

SCRUTINY COMMITTEE

Tuesday, 6th October, 2020

10.00 am

Online





AGENDA

SCRUTINY COMMITTEE

**Tuesday, 6th October, 2020, at 10.00 am
Online**

Ask for: **Anna Taylor**
Telephone: **03000 416478**

Membership

- Conservative (9): Mr A Booth (Chairman), Mr J Wright (Vice-Chairman),
Mr M A C Balfour, Mr P V Barrington-King, Mrs P M Beresford,
Mrs R Binks, Mr G Cooke, Mr R C Love, OBE and Mr A M Ridgers
- Liberal Democrat (2): Mr R H Bird and Mrs T Dean, MBE
- Labour (2) Mr D Farrell and Dr L Sullivan
- Church Representatives (3): Mr D Brunning, Mr J Constanti and Mr Q Roper
- Parent Governor (2): Mr K Garsed and Mr A Roy

In response to COVID-19, the Government has legislated to permit remote attendance by Elected Members at formal meetings. This is conditional on other Elected Members and the public being able to hear those participating in the meeting. This meeting will be streamed live and can be watched via the Media link on the Webpage for this meeting.

UNRESTRICTED ITEMS

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

A - Committee Business

- A1 Chairman's Introduction
- A2 Apologies and Substitutes
- A3 Declarations of Interests by Members in items on the Agenda for this Meeting
- A4 Minutes of the meeting held on 7 July 2020 (Pages 1 - 4)
- A5 Minutes of the meeting held on 24 July 2020 (Pages 5 - 6)

B - Any items called-in - None for this meeting

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

- C1 Financial Update (Pages 7 - 36)
- C2 Pop Up Cycle Lanes - Verbal Update
- C3 Short Focused Inquiry - Visitor Economy (Pages 37 - 70)

EXEMPT ITEMS

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

Benjamin Watts
General Counsel
03000 416814

Monday, 28 September 2020

KENT COUNTY COUNCIL

SCRUTINY COMMITTEE

MINUTES of a meeting of the Scrutiny Committee held Online on Tuesday, 7 July 2020.

PRESENT: Mr A Booth (Chairman), Mr J Wright (Vice-Chairman), Mr M A C Balfour, Mr P V Barrington-King, Mrs P M Beresford, Mrs R Binks, Mr R H Bird, Mr G Cooke, Mrs T Dean, MBE, Mr D Farrell, Mr R C Love, OBE, Mr A M Ridgers and Dr L Sullivan

ALSO PRESENT: Mr R W Gough, Mr P M Hill, OBE, Mr R L H Long, TD and Mr M E Whybrow

IN ATTENDANCE: Mr N Abrahams (Area Education Officer – West Kent), Mrs B Cooper (Corporate Director of Growth, Environment and Transport), Mr M Dunkley CBE (Corporate Director for Children Young People and Education), Mr T Harwood (Resilience and Emergency Planning Manager), Mrs S Holt-Castle (Interim Director of Environment, Planning and Enforcement), Mr M Overbeke (Head of Public Protection), Mr M Rolfe (Head of Kent Scientific Services/Interim Head of Kent Resilience Team), Mrs A Taylor (Scrutiny Research Officer) and Mr B Watts (General Counsel)

UNRESTRICTED ITEMS**1. Minutes of the meeting held on 9 June 2020 (to follow)**

(Item A4)

1. Referring to the minute of the call-in item Dr Sullivan asked for a written explanation of the constitutional basis for the Cabinet meeting held on 29 June 2020. POST MEETING NOTE: This was circulated to Members of the Committee on 14 July 2020.

2. Referring to the finance item discussed on 9 June Mr Watts would liaise with Ms Cooke to ensure Members received an update on providing the funding table as a live document on a monthly basis. POST MEETING NOTE: Mr Watts will provide an update for Members at this meeting.

RESOLVED that the minutes of the meeting held on 9 June 2020 were a correct record and that they be signed by the Chairman.

2. KCC's response to the COVID-19 emergency via the Kent Resilience Forum (to follow)

(Item C1)

Mr Hill introduced this item and explained that the Kent Resilience Forum (KRF) was a partnership bringing together Category 1 and Category 2 responders in the county.

Barbara Cooper explained that the KRF had a specific responsibility in planning for and responding to emergencies and, it was important to remember the monumental

effort put in by all partners within the KRF and the changing landscape within which all partners had been working since March 2020.

