfactory arrangements for the treatment of deficits.

Another major concern in this area is the grant funding available to prepare for the transition from BREXIT or to deal with significant disruption in the event of a disorderly withdrawal at the end of the current transitional period. Whilst additional funding has been allocated to all councils, with extra funding for councils with major ports, this has not been sufficient for the Council to cover additional costs and without further funding these costs will need to be met from the Council's reserves.

The long-standing issues of insufficient grant funding for unaccompanied asylum seeking children (UASC) and care leavers has been resolved for 2020-21 to some degree through enhanced funding rates. The historic position remains unresolved.

There is a risk that the unfunded costs of BREXIT will have to be met using reserves.

There is a reduction in the financial risk associated with asylum although the Council has recently identified that there is no more capacity to take additional UASCs with consequential non-financial risk.



The general financial climate

The current Spending Round only covers 2020-21. There are no indicative government spending plans beyond this or the Local Government Finance Settlement for 2020-21.

This severely limits the Council's ability to make meaningful medium-term multiyear financial plans. This shortening of medium-term financial planning horizons for local government is one of the reasons which has prompted the CIPFA resilience indices and the new Financial Management Code.

2020-21 is the first year since 2013-14 that the Council has been unable to produce meaningful multi-year plans

The uncertainty over the general financial climate has increased. The uncertainty will remain until the Government has announced the outcome of the Comprehensive Spending Review as well as any funding linked to future devolution arrangements for local government. The uncertainty has also increased due to the possible impact of lockdown and subsequent recession on business rate/council tax collection fund balances and future tax base estimates.

as although spending trends can be forecast with sufficient accuracy, the delay to the Comprehensive Spending Review originally planned for 2019 means we do not have an accurate picture of likely funding.

The delays to the Fair Funding Review and additional business rate retention means we can better predict the impact of CSR when it is announced but it will leave the issues which first prompted these reviews unresolved.



The adequacy of insurance arrangements

The Council's insurance policies were reviewed in January 2016, insuring the same levels of risk as previously, albeit at a higher premium. Since then the Council's exposure to risk and levels of insurance reserves have been reassessed and a higher level of excess has been accepted on some policies in return for a lower premium. Evidence to date is that this has reduced the net cost to the Council. This is unchanged from the original budget.

The risk remains unchanged.

Of the eleven factors, one has shown an improvement from the original approved budget in February, five have increased risks and five are relatively unchanged.

No weighting has been applied to the individual factors, but the general financial risk to the Council should now be regarded as significantly increased since February.

Only the general reserves of £37.2m (as at 31st March 2020) are available to the Council to offset any in-year overspends and these are largely unchanged from the previous year. However, these can only be used once.

The overall conclusion is that the Council has a significantly increased risk profile since the 2020-21 budget was approved, and on a like-for-like basis the Council will have a similar level of earmarked and general reserves available during the year. This is not an immediate cause for concern pending the outcome of the Comprehensive Spending Review and further assessment of spending growth estimates and council tax/business rates collection fund and tax base estimates. Whilst no immediate action is required, the Council's resilience will continue to be monitored and the trend will need to be reversed as much as possible in the medium term.

7 The detail of the Council's reserves

The Statement of Accounts that is produced each year details Earmarked Reserves and explains why these reserves are held

There will continue to be draw-down and contributions to these reserves in line with the patterns of expenditure anticipated when the reserves were created. The council's reserves policy and the reserves held are being reviewed during 2020-21 to ensure the policy and the reserves are held corporately to support the Council's strategic objectives.

The proposed amendment to the 2020-21 budget includes the following estimated drawdown from reserves. The revised estimated reserves at the end of 2020-21 remain around £210m.

- drawdown £21.8m from earmarked reserves from £6.2m underspends rolled forward from 2019-20 and rephasing the planned use of directorate and corporate reserves from 2019-20;
 - net drawdown £37.3m from Covid-19 reserve
-

8 Role of the Section 151 Officer

The duties of the Council's Section 151 Officer include the requirement 'to ensure that the Council maintains an adequate level of reserves, when considered alongside the risks the Council faces and the general economic outlook'. **The reserves the council holds on 1 April 2020 are, in the opinion of the Section 151 Officer, adequate.**

Appendix D

2020-21 Budget Amendment Public Consultation

July 2020

	Table no's	Page
Summary: "How to address the budget gap?"		2
Appendix: tables		
Respondents by type	1	4
How respondents heard about the consultation	2	4
Options that respondents ticked	3	5
Top ten 'Other Options' – respondents' suggestions	4	5
'People'-based service areas – respondents' top 3 choices	5	6
Reasons for 'people' choices	6	8
'Community/place'-based service areas – respondents' top 3 choices	7	10
Reasons for 'Community/place' choices	8	12
Spending priorities – "If you had an extra £1, where would you spend it?"	9	13
Option responses – by age, ethnicity, disabled	10	17

Cabinet Members	Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services – Peter Oakford Cabinet Member for Communications, Engagement and People – Shellina Prendergast
Relevant Director	Corporate Director Finance – Zena Cooke
Report author(s)	Revenue and Tax Strategy Manager – Simon Pleave
Circulated to	County Council
Classification	Unrestricted

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Appendix D Summary: “How to address the budget gap?”

		Table
We carried out a public consultation and 1,921 people responded	There were almost 1,500 KCC residents, plus about 380 KCC employees, and a few others (e.g. business owners, etc). This reply rate is up 40% on last year’s autumn consultation. Over 50% of respondents heard about the consultation via Facebook.	1 2
Respondents ticked as many as they wanted of five options for addressing the budget gap, plus could add an ‘other’ option too	On average, respondents ticked just over two of the six. The six are: <ol style="list-style-type: none"> 1. Increase other income sources, such as charging for some services, to cover the additional spending and loss of income. 2. Identify further savings in the budget, even if that means a reduction to service levels and/or loss of services. 3. Use some of our general reserves (this is our ‘rainy day’ fund for emergencies and can only be used once). Any use of general reserves would need to be paid back in future years. 4. Continue lobbying government to ask them to provide KCC with additional funds to cover the costs we have incurred and the income we have lost due to the impact of the pandemic. 5. Continue lobbying government to allow councils to cover additional costs and loss of income by borrowing money. 6. Other (please specify). 	3
Easily the most popular was Option 4 – Lobby Government For Funds	Over 70% of replies ticked this Option 4. Next most popular was Option 3: Use General Reserves (48% ticked it).	3
Respondents who chose the “Other” option and those who made free text comments said to reduce member allowances	Option 6 was ‘other’, and 7% of all replies suggested reducing allowances (which is 30% of all those that suggested an ‘other’). And 5.4% of all replies said to reduce senior staff pay. These choices were also reflected in the free text comments made by respondents.	4
The most prioritised people-based services are Older People Social Care, albeit Public Protection has risen sharply	Respondents were asked to tick three from seven services; Older People is top (19% - 21% last autumn). Public Protection is the biggest riser - it was second with 16%, up from 12% in autumn.	5, 6

Appendix D Summary: “How to address the budget gap?”

The two most prioritised community/ place-based service areas are Highways and Waste	Again, respondents were asked to tick three from seven. The two most ticked areas are materially ahead of the other five – Highways scored 21%, Waste Services 20%.	7, 8
Spend on the Young and Old, if there was an extra £1 to spend	Respondents had to choose just one option of fourteen on offer. The top two were Educational & Youth Services, and Older People Social Care. Public Protection was third.	9

The rest of this report is mostly tables giving more detail. See also Table 10 that analyses respondents by age, ethnicity, etc. The front page of this report lists all these tables.

How the consultation was undertaken

- It ran from 13 July to 9 August 2020 and was primarily delivered through the Council’s website. There were 13,908 page views made by 12,559 users. A press release was issued on 13 July. It achieved coverage in the following: BBC South East Today, Radio Kent, Isle of Thanet News, Canterbury Journal, Times of Tunbridge Wells, and Academy FM.
- Emails to promote the consultation went to a range of voluntary and community sector organisations, Kent Association for Local Councils, and over 3,000 people that have signed up to KCC’s consultation directory to hear about new consultations.
- It was also kindly promoted by Healthwatch Kent on their channels and with their forums for older people, mental health, physical disability, and Food Bank.
- Hard copies and alternative formats were also publicised through the press release, with a telephone number, Text Relay facility and email address.
- An easy read version of the consultation document and questionnaire was available. We received two submissions in this format.

Key message: Kent residents are 76% of respondents**1**

Respondents by type

Nos	%	
1,458	75.9	As a Kent Resident
341	17.8	As a KCC employee (Kent Resident)
36	1.9	As a KCC employee (non-Kent Resident)
21	1.1	As a Parish/District or County Councillor
19	1.0	On behalf of a charity, voluntary or community sector organisation (VCS)
12	0.6	As a resident from somewhere else, e.g. Medway
9	0.5	Other
8	0.4	As a Kent business owner
6	0.3	On behalf of an educational establishment, such as a school or college
6	0.3	On behalf of a Parish/Town/Borough/District Council in an official capacity
5	0.2	As a representative of a local community group or resident's association
1,921	100	Total

Key message: Facebook dominant**2**

How respondents heard about the Consultation

	Nos	%
Facebook	1,095	55
An email from KCC	291	15
Kent.gov.uk website	220	11
From a friend or relative	115	5.8
Other	90	4.5
Twitter	46	2.3
Newspaper	39	2.0
Voluntary or community sector organisation	34	1.7
District Council/Councillor	25	1.3
LinkedIn	14	0.7
Local KCC Councillor	14	0.7
Instagram	4	0.2
Total	1,905	100

Key message - 'Lobby Government for additional funds'

Options that respondents ticked

3

	Total	
	Nos that ticked it	% all respondents ⁽¹⁾
	Nos	%
Lobby Government for additional funds	1,399	73
Use General Reserves	917	48
Lobby Government to allow borrowing	629	33
Increase income sources	545	28
Identify savings	382	20
Other	220	11
Total	4,092	na
Average 'ticks' per respondent	2.1	

Note 1: the % is of all respondents, i.e. the total 1,921. So, for instance, 1,399/1,921 = 73%

Key message - 'Reduce your Member allowances and senior staff pay'

Top ten 'Other Options' - respondents' suggestions

4

We have grouped comments into themes	% age of		
	Nos	Total replies	Replies that gave 'Other options'
Reduce Member allowances	134	7.0	30
Reduce senior staff pay	103	5.4	23
Make efficiency savings (same service at lower cost)	92	4.8	21
Property savings e.g. from home working	32	1.7	7
Reduce capital spend (abort certain projects)	16	0.8	4
Better commissioning	16	0.8	4
Restructuring of local government	15	0.8	3
Council Tax increases	15	0.8	3
Introduce or raise fees and charges	15	0.8	3
Seek full reimbursement from government for costs relating to Unaccompanied Asylum Seeking Children	10	0.5	2
Total	448	na	na

Note re Key Message: Following consultation feedback, Member allowances will be considered at the County Council meeting on 10 September. Our senior staff, as with all KCC staff are employed under formal contracts of employment, the terms of which include an annual review of salary which is next due in April 2021. Our pay levels are reviewed annually to maintain an appropriate position in the employment market so that we are able to recruit and retain the best possible individuals for all of our roles. All staff receive the same terms and conditions irrespective of their grade, there are no bonus schemes. The details of all those earning over £50k are transparently reported on our website.

Key message - Public Protection up a lot from before

'People'-based service areas - respondents' top 3 choices

5

	Now	Autumn 2019	Change
	%	%	%
Older People Social Care (65+)	19	21	-2.6
Public Protection	16	12	3.7
Children's Social Care	16	18	-2.4
Educational and Youth Services	16	16	-0.2
Adult Social Care (18-64)	13	11	2.1
Early Help	11	9	1.4
Social Support	9	11	-2.1

The People service areas (for info)

Adult Social Care (18-64): We support 12,900 adults to live independently at home and access services in their community, including helping people with learning disabilities, mental health, sensory (deaf/blind) and physical disability. We also provide placements in residential and nursing care homes for people with long term, complex needs.

Social Support: We help people with issues such as homelessness, drugs and alcohol, domestic abuse or those going through a crisis. We provide advice for 152,000 carers to help families and carers find the support they need. We provide help to people who may feel lonely or isolated. We support people to do more for themselves at home, by learning or re-learning skills to make them feel safe, happy and live a fulfilled life.

Older People Social Care (65+): We help 20,700 older people. This includes support to help older people live safely and independently at home (e.g. help with daily tasks) and provide day care services to help older people enjoy a good quality life. When people need more support or end of life care, we provide 5,300 placements in residential and nursing care homes.

Public Protection: We work with partners such as District Councils and Kent Police on community safety issues (e.g. crime, gangs, domestic abuse). Our Community Wardens cover 128 communities, tackling antisocial behaviour and encouraging communities to work together. We also have responsibilities to support communities to be prepared for emergency and planned events such as disasters, floods and Brexit and Trading Standards work to tackle rogue traders, scams, promote trusted traders and keep goods safe. We also deliver the coroners' services to investigate deaths and hold inquests.

Early Help: We have 84 children's centres which are open to all children and families to access activities, support and advice (e.g. weigh clinics, parenting classes). We want to provide the right support for families at an early stage, to prevent problems getting worse and to stop children going into social care.

Children's Social Care: We support children and families in communities find the right fostering and adoption placements and currently look after 1,600 children in care. We help 1,700 care leavers find the right education, training and housing opportunities up to the age of 25. We help children with complex social care needs, such as physical and learning disabilities and mental health, with additional support to live at home, in their community or in residential placements.

Educational and Youth Services We support children to be ready for school, working with nurseries and pre-schools to provide quality childcare places. We work with 583 primary, secondary and special schools, so that all children can access a school place that meets their needs. We work with schools to ensure they deliver quality education and improve standards. We help children who need support with complex issues such as special educational needs and disability, emotional wellbeing, attendance and behaviour services and young offenders. We provide activities for young people including youth groups and youth workers.

Key message - please safeguard the elderly / vulnerable

Reasons for 'People' choices

6

(We have grouped similar comments into themes)

	No's	%
Safeguard elderly/vulnerable adults	612	27
Maintain and invest in Child/Youth Services & Family support	389	17
Improve and maintain public safety, including policing, trading standards and community wellbeing	329	14
Education & the need to support future generations in the wake of COVID-19	319	14
Early Intervention - "Invest to save". Invest resources in early intervention and prevention to avoid more expensive costs in the future	283	12
Concern of COVID-19 impact on future service offer	68	3
Already underfunded services so need to be a future priority	51	2
Maintain and increase support for the homeless and those with addictions	48	2
Improving the provision and funding in support of children and young people with Special Educational Needs and Disabilities	39	2
Improve, empower and safeguard vulnerable lives going through crises and hardship via provision of Social Support services	38	2
Utilise the voluntary and community sector to provide services and alleviate KCC budget pressure	36	2
Social Care budgets are too high - some families could do more to support their elderly/young	24	1
Concerns around capacity to serve an aging population	22	1
Relieve NHS burden	17	1
Maintain/ increase Community Warden presence	17	1
Anticipate future demand and collaborate between services to streamline costs	8	0.3
Maintain and increase support for fostering system	7	0.3
TOTAL	2,307	100

What respondents said – examples

“It is very important that we support the vulnerable members of society as well as the wider community as we recover from the impact of COVID-19”

“Early Years is THE most important for life. Young people cannot help themselves so are next most in need of support. We all deserve to stay safe.”

“It's a really difficult choice. I tried to think of who would be most in need and who would be most vulnerable but in reality, they're all vital services”

“Educational and Youth services are so vital to our local communities as they give safe spaces to youth and also help provide with counselling services and helps youth express themselves.”

“Public protection issues have been magnified during the pandemic and many people had been facing issues relating to scams and financial abuse. Also, much of the new regulations that was put forward by central government, was down to the public protection team and Trading Standards to go out and enforce. They have been at the fore front of this pandemic crisis.”

“If we ‘invest’ in our children, we are likely to reduce the bill on a longer- term basis. If we work with our families as an early intervention, we will reduce the bill for the future. If we do all of these, it will ‘free up’ funding for social care and adult services as well.”

Key message - Highways, waste and recycling matter

'Community/Place' service areas - respondents' top 3 choices

7

	Now	Autumn 2019	Change
	%	%	%
Highways	21	22	-1.1
Waste Services	20	18	2.3
Environment Services	16	18	-1.3
Transport Services	13	16	-2.5
Regeneration & Economic Development	12	11	1.6
Community Services	9	7	1.5
Libraries, Registration & Archives	9	9	-0.6

The Community/ Place service areas (for info)

Environment Services: We enhance and protect Kent's natural environment for everyone to enjoy. This includes our 9 Country Parks, over 6,000km of public rights of way, areas of outstanding natural beauty and natural habitats such as woodlands, coastline and wetlands. We also look to the future, tackling issues such as climate change, green energy opportunities and protecting heritage conservation. We deliver flood protection and defend coastal erosion.

Highways: We manage over 8,500km of highways, 5,000km of pavements, 120,000 streetlights and maintain other assets like bridges, road signs and drains. We work with districts/parishes to manage grass, trees and weeds next to our highways. We fix potholes and deliver a winter service to keep roads gritted and safe in bad weather. We're also responsible for road safety, working with partners to prevent accidents and deaths on Kent's roads. We're not responsible for motorways and major A roads which are the responsibility of Highways England.

Community Services: We provide services which are important for the wellbeing of our communities and residents. Our culture, arts and sports services work with many schools, a range of providers including Turner Contemporary, local sports and arts groups and we support festivals and work with partners to bring major events to the county such as Open Golf in 2021. We deliver adult education, supporting people to develop new skills. Our Gateways and contact centres help people get in touch with the council, and work with other partners to provide advice or support to resolve queries or issues online, on the phone or face to face.

Libraries: Registration and Archives We have 99 libraries, a mobile library service and support for older and vulnerable people to access library services at home. In addition to reading and learning opportunities, libraries also provide community activities such as baby bounce and rhyme, dementia friendly libraries and summer reading challenges. We also host archives and history projects to protect Kent's cultural heritage and deliver registration of births, deaths and marriages.

Regeneration and Economic Development:

These services focus on regeneration of local areas and creating the right conditions for the economy to grow. We work with different types of businesses, colleges, universities and other partners to ensure we have the right skills, infrastructure and job opportunities for the future. We also promote apprenticeships to provide new training and work opportunities. We work with international, national and regional partners to attract funding to support key projects that will support growth, support our tourism sector as well as local food producers, provide loans for new businesses and tackle empty properties.

Waste Services: We are responsible for disposing of waste and providing the Household Waste Recycling Centres. District Councils are responsible for on-street collections. We work closely with districts on issues such as recycling, composting and fly tipping.

Transport Services: These services are about travel, not physical roads and highways. We have responsibility for transport planning to ensure the right networks are there to support growing communities. This includes active travel options such as walking and cycling. We subsidise bus travel and concessionary fares (discount rates for older people and people who need support with travel costs) and maintain bus routes for isolated and rural communities which older, younger and vulnerable people may depend on. We assist young people to travel to school with the Kent Travel Saver card and help pupils with special educational needs to travel to and from school

Key message - Highways, waste and recycling matter

8

Reasons for Community/Place choices

(We have grouped similar comments into themes)

	No's	%
Improve quality & safety of highways network	420	18
Fund waste & increase recycling	388	17
Improve the environment	324	14
Improve mobility/reduce car use via public transport services	297	13
Invest in regeneration - "sow seeds for a healthy economy"	247	11
Maintain library services	198	9
Improve Kent health and lifestyle via public open spaces	168	7
Promote & invest in community & cultural services & support	141	6
Increase, improve and promote alternative, healthier and greener travel options	77	3
Reduce/ review library services	23	1
Utilise voluntary and community sector to provide services and alleviate KCC budget pressure	17	1
Increase charges for some services, such as Libraries and Transport	11	0.5
Concerns around increased housing and lack of infrastructure to cope with it	9	0.4
Invest in apprenticeships	8	0.3
Alternative freight entry points to Kent (i.e. further north) to reduce traffic	1	0.04
TOTAL	2,329	100

What respondents said – some examples

“Highways are vital to maintain for the infrastructure of Kent to ensure that we can re-build our economy following this pandemic.”

“Far too much money is spent on the road network. We're on the brink of environmental catastrophe; we need to invest in green stuff now!”

“Waste - A public health issue. Important that we seek to minimise landfill and maximise the potential income that waste can provide.”

“We should all be encouraged to use forms of transport other than cars and the environment is in danger - if we don't look after it, it won't be there for future generations. we have an opportunity now to do things differently”

“Libraries are important community hubs and visited by many, many people regularly. They are both meeting points and sources of lifelong, life-changing learning. They enable access to essential online services to those who don't have access to the internet, either due to poverty, fear, or being homeless.”

“KCC have to ensure the land management woodlands, parks, public rights of way are accessible to all for mental health and wellbeing but also for the long-term sustainability of our beautiful county.”

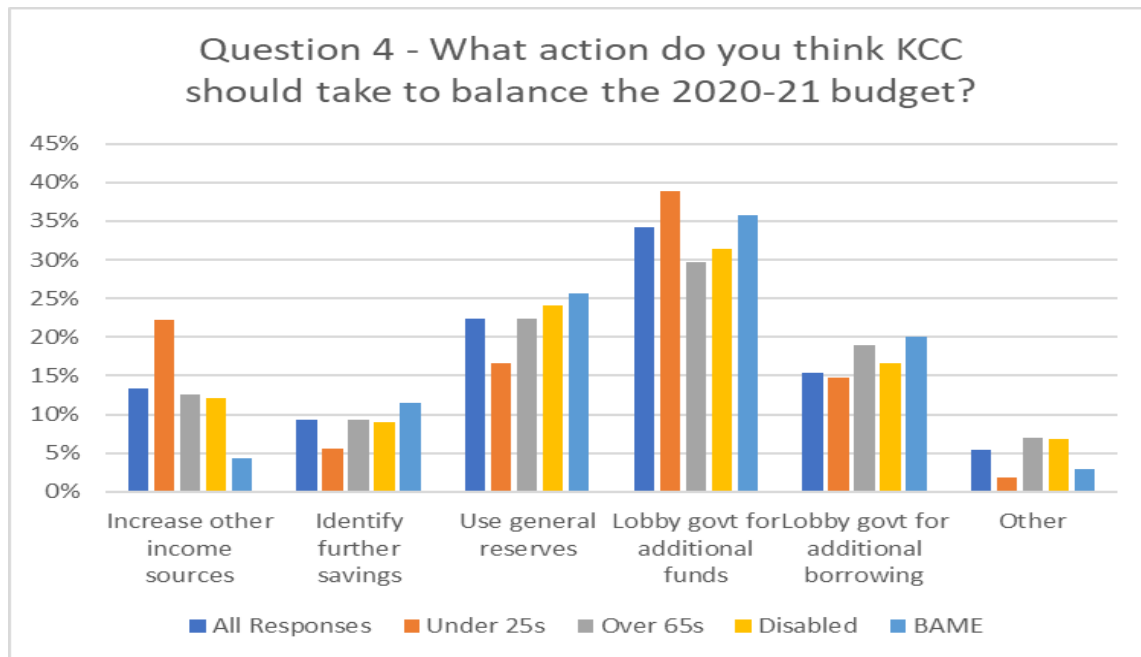
'Support the young and old'

9

Spending priorities of respondents - "If you had an extra £1, where would you spend it?"