In response to a question around lessons learned officers explained that work was underway to identify lessons learned from both the KRF and KCC.

Members commended the work of the KRF and one member asked about the democratic processes surrounding the KRF. Mr Hill explained that the Recovery Plan was led by KCC and the work on the recovery plan would be reported via the Council's democratic processes. Mrs Cooper explained that the KRF was not running the recovery process but because of the scope of the coronavirus pandemic and the emergency situation, recovery involved more partners than would be the case in normal circumstances. KCC would then have its own plans going forward.

Following comments about the local outbreak plan Mrs Cooper confirmed that this was led by Andrew Scott-Clark, Director of Public Health and his colleagues in Medway.

Members thanked Tony Harwood and his team for their considerable efforts providing PPE across Kent.

In response to questions Mrs Cooper explained that each individual organisation would take into account lessons learned and these would be shared as appropriate.

Members asked that KCC's Director of Public Health be invited to a future meeting of the Scrutiny Committee to discuss with Members the Local Outbreak Plan.

In response to a question Mrs Cooper explained that Multi Agency Information Cell (MAIC) was led by Kent Fire and Rescue but involved officers from other organisations including KCC. It brought information together in one place providing a central repository for information feeding into tactical and strategic operations. It was now a standard part of emergency response in Kent and Medway.

The Cabinet Member commented on the community wardens, they were a valuable resource and had been invaluable throughout the coronavirus emergency.

The Chairman thanked the guests for their attendance at the meeting.

RESOLVED that the Scrutiny Committee note the contents of the report.

3. Free School Meals Vouchers - verbal update *(Item C2)*

Mr Long introduced this item and explained that KCC was not the decision maker on free school meals vouchers nor virtual schooling.

Mr Dunkley explained that during the coronavirus outbreak the government had expected schools to continue to support children who were eligible for benefits such as free school meals whilst at home.

A COVID summer food fund allowed any child in receipt of free school meals to benefit over the summer period and KCC had provided advice where appropriate.

Nick Abrahams explained that schools were planning for a role in providing meals to children throughout the summer which they had never previously had to do.

In response to a question Mr Abrahams explained that the Government had confirmed that vouchers issued through the national scheme could not be used to buy age restricted items and had to be used for groceries. All children who were eligible for a voucher could receive them, however families had to inform the school and request a voucher. To ensure that as many eligible families as possible were aware of the eligibility KCC had used a number of communication channels and the number of eligible families had increased.

A Member asked whether parents were made aware of eligibility for pupil premium at the same time as free school meals, Members were reassured that both KCC and schools regularly reminded parents that these two benefits were linked and promoted their uptake.

RESOLVED that Members note the verbal update.

4. Virtual Schooling - verbal update *(Item C3)*

Mr Long introduced this item and explained that as he had stated previously, this was another area where delivery was within the school's remit and KCC's role was to advise and assist.

Mr Dunkley highlighted the range of virtual schooling methods used by schools. In terms of the digital divide laptops had been provided for children in care and children with a social worker. Disadvantaged pupils were also eligible to receive a laptop but the number requested exceeded the number available from the DfE. It was also possible for schools to pay for broadband dongles for pupils without broadband. A mix of technology at home supported by learning at school was planned for September with flexibility in the case of localised lockdowns affecting schools post September.

Following a question about the disparity between private schools and other schools, private schools often had resources that other schools might not and there also might be a difference in the number of families with IT resources at home. It was considered that there probably was a disparity in education available however KCC's powers in the short term were limited but disparities would be corrected wherever possible, such as the possibility of delaying the Kent Test.

In response to a question about the number of laptops needed to meet any shortfall Mr Dunkley explained that there were around 10,000 children with a social worker in Kent and 3,500 laptops were received. However, this was not an automatic entitlement it also involved an assessment.

There were concerns around children who did not return to school in September and that more parents might continue with elective home education whilst KCC's capacity and power to monitor this was limited. The curriculum and teaching challenge was to produce support for children which was complementary.

The Cabinet Member concurred that KCC, and Government, should do all in its power to support young people and schools and address any disparity in education.

RESOLVED that Member note the verbal update.

At the conclusion of the meeting the Chairman updated Members on the Short Focused Inquiry on the Kent Visitor Economy. It was due to be a short-term inquiry and all members of the council would be contacted to ensure they could put forward any questions.

KENT COUNTY COUNCIL

SCRUTINY COMMITTEE

MINUTES of a meeting of the Scrutiny Committee held in the Online on Friday, 24 July 2020.