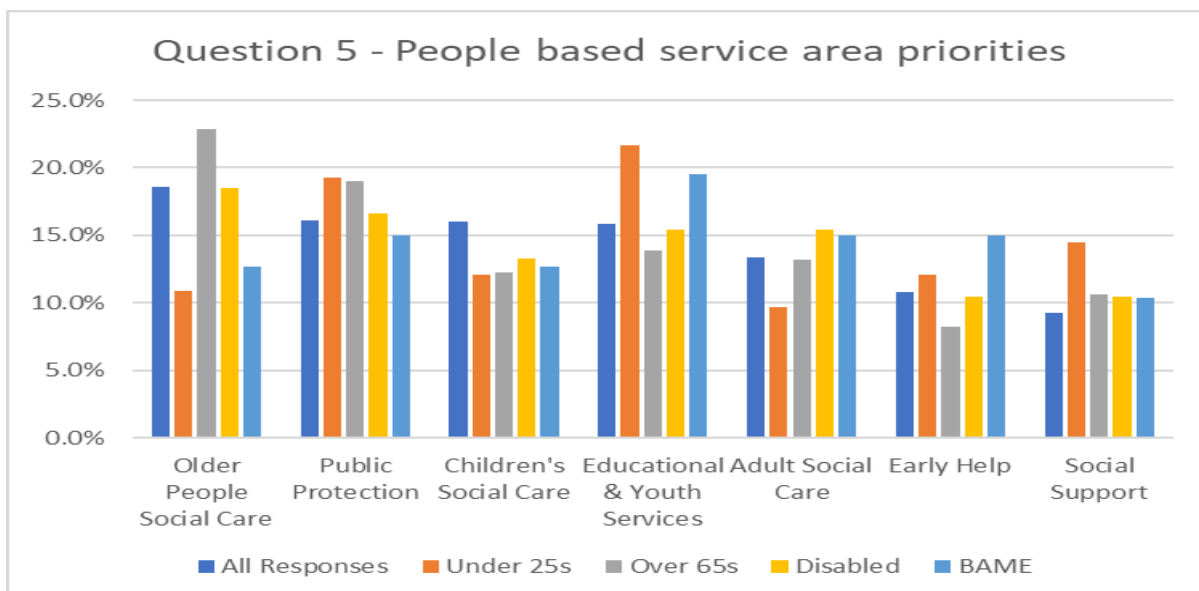
	%
Education & Youth Services	14
Older People Social Care	13
Public Protection	12
Children's Social Care	10
Early Help	10
Environment Services	7.8
Regeneration and Economic Development	7.5
Adult Social Care	6.5
Highways	5.5
Transport Services	3.3
Libraries, Registration and Archives	3.1
Community Services	2.9
Social Support	2.7
Waste Services	2.5
TOTAL	100

How people answered – split by Under 25, Over 65, disable and BAME (BAME stands for Black, Asian and Minority Ethnic and is defined as all ethnic groups except White ethnic groups)



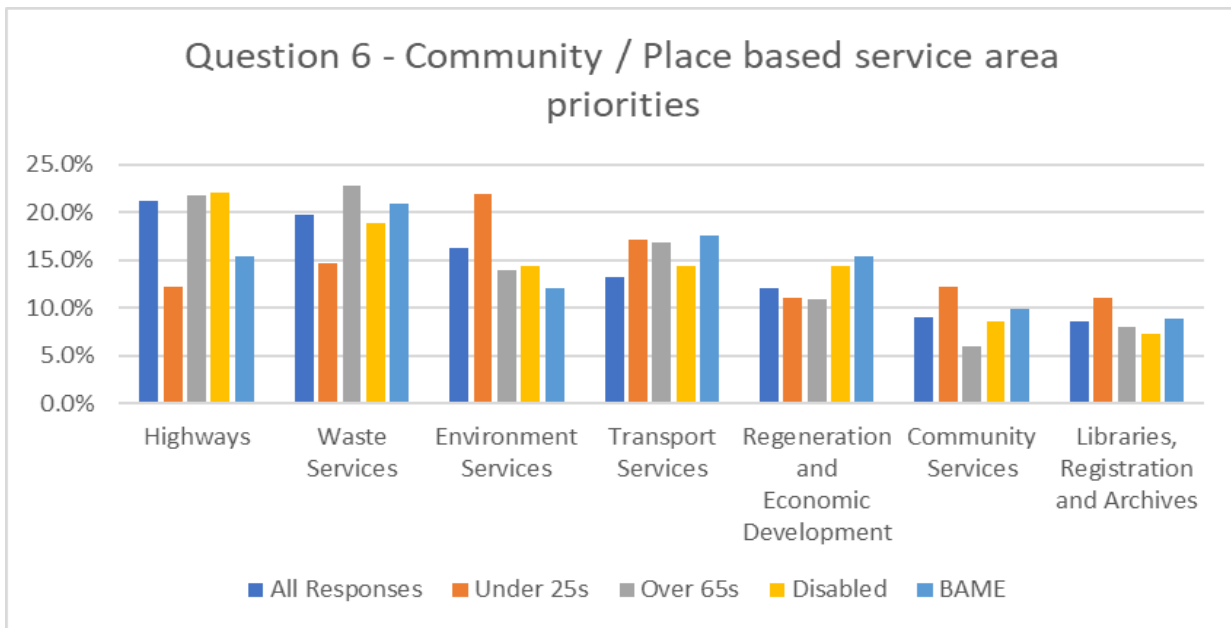
Action to balance the budget

The responses from the different protected groups are broadly similar to all responses. The only noticeable exceptions are from the under 25’s who are more supportive of increases to fees and charges to generate additional income, and less supportive of identifying further savings and using general reserves.



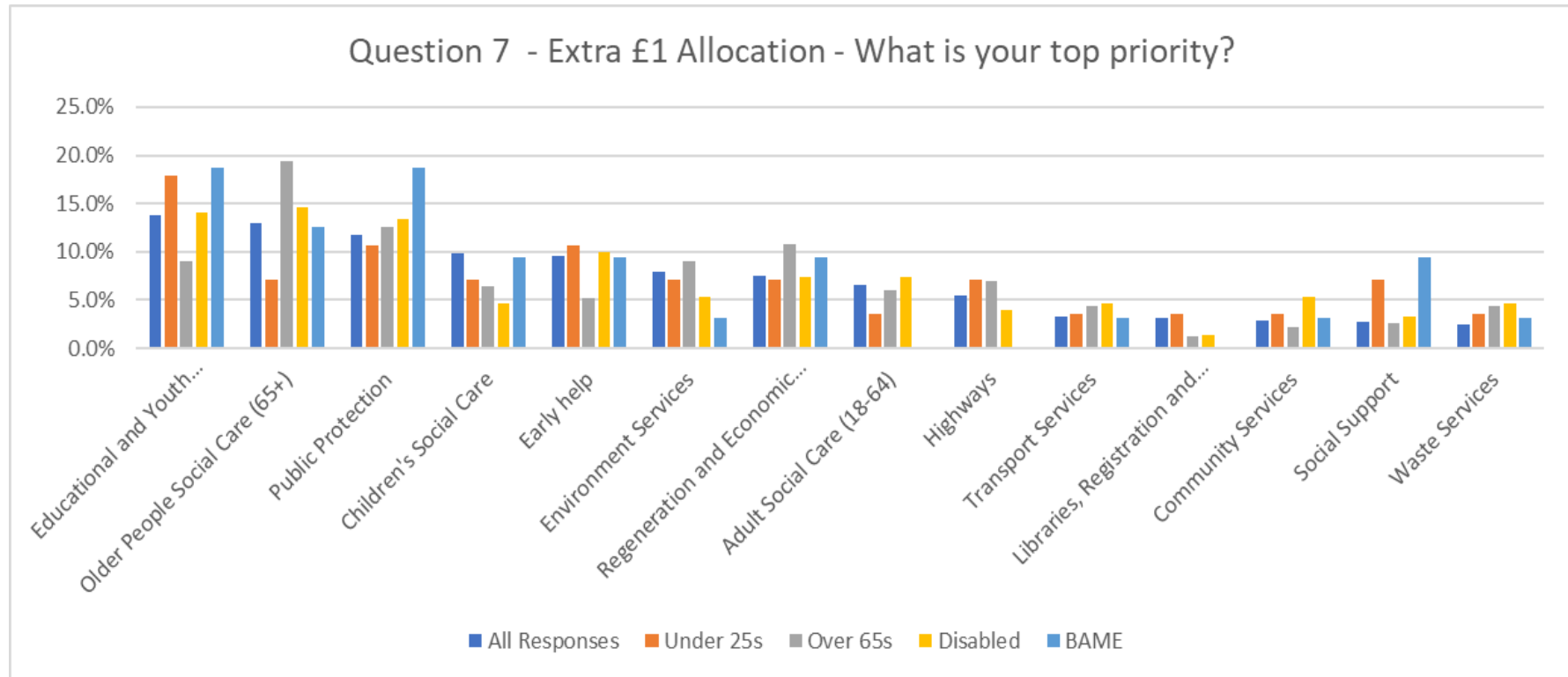
People-based priorities

A higher percentage of Over 65’s included Older People Social Care in their top three, although this was less of a priority for those under 25 and the BAME group. Educational and Youth Services were most popular with the Under 25’s and the BAME group. Early Help was most popular with the BAME group.



Community/place-based service area priorities

Environment Services were most popular with Under 25’s. Both the Disabled and the BAME responses were higher than all responses for Regeneration and Economic Development, whilst Highways was most popular with Over 65’s and the Disabled group. Waste Services were most popular with Over 65’s.



£1 extra spend

A higher percentage of the BAME group selected Public Protection as their top priority compared with the other groups.

How people answered - split by Under 25s, Over 65s, Disabled, BAME

Question 4 – What action do you think KCC should take to balance the 2020-21 budget?

All Responses	%	Under 25s	%	Over 65s	%	Disabled	%	BAME	%
Lobby govt for additional funds	34	Lobby govt for additional funds	39	Lobby govt for additional funds	30	Lobby govt for additional funds	31	Lobby govt for additional funds	36
Use general reserves	22	Increase other income sources	22	Use general reserves	22	Use general reserves	24	Use general reserves	26
Lobby govt – additional borrowing	15	Use general reserves	17	Lobby govt - additional borrowing	19	Lobby govt - additional borrowing	17	Lobby govt - additional borrowing	20
Increase other income sources	13	Lobby govt - additional borrowing	15	Increase other income sources	13	Increase other income sources	12	Identify further savings	11
Identify further savings	9	Identify further savings	6	Identify further savings	9	Identify further savings	9	Increase other income sources	4
Other	5	Other	2	Other	7	Other	7	Other	3

Question 5 – People based service area priorities

All Responses	%	Under 25s	%	Over 65s	%	Disabled	%	BAME	%
Older people Social Care	19	Educational & Youth	22	Older people Social Care	23	Older people Social Care	18	Educational & Youth	20
Children's Social Care	16	Public Protection	19	Public Protection	19	Public Protection	17	Adult Social Care	15
Educational & Youth	16	Social Support	14	Educational & Youth	14	Adult Social Care	15	Early Help	15
Public Protection	16	Children's Social Care	12	Adult Social Care	13	Educational & Youth	15	Public Protection	15
Adult Social Care	13	Early Help	12	Children's Social Care	12	Children's Social Care	13	Children's Social Care	13
Early Help	11	Older people Social Care	11	Social Support	11	Early Help	10	Older people Social Care	13
Social Support	9	Adult Social Care	10	Early Help	8	Social Support	10	Social Support	10

Question 6 – Community / Place based service area priorities

All Responses	%	Under 25s	%	Over 65s	%	Disabled	%	BAME	%
Highways	21	Environment Services	22	Waste Services	23	Highways	22	Waste Services	21
Waste Services	20	Transport Services	17	Highways	22	Waste Services	19	Transport Services	18
Environment Services	16	Waste Services	15	Transport Services	17	Environment Services	14	Highways	15
Transport Services	13	Highways	12	Environment Services	14	Regeneration and Economic Development	14	Regeneration and Economic Development	15
Regeneration and Economic Development	12	Community Services	12	Regeneration and Economic Development	11	Transport Services	14	Environment Services	12
Community Services	9	Regeneration and Economic Development	11	Libraries, Registration and Archives	8	Community Services	9	Community Services	10
Libraries, Registration and Archives	9	Libraries, Registration and Archives	11	Community Services	6	Libraries, Registration and Archives	7	Libraries, Registration and Archives	9

Page 106

Question 7 – Extra £1 Allocation – What is your top priority?

All Responses	%	Under 25s	%	Over 65s	%	Disabled	%	BAME	%
Educational and Youth Services	14	Educational and Youth Services	18	Older People Social Care (65+)	19	Older People Social Care (65+)	15	Educational and Youth Services	19
Older People Social Care (65+)	13	Early help	11	Public Protection	13	Educational and Youth Services	14	Public Protection	19
Public Protection	12	Public Protection	11	Regeneration and Economic Development	11	Public Protection	13	Older People Social Care (65+)	13
Children's Social Care	10	Older People Social Care (65+)	7	Educational and Youth Services	9	Early help	10	Social Support	9
Early help	10	Social Support	7	Environment Services	9	Adult Social Care (18-64)	7	Children's Social Care	9
Environment Services	8	Children's Social Care	7	Highways	7	Regeneration and Economic Development	7	Early help	9
Regeneration and Economic Development	8	Environment Services	7	Children's Social Care	6	Environment Services	5	Regeneration and Economic Development	9
Adult Social Care (18-64)	7	Highways	7	Adult Social Care (18-64)	6	Community Services	5	Environment Services	3
Highways	6	Regeneration and Economic Development	7	Early help	5	Children's Social Care	5	Waste Services	3
Transport Services	3	Adult Social Care (18-64)	4	Waste Services	4	Waste Services	5	Community Services	3
Libraries, Registration and Archives	3	Waste Services	4	Transport Services	4	Transport Services	5	Transport Services	3
Community Services	3	Community Services	4	Social Support	3	Highways	4	Adult Social Care (18-64)	-
Social Support	3	Libraries, Registration and Archives	4	Community Services	2	Social Support	3	Highways	-
Waste Services	3	Transport Services	4	Libraries, Registration and Archives	1	Libraries, Registration and Archives	1	Libraries, Registration and Archives	-

BAME stands for Black, Asian and Minority Ethnic and is **defined** as all ethnic groups except White ethnic groups

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From: Peter Oakford – Deputy Leader with Cabinet responsibility for Minerals and Waste Local Plan Matters

Barbara Cooper, Corporate Director for Growth, Environment and Transport

To: County Council – 10th September 2020

Decision No:

Subject: Adoption of the Kent Mineral Sites Plan and modifications to the Kent Minerals and Waste Local Plan 2013 – 2030 resulting from the Early Partial Review

Classification: Unrestricted

Past Pathway of Paper: Environment and Transport Cabinet Committee – July 2020
Cabinet – July 2020

Future Pathway of Paper: N/A

Electoral Division: Countywide

Summary:

This report seeks the adoption of the Early Partial Review (EPR) of the Kent Minerals and Waste Local Plan and the Mineral Sites Plan (MSP) following independent examination by an Inspector appointed by the Secretary of State. These Plans form part of the Development Plan against which planning applications are determined.

Following the Council's adoption of the Kent Minerals and Waste Local Plan 2013-30 (KMWLP) in 2016, work has been undertaken to prepare the associated Kent Minerals Sites Plan and an Early Partial Review of the KMWLP to reflect amongst other matters that a Waste Sites Plan is not required.

The MSP allocates sites considered suitable in principle for mineral development. Identification of three sites in the MSP followed a call for sites, site appraisal work and public consultation. The EPR modifies the KMWLP such that Council's commitment to the preparation of a Waste Sites Plan is removed which follows a reassessment of future waste management capacity requirements in Kent. Implementation of KMWLP policies concerning mineral and waste safeguarding also identified the need for modifications to improve their effectiveness and this formed part of the EPR.

Following consideration by Environment and Transport Cabinet Committee on 28 November 2018, County Council agreed to the publication of 'Pre-Submission' Drafts of the EPR and the MSP for a statutory period for representations between January and March 2019. A total of 405 representations were received and these were submitted, with the Plans and related evidence base, to the Secretary of State for independent examination. The examination was required to ensure that the Plans are sound and prepared in

accordance with statutory requirements relating to plan-making. On Tuesday 8 October 2019, Planning Inspector Nicholas Palmer BA (Hons) BPI MRTPI commenced hearings associated with the independent examination which ran for four days over a two-week period. During the examination the Inspector identified the need for certain modifications and these were subject to public consultation.

On 23 April 2020 the Council received the Inspector's Report (see Appendix A) which concludes that, subject to modifications, the Plans are sound and legally compliant. Following receipt of the Inspector's Report, Council is now able to adopt the Plans subject to the modifications being made. The modifications clarify the wording of certain policies and confirm safeguards to the environment and communities associated with mineral development at the allocated mineral sites.

Development (mineral extraction) at sites allocated in the Minerals Sites Plan is subject to the Council granting a separate planning permission in response to a planning application from a mineral operator.

Following adoption, the MSP and policies of the KMWLP (as modified) will be monitored to assess whether they are being effective in meeting the KMWLP objectives on waste management and minerals supply. The results of the monitoring will be published annually in the Kent Annual Monitoring Report.

Plans are subject to a statutory formal review every five years and so a review of KMWLP policies not subject to the Early Partial Review needs to be completed by July 2021.

Recommendation(s):

County Council is asked to:

- (i) Consider the Inspector's Report (see Appendix A) on the examination of the EPR and MSP and note and accept his recommended modifications;
- (ii) note the content and recommendations of the Sustainability Appraisals of the EPR and MSP; and
- (iii) **adopt** the Kent Mineral Sites Plan and modifications to the Kent Minerals and Waste Local Plan (as set out by the Early Partial Review) (as modified) as set out in Appendices B and C respectively

In addition to:

- (iv) delegate powers to the Corporate Director for Growth, Environment & Transport to approve any non-material changes to the text of the MSP and modifications to the KMWLP (as set out by the Early Partial Review) in consultation with the Deputy Leader prior to publication.
- (v) note and agree the future work activities on mineral and waste planning activities as set out in para 6.5 as the basis for a revised Local Development Scheme

1. Introduction and Background

- 1.1 The Kent Minerals and Waste Local Plan 2013-30 (KMWLP) was adopted by the County Council in July 2016 as part of the Council's statutory responsibility to plan for

future minerals supply and waste management within Kent. This KMWLP forms part of the Development Plan and is a key policy document for the determination of planning applications. The KMWLP sets out the County Council's strategy and policy framework for minerals and waste development in Kent which includes future capacity and supply requirements. The adopted KMWLP commits the Council to identifying and allocating land considered suitable for minerals and waste development in a subsequent Waste Sites Plan and a Minerals Sites Plan.

- 1.2 An Early Partial Review of the KMWLP was embarked upon following monitoring of future waste capacity requirements in Kent that indicated that a Waste Sites Plan that allocated specific sites for waste management activity was no longer required. In addition, experience of implementing the KMWLP policies regarding mineral and waste safeguarding had revealed ambiguity in the wording of certain of their exempting criteria which was hindering the effectiveness of the policies. It was agreed that modifications were necessary to address this ambiguity.
- 1.3 Monitoring of mineral supply and demand indicated that a Mineral Sites Plan was still needed to identify sites suitable for meeting future requirements for sand and gravel.
- 1.4 Work on the Early Partial Review and the Minerals Sites Plan involved technical assessment and public consultation on draft proposals. Final proposals were considered by the Environment and Transport Cabinet Committee on 28 November 2018. At this meeting the Committee requested the County Council to approve and publish Pre-Submission Drafts of the Kent Mineral Sites Plan and the Early Partial Review of the Kent Minerals and Waste Local Plan for a statutory period of representations on soundness and legal compliance and to submit the Draft Plans to the Secretary of State for independent examination. Following consideration, the Cabinet Member responsible for the Local Plan took the decision to bring this resolution into effect.
- 1.5 Preparation of the Minerals Sites Plan is consistent with Policy CSM2 of the KMWLP that expects the Mineral Sites Plan to allocate sites for soft sand and for sharp sand and gravel based upon the most recent calculations of requirements set out in the Council's Local Aggregates Assessment. To ensure that Kent is planning for sufficient requirements to the end of the Plan period, a review of need was undertaken. This identified a soft sand need of 2.5mt and a sharp sand and gravel need of 5.75 mt. However, it should be noted that the adopted KMWLP recognises that sharp sand and gravel resources in Kent are rapidly depleting. Policy CSM2 of the KMWLP therefore recognises that the need for sharp sand and gravel requirements can only be met whilst resources allow. In light of the greater abundance of soft sand resources there is no similar policy test for soft sand requirements.
- 1.6 The submitted Kent Mineral Sites Plan allocated three sites for sand and gravel extraction as follows:
 - Extension to Stonecastle Farm Quarry, Hadlow (sharp sand and gravel)
 - Land at Moat Farm, Five Oak Green (sharp sand and gravel)
 - Chapel Farm (West), Lenham (soft sand)
- 1.7 The allocations of sites in the Mineral Sites Plan does not necessarily mean that mineral extraction will take place in these locations. A mineral operator(s) will need to

submit a detailed planning application to the County Council and obtain planning permission.