PRESENT: Mr A Booth (Chairman), Mr J Wright (Vice-Chairman), Mr M A C Balfour, Mr P V Barrington-King, Mrs P M Beresford, Mrs R Binks, Mr R H Bird, Mr G Cooke, Mrs T Dean, MBE, Mr D Farrell, Mr B H Lewis (Substitute for Dr L Sullivan), Mr R C Love, OBE and Mr A M Ridgers

ALSO PRESENT: Mrs C Bell

IN ATTENDANCE: Dr A Duggal (Deputy Director of Public Health), Mr A Scott-Clark (Director of Public Health), Mrs A Taylor (Scrutiny Research Officer) and Mr B Watts (General Counsel)

UNRESTRICTED ITEMS

5. Minutes of the meeting held on 23 June 2020 (to follow)

(Item A4)

RESOLVED that the minutes of the meeting held on 23 June 2020 were a correct record and that they be signed by the Chairman.

6. Local Outbreak (COVID-19) Control Plan (verbal update)

(Item C1)

1. Mrs Bell introduced this item explaining that the situation in Kent was currently stable and Mr Scott-Clark gave a presentation to Members. [This presentation is available to view here.](#)
2. The Chairman and Members thanked Mr Scott-Clark for his excellent presentation.
3. In response to a question Mrs Bell explained the high rate of positive tests per 100,000 people in Ashford, it was important to note that this was cumulative and it was likely that it related to the large amount of testing done in May.
4. Mr Scott-Clark explained, in response to a question, that currently, in prisons single cases had been managed and there had not been large outbreaks.
5. In response to a question Mr Scott-Clark explained that in East Kent the NHS was a large employer and the East Kent Hospitals had undertaken a high level of testing of employees, further work was being done to understand the spike of cases in Ashford.
6. In terms of capacity for testing in Kent, this information would be circulated to the Committee. Capacity could be ramped up where necessary.

7. In response to a question Mr Scott-Clark confirmed that there was concern about a second wave, Covid had not gone away. It was considered that viruses survived longer outside of the body during the winter months and it was essential to maintain social distancing, wash hands and wear face masks to mitigate any second wave.
8. In relation to the opening of the hospitality sector, a close eye was being kept on the statistics, and more would be known during August and the Autumn.
9. A Member asked about death rates in care homes, this was around 2.5% in relation to the number of beds available. A lot of work had been done around care homes to protect vulnerable residents against the virus. There had been a low rate of care home outbreaks in the South East. In relation to agency workers, this was being discouraged but mitigation was in place with good access to PPE to do everything possible to reduce the spread of the virus.
10. In relation to prisoners and whether they would be tested routinely upon release Mr Scott-Clark would circulate an answer to the committee outside of the meeting.
11. Was there reliable evidence of people contracting Covid more than once? There was currently no reliable evidence, but it had not been ruled out.
12. There was a concern around domiciliary care and the potential for spreading of the virus. Dr Alison Duggal explained that there was no information around those providing domiciliary care being super spreaders.
13. Communication was vitally important and it was a balance between ensuring enough information was available but that messaging was not confusing or scaremongering.
14. The Chairman invited Ben Watts to explain the new regulations covering local lockdowns to Members. Mr Watts gave an overview of the regulations which came into force on 18 July 2020. The responsibility had shifted from government to local authorities to allow them to take a risk-based approach with consensus to reopening local businesses. There was a need to take a proportionate approach to local lockdowns and decisions would be made on a case by case basis.
15. The Chairman thanked the Cabinet Member and guests for attending the meeting and answering Members' questions.

RESOLVED that the Scrutiny Committee note the update.

7. Short Focused Inquiries - Update *(Item C2)*

1. The Chairman updated Members on the progress of the current Short Focused Inquiry which was looking at the effect Covid-19 was having on the Kent Visitor Economy. He thanked Members for their input into this Inquiry.

RESOLVED that Members note the report.

From: Andy Booth, Scrutiny Committee Chairman

To: Scrutiny Committee – 6 October 2020

Subject: Finance Update

Classification: Unrestricted

Past Pathway of report: Policy and Resources Cabinet Committee – 11 September 2020

1. Introduction

As requested by the Chairman and spokespeople of the Scrutiny Committee the Committee will receive an update, as received by the Policy and Resources Committee on 11 September 2020, on the financial impact of the Covid-19 pandemic and subsequent economic context in which Kent County Council operates.