- 1.8 A total of 405 representations were received on the Pre-Submission documents and were considered by an independent planning inspector appointed by the Secretary of State to examine the soundness of the Minerals Sites Plan and the modifications to the KMWLP proposed by the Early Partial Review (in accordance with relevant planning policy and guidance). The National Planning Policy Framework (NPPF) defines a 'sound' local plan as one that is:
- a) Positively prepared – provides a strategy which, as a minimum, seeks to meet the area's objectively assessed need;
 - b) Justified – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;
 - c) Effective – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and,
 - d) Consistent with national policy – enabling the delivery of sustainable development in accordance with the policies in the NPPF.
- 1.9 The independent examination also considers whether Local Plans are sound and have been prepared in accordance with plan making legislation.
- 1.10 The independent examination included public hearings which ran for four days in October 2019. During the examination the Inspector identified the need for modifications in light of comments made when the Plans had been published for representations and matters identified by the Inspector himself. The text of the modifications was discussed with the Council and those making representations during the hearings. Following the hearings, the proposed modifications were published for representations over an eight-week period from Tuesday 19 November 2019 to 14 January 2020. Forty-six representations were received during the consultation which were considered by the Inspector but these did not result in any further changes. The Council received the report of the Inspector on 23 April 2020 and this report provides a summary and details of next steps.

2. The Inspector's Report

- 2.1 The Inspector's Report is included in Appendix A and this confirms that, subject to modifications, the submitted Kent Mineral Sites Plan and Kent Minerals and Waste Local Plan Early Partial Review are 'sound' and have been prepared in accordance with statutory plan making requirements.
- 2.2. The modifications are set out in Appendices 1 and 2 of the Inspector's Report with justification included in the body of his report. The modifications are summarised as follows:
- Removal of commitment in the KMWLP to allocate sites for clay and chalk extraction. Evidence presented by the Council demonstrated that there are sufficient reserves of chalk and clay over the plan period and so there is no need to allocate specific sites for the working of such minerals;

- Addition of supporting text to policy on mineral safeguarding in the KMWLP (Policy DM7) to clarify and provide guidance on how the modified policy should be implemented;
- changes to the supporting text concerning existing KMWLP policy (CSW5) on the strategic allocation of Norwood Quarry as a site for the landfill of air pollution control residues (from energy for waste plants) to ensure the supporting text is consistent with the policy;
- addition of a footnote to supporting text to policy CSW7 on the need for waste recovery facilities to ensure the definition of recycling is clear;
- changes to the 'Development Management Criteria' provided for each allocated mineral site intended to signpost matters needing particular attention to minimise risk of unacceptable adverse impacts on the environment and communities. The modifications covered the following matters:
 - Highlighting the need for 'net gains' in biodiversity as a result of the development consistent with revisions to the NPPF;
 - Noting proximity of Stonecastle Farm and Moat Farm to the green belt and hence the need for proposals to be consistent with the green belt policy in the KMWLP (Policy DM4)
 - Signposting need for proposals at all sites to fully consider heritage impacts, in accordance with national policy (and Policies DM5 and DM6 of the KMWLP);
 - The need for any proposals for development at Moat Farm to fully assess potential impacts on water resources at Moat Farm, and necessary mitigation (consistent with the criteria included for the Extension to Stonecastle Farm and with Policy DM10 of the KMWLP);
 - Specific requirements concerning the access to Moat Farm to minimise unacceptable adverse impacts on local roads (consistent with Policy DM13 of the KMWLP);
 - Strengthened requirements for biodiversity, public rights of way and landscape considerations at Chapel Farm (consistent with Policies DM3, DM14 and DM2 (respectively) of the KMWLP); and
 - Clarification regarding the commencement of working at Chapel Farm to minimise the risk of unacceptable cumulative impacts occurring as a result of operations at the existing nearby Burleigh Farm site (consistent with Policies DM12 and DM13 of the KMWLP).

2.3 The modifications are taken into account in the text of the Plans provided in Appendices B and C of this report. Importantly, the modifications do not alter the objectives or intentions of policy or change the sites proposed for allocation. The reports in these appendices will upon adoption become the published Mineral Sites Plan and the revised Kent Minerals and Waste Local Plan Strategy upon which planning decisions in the County will be determined. Appendix D provides details of the changes to the currently adopted KMWLP.

2.4 Some minor non-material changes (e.g. formatting and correction of minor grammatical errors) (known as 'Additional Modifications') were identified as necessary and also published for information alongside the modifications. Further such changes may also be needed following adoption and these changes would only be made following agreement by the Deputy Leader with delegated authority for Minerals and Waste Local Plan Matters.

3. Strategic environmental assessment and sustainability appraisal

- 3.1 During their preparation, the Mineral Sites Plan and Early Partial Review has been subject to sustainability appraisal (SA) (incorporating strategic environmental assessment (SEA)). The SA reports provide assessments of impacts (both beneficial and detrimental) on environmental, social and economic objectives which are expected to arise from development consistent with the Mineral Sites Plan and Early Partial Review. The SA also considered reasonable alternatives to the proposals in the Minerals Sites Plan and Early Partial Review. The recommendations from the SA were taken into account as the Plan was prepared.
- 3.2 A non-technical summary of each SA prepared of the Kent Mineral Sites Plan and Early Partial Review (with modifications recommended by the Inspector) are included in Appendix E and Appendix F. The full SA reports are available on the Council's website [here for the MSP](#) and [here for the EPR](#).

4. Adoption

- 4.1 In accordance with Section 23 (3) of the Planning and Compulsory Purchase Act 2004, having received a report confirming the soundness and legality of the Minerals Sites Plan and the modifications to the KMWLP proposed by the Early Partial Review, provided the Council makes the modifications recommended by the Inspector, it may now adopt the Minerals Sites Plan and Early Partial Review as updated planning policy for minerals supply and waste management in Kent.
- 4.2 The new and revised policy will be used by the County Council when determining planning applications related to proposals for waste management and minerals supply. The updated policies concerning mineral and waste safeguarding will also be used by District and Borough Councils when determining applications for non-waste and mineral development.

5. Consideration by Environment and Transport Cabinet Committee and Cabinet

- 5.1 Similar papers were considered by Environment and Transport Cabinet Committee (ETCC) on 17th July 2020 and Cabinet on the 20th July 2020. Both resolved to note the Inspector's Report on the examination of the EPR and MSP and his recommended modifications, along with the recommendations of the associated Sustainability Appraisals. With the exception of one Member, ETCC and Cabinet resolved to request County Council to accept the modifications recommended by the Inspector to the Kent Mineral Sites Plan and the modifications to the Kent Minerals and Waste Local Plan (as set out by the Early Partial Review) and to adopt the Kent Mineral Sites Plan and the Kent Minerals and Waste Local Plan (as set out by the Early Partial Review).
- 5.2 Cabinet and Cabinet Committee also resolved to delegate powers to the Corporate Director for Growth, Environment and Transport to approve any non-material changes to the text of the MSP and modifications to the KMWLP (as set out by the Early Partial Review) in consultation with the Deputy Leader prior to their publication and to note and agree the future work activities on mineral and waste planning activities as set out in paragraph 6.5 of the report as the basis for a revised Local Development Scheme.

6. Next Steps

- 6.1 Prior to final publication of the documents, minor non-material changes (e.g. changes related to format and grammar) may be needed, and it is proposed if required that the agreement to such changes be delegated to the Corporate Director for Growth, Environment and Transport, in consultation with the Deputy Leader.
- 6.2 Following adoption there is a six-week period for legal challenges. To be successful any such challenge would need to demonstrate that the EPR and/or the Mineral Sites Plan has not been prepared in accordance with the relevant legislation.
- 6.3 In accordance with Regulation 26 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) stakeholders will be notified of the Council's adoption of the updated planning policy.
- 6.4 Once adopted, policies in the Plans will be implemented and monitoring will be undertaken to assess the effect of the policies. Legislation requires a review of planning policy every five years and so the outcome of a review of KMWLP policies not updated by the Early Partial Review will be required by July 2021.
- 6.5 Following adoption, further mineral and waste planning policy work will be required to meet statutory plan making requirements. These include updates to the Kent Minerals and Waste Safeguarding Supplementary Planning Document (SPD); a review and update of the Council's Statement of Community Involvement (SCI) which sets out engagement for planning application and plan making matters, along with the 5-year review of the Kent Minerals and Waste Local Plan 2013-30. The Kent Minerals and Waste Local Plan 2013-30 was adopted in July 2016 and the Council is statutorily required to review adopted planning policy at least every five years. The elements of the plan recently updated by the Early Partial Review will not require review until 2025. Further work as set out in Appendix G will form the basis of a revised Local Development Scheme. This new policy work will become the responsibility of Susan Carey as Cabinet Member for Environment, rather than Peter Oakford.

7. Financial Implications

- 7.1 The costs of preparing the Kent Mineral Sites Plan and the Early Partial Review of the MWLP are met from the Environment, Planning and Enforcement Division's budget.

8. Policy Framework

8. The Kent Mineral Sites Plan and the policies within the KMWLP itself support the County Council's corporate policies contained within the Council's Strategic Statement 'Increasing Opportunities, Improving Outcomes – Kent County Council's Strategic Statement 2015-2020'. The Minerals Sites Plan will support and facilitate sustainable growth in Kent's economy and support the creation of a high-quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being. Both the MSP and the EPR Plans support national planning policy and guidance.

9. Legal Implications

- 9.1 The County Council has a legal obligation under the Town and Country Planning Acts to prepare a statutory Development Plan for planning purposes (commonly known as the Local Plan).
- 9.2 The County Council is also required by national planning policy to ensure that local plans promote sustainable minerals and waste development. The Early Partial Review plays an important role in ensuring that minerals and waste development in Kent is in line with national planning policy.
- 9.3 There is an expectation by the Minister for Housing, Communities and Local Government that all planning authorities have an up to date Local Plan in place. Without an up to date adopted plan, there is a risk that central government will step in as the plan making authority, reducing local accountability.
- 9.4 During preparation, the Mineral Sites Plan and Early Partial Review has been the subject of Strategic Environmental Assessment in accordance with the Environmental Assessment of Plans and Programme Regulations 2004, and an Appropriate Assessment in accordance with the Conservation of Habitats and Species Regulations 2017.
- 9.5 The resulting Sustainability Appraisals and the Habitats Regulations Assessment were published for consultation and taken into consideration when making decisions with regard to the Mineral Sites Plan and Early Partial Review. These reports are available as background papers.

10. Equalities implications

- 10.1 An equality impact assessment (EQIA) has been completed and no equality implications have been identified. A copy of the assessment is attached at Appendix H. The earlier Local Plan work was accompanied by a separate EQIA.

11. Conclusion

- 11.1 The Town and Country Planning Acts requires the County Council to prepare a Development Plan setting out how mineral and waste planning matters will be considered in Kent. The KMWLP adopted in July 2016 sets out the overarching strategy and vision until 2030 and commits the County Council to preparing Mineral and Waste Sites Plans that allocate individual sites for development that align with the KMWLP strategy.
- 11.2 An Early Partial Review of the KMWLP has been undertaken that removes the commitment to prepare a Waste Sites Plan and improves the effectiveness of safeguarding policies. A Mineral Sites Plan has been prepared that allocates three sites for sand and gravel extraction.
- 11.3 Before the changes to the KMWLP and Mineral Sites Plan can be adopted the Council must receive a report from the Planning Inspectorate (on behalf of the Secretary of State) which states that they are sound and have been prepared in accordance with making legislation. This report follows an independent examination conducted by a Planning Inspector.

11.4 On 23 April 2020, the Council received the report of the Inspector who examined the changes to the KMWLP (proposed by the Early Partial Review) and Mineral Sites Plan and this states that the legislation was followed and that, subject to modifications that were promoted and considered during the examination, the changes and the Mineral Sites Plan are sound. The modifications strengthen and clarify policy in the Plans and do not propose changes to the sites included in the Mineral Sites Plan. Having received the Inspector's report, if the Council accepts the recommended modifications it can now adopt the Plans. Upon adoption, the two Plans will form an important part of the Development Plan against which planning applications are determined.

12. Recommendation(s):

County Council is asked to:

- (i) Consider the Inspector's Report (see Appendix A) on the examination of the EPR and MSP and note and accept his recommended modifications;
- (ii) note the content and recommendations of the Sustainability Appraisals of the EPR and MSP; and
- (iii) **adopt** the Kent Mineral Sites Plan and modifications to the Kent Minerals and Waste Local Plan (as set out by the Early Partial Review) (as modified) as set out in Appendices B and C respectively

In addition, County Council is asked to:

- (iv) delegate powers to the Corporate Director for Growth, Environment & Transport to approve any non-material changes to the text of the MSP and modifications to the KMWLP (as set out by the Early Partial Review) in consultation with the Deputy Leader prior to publication.
- (v) note and agree the future work activities on mineral and waste planning activities as set out in para 6.5 as the basis for a revised Local Development Scheme

13. Contact details

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Lead Director:

Stephanie Holt-Castle – Interim Director of Environment, Planning and Enforcement

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Appendix A:

Planning Inspector's Report on the Examination of the Kent Minerals and Waste Local Plan Early Partial Review and Kent Mineral Sites Plan including appendices

Appendix B:

Kent Mineral Sites Plan (as modified by the Inspector's recommendations) – the Plan for adoption

Appendix C:

Modifications to the Kent Minerals and Waste Local Plan as set out by the Early Partial Review (as modified by the Inspector's recommendations) - the Plan for adoption

Appendix D:

Changes to the adopted Kent Minerals and Waste Local Plan as a result of the EPR Plan

Appendix E:

Sustainability Appraisal of the Kent Mineral Sites Plan (as modified by the Inspector's recommendations) - Non-Technical Summary. The main document is available via this [hyperlink](#).

Appendix F:

Sustainability Appraisal of the Modifications to the Kent Minerals and Waste Local Plan as set out by the Early Partial Review (as modified by the Inspector's recommendations) - Non-Technical Summary. The main document is available via this [hyperlink](#).

Appendix G:

Kent Minerals and Waste Local Plan – Proposed Planning Policy Activities Post Adoption of Kent Mineral Sites Plan and Early Partial Review of Kent Minerals and Waste Local Plan 2013-30

Appendix H:

Kent Mineral Sites Plan (as modified by the Inspector's recommendations) and Modifications to the Kent Minerals and Waste Local Plan as set out by the Early Partial Review (as modified by the Inspector's recommendations) – Equality Impact Assessment

Background Documents

The supporting documents to the Mineral and Waste Local Plan work are available on the Council's website as part of the Examination library via this link [here](#).

The earlier report to Environment and Transport Cabinet Committee is available via this link [here](#).

By: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Traded and Corporate Services
Zena Cooke, Corporate Director of Finance

To: County Council – 10 September 2020

Subject: **TREASURY MANAGEMENT ANNUAL REVIEW 2019-20**

Classification: Unrestricted

Summary: To report a summary of Treasury Management activity in 2019-20

**FOR
INFORMATION**

INTRODUCTION

1. The Chartered Institute of Public Finance and Accountancy's Treasury Management Code (CIPFA's TM Code) requires that Authorities report on the performance of the treasury management function at least twice yearly (mid-year and at year end). At Kent County Council half yearly reports are made to the County Council and quarterly updates are provided to the Governance and Audit Committee. Members of the Treasury Management Advisory Group (TMAG) also receive monthly updates.
2. The Council's Treasury Management Strategy for 2019-20 was approved by full Council on 14 February 2019.
3. The council has both borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk.
 - a) Reports on the implications of treasury decisions and transactions;
 - b) Gives details of the outturn position on treasury management transactions in 2019-20;
 - c) Confirms compliance with its Treasury Management Strategy, Treasury Management Practices and Prudential Indicators.

EXTERNAL CONTEXT

4. The UK's exit from the European Union and future trading arrangements, had remained one of the major influences on the UK economy and sentiment during 2019-20. The Brexit deadline was finally extended to 31 January 2020. Politics played a major role in financial markets over the period as the UK's tenuous progress negotiating its exit from the European Union together with its future trading arrangements drove volatility, particularly in foreign exchange markets. The outcome of December's General Election removed a lot of the uncertainty and looked set to provide a 'bounce' to confidence and activity.

5. At the beginning of 2020 the global economy was entering a period of slower growth. Then coronavirus swiftly changed everything. In response to the spread of the virus and the sharp increase in those infected, Central banks and governments around the world cut interest rates and introduced massive stimulus packages in an attempt to reduce some of the negative economic impact to domestic and global growth.
6. The Bank of England which had held policy rates steady at 0.75% through most of 2019-20, moved in March to cut bank rates to 0.25% from 0.75% and then swiftly brought them down further to the record low of 0.1% which has been maintained since.
7. The UK government also introduced a number of measures to help businesses and households impacted by a series of ever-tightening social restrictions, culminating in pretty much the entire lockdown of the UK. The nationwide lockdown in late March effectively shut down almost the entire UK economy and these measures have continued with only some easing of restrictions at the end of May and into June.
8. GDP growth contracted by 2.2% in Q1 (Jan-Mar) 2020 pushing the annual growth rate down to -1.6%. The lockdown only came into force on 23rd March, and the markets are braced for a dire set of growth data for Q2. In April UK GDP fell 20.4% month-on-month. On the back of the 5.8% month-on-month fall in March, this means economic output fell by 25% compared to its pre-coronavirus peak in February 2020.
9. Financial markets sold off sharply as the impact from the coronavirus worsened. After starting positively in 2020, the FTSE100 fell over 30% at its worst point with stock markets in other countries seeing similar huge falls. The measures implemented by central banks and governments have helped restore some confidence and financial markets have rebounded in recent weeks but remain extremely volatile.
10. In March sterling touched its lowest level against the dollar since 1985. Gilt yields fell substantially with 5-year yields falling to 0.26% on 31 March. The 10-year and 20-year yields fell to 0.4% and 0.76% over the same period. 1-month, 3-month and 12-month LIBID rates dropped to 0.61%, 0.72% and 0.88% respectively over the 12 months to 31 March. Rates have continued to fall with the 10-year gilt yield falling to 0.14% by the end of June and 1-month, 3-month and 12-month bid rates averaged 0.04%, 0.28% and 0.44% respectively over the 3 months.

LOCAL CONTEXT

11. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's strategy continues to be to maintain borrowing and investments below their underlying levels, known as internal borrowing, in order to reduce risk and keep interest costs low.
12. At 31 March 2020 the Council's useable reserves and working capital amounted to £537m. The Council used £156m of its reserves to fund capital spend rather than borrow from 3rd parties leaving £381m available for investment, a decrease on 2019 of £74m.
13. Since the onset of the Covid-19 crisis and the resultant economic uncertainty officers with the assistance of Arlingclose, the council's treasury advisor, have been closely monitoring the council's cash balances as well as its debt and investment portfolios.

BORROWING UPDATE

14. On 9 October 2019 the PWLB raised the cost of certainty rate borrowing by 1% to 1.8% above UK gilt yields as HM Treasury was concerned about the overall level of local authority debt. PWLB borrowing remains available but the margin of 180bp above gilt yields appears relatively very expensive. Market alternatives are available and new products will be developed; however, the financial strength of individual authorities will be scrutinised by investors and commercial lenders.
15. The Chancellor's March 2020 Budget statement included significant changes to Public Works Loan Board (PWLB) policy and launched a wide-ranging consultation on the PWLB's future direction. Announcements included a reduction in the margin on new HRA loans to 0.80% above equivalent gilt yields, available from 12 March 2020 and £1.15bn of additional "infrastructure rate" funding at gilt yields plus 0.60% to support specific local authority infrastructure projects for England, Scotland and Wales for which there is a bidding process.
16. The consultation titled "Future Lending Terms" invites key stakeholders to contribute to developing a system whereby PWLB loans can be made available at improved margins to support qualifying projects. It contains proposals on allowing authorities that are not involved in "debt for yield" activity to borrow at lower rates as well as stopping local authorities using PWLB loans to buy commercial assets primarily for yield without impeding their ability to pursue their core policy objectives of service delivery, housing, and regeneration. The consultation also broaches the possibility of slowing, or stopping, individual authorities from borrowing large sums in specific circumstances.
17. The consultation closes on 31 July 2020 with implementation of the new lending terms expected in the latter part of this calendar year or financial year beginning 2021-22 and officers intend to respond to the consultation.

BORROWING STRATEGY

18. At 31 March 2020 the council held £883.82m of loans, a reduction of £22.38m from 31 March 2019 as part of its strategy of funding previous year's capital programmes. The year-end borrowing position and the year-on-year change are shown in the table below.

Borrowing Position

	31/03/2019	2019-20	31/03/2020		
	Principal Balance £m	Movement £m	Principal Balance £m	Average Rate %	Weighted Average Life (yrs)
Public Works Loan Board	490.94	-17.67	473.28	4.97%	16.21
Banks (LOBO)	90.00	0.00	90.00	4.15%	43.88
Banks (Fixed Term)	325.26	-4.71	320.55	4.09%	34.48
Total Long-term borrowing	906.20	-22.38	883.82	4.57%	25.66

19. The council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period

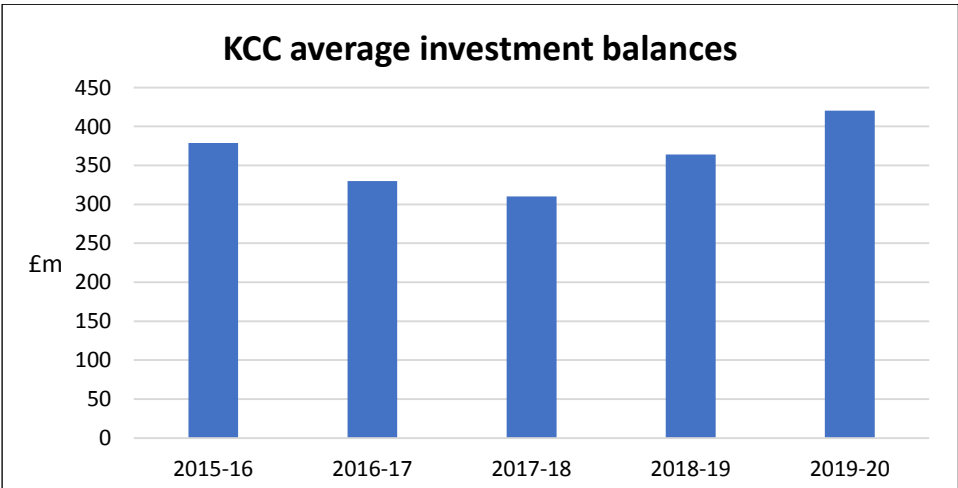
for which funds are required, with flexibility to renegotiate loans should the council’s long-term plans change being a secondary objective.

- 20. The benefits of internal borrowing are monitored regularly against the potential for incurring additional costs and the council’s Treasury Advisor, Arlingclose has assisted it with this ‘cost of carry’ and breakeven analysis. The council’s strategy has enabled it to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.
- 21. The council continues to hold £90m of LOBO (Lender’s Option Borrower’s Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the council has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during the period.
- 22. A final £0.4m was drawn of the loans agreed specifically to fund improvements to Kent’s street lighting under the government’s energy efficiency loans programme while £12m of the Salix Finance Ltd loan principal advanced had been repaid as at 31 March 2020. At 31 March 2020 the council had borrowed the total £40.6m funding agreed of which £30.6m has been an interest free loan provided by Salix Finance Ltd.

TREASURY INVESTMENT ACTIVITY

- 23. KCC holds significant invested funds representing income received in advance of expenditure plus balances and reserves held. During 2019-20 the council’s average investment balance was £422m. Balances fluctuated during the year falling at the year end to £381m although this balance was higher than anticipated as the result of the receipt in March of grants to cover COVID -19 costs and business rate compensation.

Average investment balances 2015 – 20



- 24. At 31 March 2020 the council held some £87.1m in its NatWest call account and in Money Market Funds with same day access to cover urgent payments and enhance the council’s liquidity.
- 25. During the year £30m was invested in strategic pooled funds using the proceeds of maturing treasury bills and at 31 March 2020 the value of the council’s investments in pooled funds was £157.3m, 41% of its total cash.

26. The year-end investment position and the year-on-year change are shown in the table below.

	31-Mar-19	2019-20	31-Mar-20		
	Balance	Movement	Balance	Rate of Return	Average Credit Rating
	£m	£m	£m	%	
Bank Call Accounts	2.4	28.0	30.4	0.50	A+
Money Market Funds	92.9	-36.2	56.7	0.42	AA-
Local Authorities	65.0	-15.0	50.0	0.90	AA-
Treasury Bills	52.4	-52.4	0		AA
Covered Bonds	90.4	-5.5	84.9	1.09	AAA
Equity	2.1	-	2.1		
Internally managed cash	305.2	-81.1	224.1	0.80	AA
Strategic Pooled Funds	150.0	+7.3	157.3	4.71	
Total	455.2	-73.8	381.4	2.42	

27. Both the CIPFA Code and government guidance require the council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
28. During 2019-20 the council added to its holdings in the CCLA LAMIT property fund, the Kames diversified income fund and made a new investment in the Investec diversified income fund.
29. The progression of credit risk and return metrics for KCC's investments are shown in the extract from Arlingclose's quarterly investment benchmarking in the table below.

Investment Benchmarking

	Credit Score	Credit Rating	Bail-in Exposure	WAM (days)	Rate of Return
31.03.2019	3.02	AA	31%	381	2.25%
31.03.2020	3.02	AA	39%	349	2.42%
Similar LAs	3.83	AA-	41%	644	1.55%
All LAs	4.03	AA-	56%	20	1.23%

30. Details of the council's investment position at 31 March 2020 are reported in Appendix 1.
31. KCC has invested £180m in externally managed pooled (bond, equity and property) funds. These are strategic long-term investments where the objectives are regular revenue income and long-term price stability with short-term security and liquidity being

lesser considerations. During the year these funds generated an income return of £7.6m, (4.71%) which is used to support services in year.

32. The Authority is invested in bond, equity, multi-asset and property funds. As a result of considerable global market volatility during the Covid-19 crisis we saw falls in the capital values of the underlying assets which were reflected in the 31 March fund valuations, with every fund registering negative capital returns over 12 months to March. Several March-end dividend details are awaited, but early calculations suggest that, despite decent income returns in 2019-20, these funds will post negative total return over the one-year period due to the capital component of total returns.
33. Trading in the CCLA property fund was also suspended during March based on advice from the fund's valuer that an accurate fund price cannot be calculated and CCLA's duty to treat customers fairly. The unrealised capital losses in equity income funds were especially large.
34. These unrealised capital losses will not have an impact on the General Fund. The council has adopted accounting standard IFRS 9 in full however MHCLG has implemented a statutory override which requires fair value movements in pooled investment funds to be taken to a separate unusable reserve instead of the General Fund. The override will be in place for at least five years until 31 March 2023.
35. Decisions to invest in these funds have been made taking account of advice from Arlingclose. Arlingclose monitor their performance and provide monthly updates for the council. Because these funds have no defined maturity date but are available for withdrawal after a notice period their performance and continued suitability in meeting KCC's investment objectives are regularly reviewed. These strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three to five-year period total returns will exceed cash interest rates.
36. Details of the externally managed pooled funds are shown in the following table.

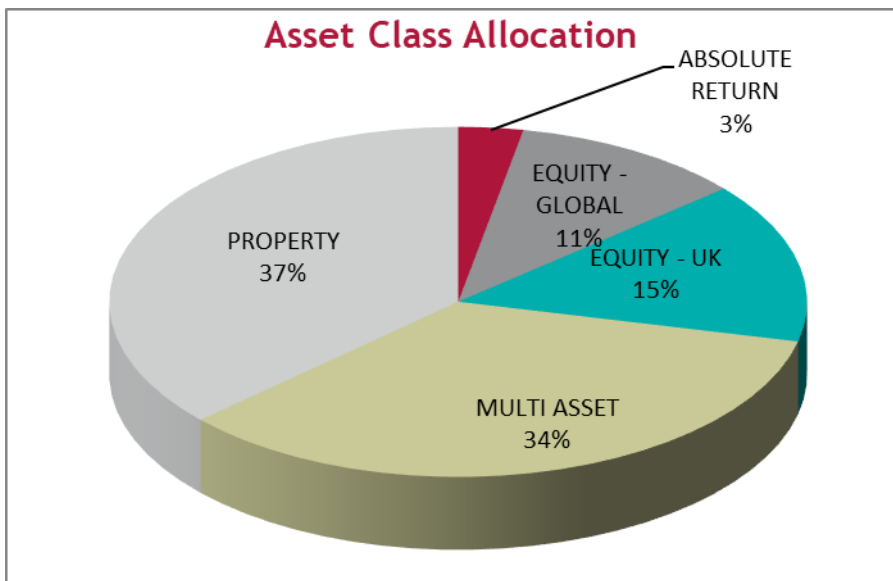
Externally Managed Investments

Investment Fund	Market Value at 31 Mar 2019	New investment	2019-20 Movement in market value	Market Value at 31 Mar 2020	12 months return to 31 Mar 2020	
	£m	£m	£m	£m	Income	Total
CCLA - Diversified Income Fund	5.0		-0.4	4.6	3.70%	-5.28%
CCLA – LAMIT Property Fund	50.8	10.0	-2.9	57.9	3.80%	-0.83%
Fidelity Global Multi Asset Income Fund	25.5		-1.8	23.7	5.03%	-1.60%
Investec Diversified Income Fund		10.0	-0.8	9.2	1.58%	-6.44%
Kames Diversified Monthly Income Fund	10.4	10.0	-3.5	16.9	3.52%	-13.53%
M&G Global Dividend Fund	10.6		-2.0	8.6	3.40%	-15.86%
Pyrford Global Total Return Sterling Fund	5.0		-0.3	4.7	1.84%	-2.60%

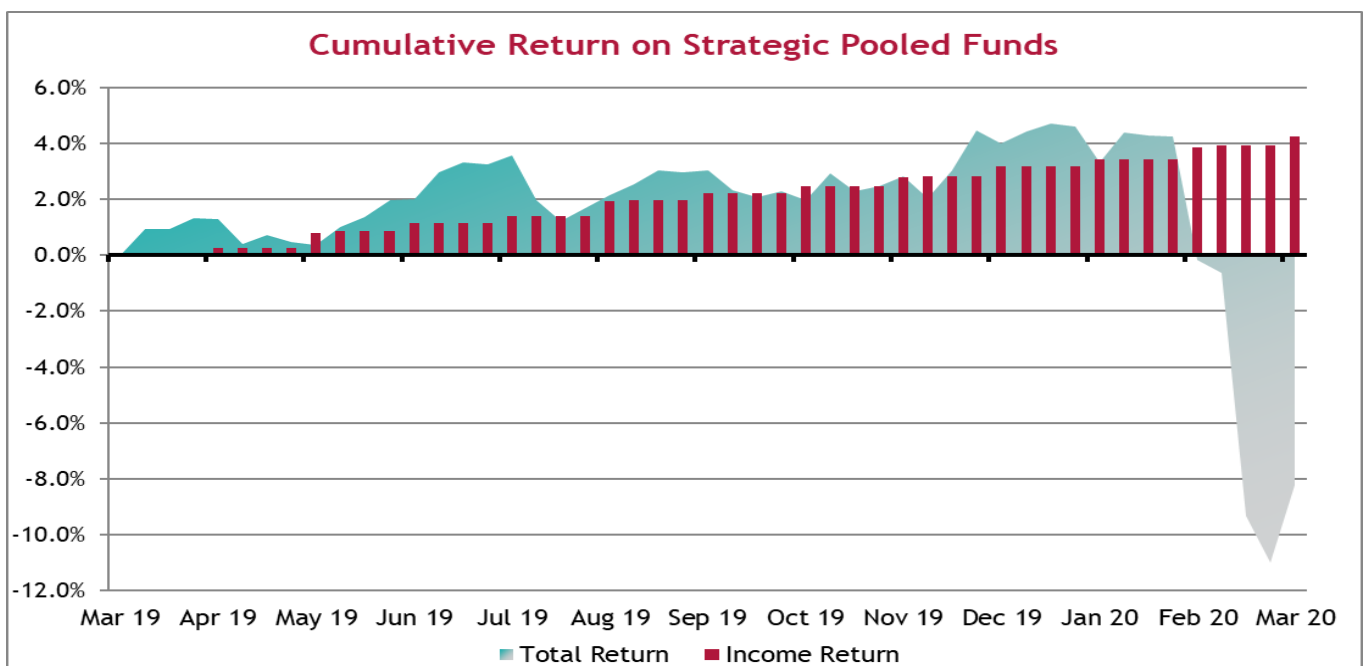
Schroder Income Maximiser Fund	23.6		-7.8	15.8	7.63%	-25.61%
Threadneedle Global Equity Income Fund	9.8		-1.4	8.4	3.41%	-10.31%
Threadneedle UK Equity Income Fund	9.3		-1.7	7.6	4.44%	-14.24%
Total Externally Managed Investments	150.0	30.0	-22.7	157.3	4.71%	-8.04%

37. Since the end of March 2020 the strategic pooled funds have recovered some of their capital losses as the financial markets have rebounded. At 30 June the market value of the portfolio was £163.9m.

38. A breakdown of the external investments by asset class is as follows:



39. The following chart tracks the returns earned on the pooled funds over the 12 months to end March 2020.



FINANCIAL OUTTURN

40. The Council's total investment income for the year was £10.4m, £2.42% on funds held. The above benchmark return reflects the investment in the pooled and spread of cash investments as detailed in the table at paragraph 25 above. KCC also received dividends on the equity held in Kent PFI Holding Co Ltd of £452,000.

COMPLIANCE WITH TREASURY MANAGEMENT INDICATORS

41. The Corporate Director of Finance reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy.

Treasury Management Indicators

42. The Council measures and manages its exposures to treasury management risks using the following indicators.
43. **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 31/03/2020	Target	Complied
Portfolio average credit rating	AA	AA	Yes

44. **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 31/03/2020	Target	Complied
Total cash available within 3 months	£137m	£110m	Yes

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

Interest rate risk indicator	Actual 31/03/2020	Upper Limit
One-year revenue impact of a 1% <u>rise</u> in interest rates	660k	£10m
One-year revenue impact of a 1% <u>fall</u> in interest rates	-£900k	-£10m

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

	Actual 31/03/2020	Upper limit	Lower limit	Complied
Under 12 months	3.42%	100%	0%	Yes
12 months and within 5 years	11.43%	50%	0%	Yes
5 years and within 10 years	6.44%	50%	0%	Yes
10 years and within 20 years	20.13%	50%	0%	Yes
20 years and within 40 years	32.43%	50%	0%	Yes
40 years and longer	26.15%	50%	0%	Yes

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.

47. **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 will be:

	Actual	Limit	
Price risk indicator	31/03/2020	2020/21	2021/22
Principal invested beyond year end	£244m	£300m	£300m

RECOMMENDATION

48. The County Council is asked to note the report

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Investments as at 31 March 2020

1. Internally Managed Investments

1.1 Term deposits, Call accounts and Money Market Funds

Instrument Type	Counterparty	Principal Amount £	Interest Rate	End Date
Fixed Deposits	Thurrock Borough Council	10,000,000	1.07%	29/05/2020
Fixed Deposits	Thurrock Borough Council	10,000,000	0.81%	30/04/2020
Fixed Deposits	Rotherham Metropolitan Borough Council	10,000,000	0.78%	23/04/2020
Fixed Deposits	Royal Borough of Windsor and Maidenhead	5,000,000	0.95%	30/04/2020
Fixed Deposits	Royal Borough of Windsor and Maidenhead	10,000,000	0.95%	07/05/2020
Fixed Deposits	Royal Borough of Windsor and Maidenhead	5,000,000	0.85%	27/07/2020
Total Local Authority Deposits		50,000,000		
Call Account	National Westminster Bank plc	30,000,000	0.50%	
Total Call Account Funds		30,000,000		
Money Market Funds	Federated Short-term Sterling Prime Fund GBP KCC	10,539,332	0.50%	
Money Market Funds	SSgA GBP Liquidity Fund (Stable NAV)	8,141,258	0.36%	
Money Market Funds	HSBC Sterling Liquidity Fund	15,931	0.51%	
Money Market Funds	LGIM Sterling Liquidity Fund 4 KCC	13,909,691	0.40%	
Money Market Funds	Insight Liquidity Funds PLC	8,229	0.27%	
Money Market Funds	Aberdeen Liquidity Fund (Lux) KCC	14,994,401	0.42%	
Money Market Funds	Deutsche Managed Sterling Platinum	9,058,682	0.40%	
Total Money Market Funds		56,667,527		
Equity and Loan Notes	Kent PFI (Holdings) Ltd	2,135,741		n/a
Icelandic Recoveries outstanding	Heritable Bank Ltd	366,905		n/a

1.2 Bond Portfolio

Bond Type	Issuer	Adjusted Principal £	Coupon Rate	Maturity Date
Fixed Rate Covered Bond	Bank of Scotland - Bonds	4,600,813	1.71%	20/12/2024
Fixed Rate Covered Bond	National Australia Bank - Bonds	4,978,564	1.35%	10/11/2021
Fixed Rate Covered Bond	Leeds Building Society Bonds	4,205,404	1.29%	17/04/2023
Fixed Rate Covered Bond	Santander UK - Bonds	3,265,748	0.65%	14/04/2021
Fixed Rate Covered Bond	Bank of Nova Scotia Bonds	4,993,773	0.88%	14/09/2021
Fixed Rate Covered	National Australia Bank - Bonds	3,001,265	1.10%	10/11/2021

Bond				
Floating Rate Covered Bond	TSB Bank - Bonds	2,503,355	1.54%	15/02/2024
Floating Rate Covered Bond	Lloyds - Bonds	2,502,197	0.78%	27/03/2023
Floating Rate Covered Bond	Lloyds - Bonds	2,502,932	0.77%	27/03/2023
Floating Rate Covered Bond	Nationwide Building Society - Bonds	3,998,458	1.42%	10/01/2024
Floating Rate Covered Bond	Lloyds - Bonds	4,500,000	1.31%	14/01/2022
Floating Rate Covered Bond	Australia and New Zealand Banking group - bonds	3,000,000	1.39%	24/01/2022
Floating Rate Covered Bond	Santander UK - Bonds	2,002,697	1.40%	12/02/2024
Floating Rate Covered Bond	Nationwide Building Society - Bonds	4,503,916	0.98%	12/04/2023
Floating Rate Covered Bond	Bank of Montreal - Bonds	5,004,352	0.98%	17/04/2023
Floating Rate Covered Bond	Santander UK - Bonds	3,751,268	0.94%	13/04/2021
Floating Rate Covered Bond	Lloyds - Bonds	5,005,178	0.77%	27/03/2023
Floating Rate Covered Bond	Canadian Imperial Bank of Commerce - Bonds	5,024,430	0.96%	10/01/2022
Floating Rate Covered Bond	Santander UK - Bonds	5,002,383	0.97%	16/11/2022
Floating Rate Covered Bond	Nationwide Building Society - Bonds	5,585,820	0.97%	12/04/2023
Floating Rate Covered Bond	Santander UK - Bonds	5,001,724	0.89%	05/05/2020
Total Bonds		84,934,287		

Total Internally managed investments	£224,104,461
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2. Externally Managed Investments

Investment Fund	Market Value at 31-Mar-20 £
CCLA - Diversified Income Fund	4,569,342
CCLA – LAMIT Property Fund	57,880,302
Fidelity Global Multi Asset Income Fund	23,702,249
Investec Diversified Income	9,198,620
Kames Diversified Monthly Income Fund	16,899,833
M&G Global Dividend Fund	8,568,332
Pyrford Global Total Return Sterling Fund	4,712,633
Schroder Income Maximiser Fund	15,768,778
Threadneedle Global Equity Income Fund	8,440,787
Threadneedle UK Equity Income Fund	7,587,704
Total External Investments	157,328,584

3. Total Investments

Total Investments	£381,433,045
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GLOSSARY

Local Authority Treasury Management Terms

Bond	A certificate of long-term debt issued by a company, government, or other institution, which is tradable on financial markets
CET 1	Core equity tier 1 - the purest form of capital for a financial institution, which is available to absorb losses while it remains a going concern, usually expressed as a ratio to risk weighted assets.
CFR	Capital Financing Requirement. A local authority's underlying need to hold debt for capital purposes, representing the cumulative capital expenditure that has been incurred but not yet financed. The CFR increases with capital expenditure and decreases with capital finance and MRP.
Covered bond	Bond issued by a financial institution that is secured on that institution's assets, usually residential mortgages, and is therefore lower risk than unsecured bonds. Covered bonds are exempt from bail-in.
CPI	Consumer Price Index - the measure of inflation targeted by the Monetary Policy Committee, measured on a harmonised basis across the European Union
FTSE	Financial Times stock exchange – a series of indices on the London Stock Exchange. The FTSE 100 is the index of the largest 100 companies on the exchange, the FTSE 250 is the next largest 250 and the FTSE 350 combines the two
GDP	Gross domestic product – the value of the national aggregate production of goods and services in the economy. Increasing GDP is known as economic growth.
IFRS	International Financial Reporting Standards, the set of accounting rules in use by UK local authorities since 2010
IMF	International Monetary Fund
LOBO	Lender's Option Borrower's option
MMF	Money Market Funds. A collective investment scheme which invests in a range of short-term assets providing high credit quality and high liquidity. Usually refers to CNAV and LVNAV funds with a WAM under 60 days which offer instant access, but the European Union definition extends to include cash plus funds
Monetary Policy	Measures taken by central banks to boost or slow the economy, usually via changes in interest rates. Monetary easing refers to cuts in interest rates, making it cheaper for households and businesses to borrow and hence spend more, boosting the economy, while monetary tightening refers to the opposite. See also fiscal policy and quantitative easing.
MPC	Monetary Policy Committee. Committee of the Bank of England responsible for implementing monetary policy in the UK by changing Bank Rate and quantitative easing with the aim of keeping CPI inflation at around 2%.
MRP	Minimum Revenue Provision – an annual amount that local authorities are required to set aside and charge to revenue for the repayment of debt associated with capital expenditure. Local authorities are required by law to have regard to government guidance on MRP. Not applicable in Scotland, but see Loans Fund
Municipal bond	Bond issued or guaranteed by local authorities.
Municipal bond	Company that issues bonds in the capital market and lends the proceeds back to local

Agency	authorities. The bonds are guaranteed by the local authorities
Pooled Fund	Scheme in which multiple investors hold units or shares. The investment assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'pooled funds').
Prudential Code	Developed by CIPFA and introduced in April 2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice. Local authorities are required by law to have regard to the Prudential Code
PWLB	Public Works Loan Board – a statutory body operating within the DMO that lends money from the National Loans Fund to local authorities and other prescribed bodies and collects the repayments. Not available in Northern Ireland.
REIT	Real estate investment trust – a company whose main activity is owning investment property and is therefore similar to a property fund in many ways
Share	An equity investment, which usually also confers ownership and voting rights
Short-term	Usually means less than one year

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From: **Michael Payne - Cabinet Member for Highways and Transport**

Simon Jones, Director of Highways, Transportation & Waste

To: County Council – 10 September 2020

Subject: **Functions delegated by Council to officers**

Classification: **Unrestricted**

Past Pathway of Paper: Selection and Member Services Committee

Future Pathway of Paper: N/A

Electoral Division: All

Summary: This report sets out a request for amendments to the Delegation Table to the Constitution.

Recommendation(s):

The County Council is asked to agree the recommendation from the Selection and Member Services Committee to amend the Delegation Table in the Appendix to the Constitution as set out in paragraph 2 to this report.

1. Introduction

- 1.1 This report sets out a request for changes to the [Delegation Table](#) of the KCC Constitution. As these are functions of the council delegated by the council to committees and officers, it is necessary for any amendments to be formally approved by County Council.
- 1.2 The changes were reported to the Selection and Members Services Committee on 29 July 2020. Committee Members agreed to recommend the changes to County Council.

2. Proposed changes

- 2.1 The changes refer to powers which exist in statute but which have not been formally recorded previously in the delegation table.
- 2.2 Additionally, the proposed amendment in paragraph 2.3 (ii) second bullet point, aligns with KCC's published approach to asset management which sets out the core legislation used by Highways Transportation and Waste to manage the service. The asset management approach was formerly discussed at the Environment and Transport Cabinet Committee on January 2018 and the key decision subsequently taken by the Cabinet Member for Planning, Transport and Highways in February 2018.
- 2.3 The proposed changes are to:
 - (i) Section C: Highways functions:

The making of traffic regulation orders to restrict traffic under the Road Traffic Regulation Act 1984 to be delegated to the Director Highways, Transportation and Waste.

(ii) Section H: Other Functions:

- Legal framework for duty of care for waste, contaminated land and statutory nuisance under the Environmental Protection Act (EPA) 1990 to be delegated to the Director Highways Transportation & Waste
- To carry out Highways, Transport & Waste statutory duties included within The Highways Act 1980, The Traffic Management Act 2004, The New Roads & Streetworks Act 1991, The Road Traffic Act 1991, Traffic Signs Regulations and General Directions 2016, The Construction (Design and Management) Regulations 2015, The Equality Act 2010, Town and Country Planning Act 1990, The Wildlife & Countryside Act 1981 and Public Nuisance Common Law to be delegated to the Director Highways Transportation & Waste

3. Recommendation

3.1

The County Council is asked to agree the recommendation from the Selection and Member Services Committee to amend the Delegation Table in the Appendix to the Constitution as set out in paragraph 2 to this report.

4. Report author

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