2. Recommendation

The Scrutiny Committee is asked to note this finance update.

3. Background Documents

None.

4. Contact details

Anna Taylor, Scrutiny Research Officer

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

To: Policy & Resources Cabinet Committee - 11th September 2020

Subject: Financial Update

Classification: Unrestricted

Summary:

This report provides an update on the financial impact of the Covid-19 pandemic and subsequent economic recession, including the additional funding provided by central Government, the Council's estimated costs for the emergency response, and the potential loss of income and delays to savings plans. These have been assessed and included in the amended 2020-21 revenue budget presented to County Council on 10th September together with other significant budget changes arising from the 2019-20 outturn not included in the original approved budget and from the first budget monitoring for 2020-21 reported to Cabinet on 20th July.

The overall assessment is that there is still a forecast shortfall in the emergency grant received to date and the impact of Covid-19 on the Council's additional spending requirements and income collection. The amended budget includes underspends that have been achieved during the first quarter, mainly as a result of the lockdown, to help offset this shortfall, and further restraint on non-essential spending during the remainder of the year to offset the impact of non Covid-19 adjustments. These ensure the Council continues to plan for a balanced budget in 2020-21.

The amended budget does not include any further drawdown from reserves (other than Covid-19 grants held temporarily in reserves, roll-forwards of 2019-20 underspends and use of Public Health reserve to maintain the ring-fencing of this service). This ensures that Council's financial resilience has not been reduced in the wake of the pandemic although the number and levels of uncertainties continues to pose a significant financial risk.

The outlook for 2021-22 and later years remains highly uncertain. The Chancellor of the Exchequer has set out the timetable for the Spending Review for future years' public spending plans. However, current forecasts indicate the Council faces the combination of increased spending growth demands and the spectre of reduced council tax and business rate tax base and substantial share of collection fund deficits from the current year. If these are not addressed in the Spending Review the Council would have to find ways to substantially reduce the forecast spending growth and identify significant further savings on current spending in order to maintain a balanced budget.

Recommendations:

- a) Policy and Resources Cabinet Committee is asked to note magnitude of changes to spending and income plans in the amended 2020-21 budget presented to County Council on 10th September
- b) Policy and Resources Cabinet Committee is asked to note that the position remains highly uncertain and could further change significantly during the Autumn
- c) Policy and Resources Cabinet Committee is asked to note that this uncertainty extends into 2021-22 and later years pending the Government's Comprehensive Spending Review, further analysis of the impact on local tax yields, and progress towards balancing 2021-22 budget.

1. Background

- 1.1 The 2020-21 revenue budget and 2020-23 capital programme were approved by County Council on 13th February 2020. The approved net revenue budget requirement was £1.064bn. This was funded £0.753bn from council tax¹, £0.252bn un-ring-fenced government grants, and £0.059bn retained business rates. The capital programme included planned spending of £1.014bn over the three years (£0.472bn in 2020-21) with £0.621bn funded from external sources and government grants, and £0.393bn from KCC resources and borrowing (with consequential financing impact on current and future revenue budgets).
- 1.2 On 11th March the Covid-19 outbreak was declared a pandemic. The Council had to act quickly in response to the pandemic and on 18th March staff were told to work from home wherever possible. This was in advance of announcements on 20th March closing schools, restaurants, pubs, indoor entertainment venues and leisure centres, and the more substantial lockdown imposed on 23rd March banning all non-essential travel and contact outside the home.
- 1.3 The Council's response has focussed on protecting the safety and wellbeing of all Kent residents, especially the most vulnerable as well as supporting its principal suppliers in line with government guidelines. Some of the main aspects of the response has included making additional payments to all residential, nursing, homecare and day care adult social care providers towards additional costs they are incurring during the emergency; procurement and distribution of additional personal protective equipment (PPE) to both staff and care providers; maintaining payments to early years and childcare providers even where they have had to close down; maintaining payments to bus companies and home to school transport providers to sustain the market during the slump in journeys during lockdown and school closures; securing additional temporary mortuary provision.

¹ based on estimated net band D equivalent tax base of 554,625.61 properties, band D tax charge of £1,351.26 (including £118.62 social care levy), and collection fund surplus

- 1.4 Inevitably some of the Council's own facilities have also had to close such as children's centres, country parks, libraries, waste disposal and recycling facilities, etc. In the main the Council has continued to incur contractual and staffing costs for these services even though facilities were closed, although some in-year underspends have now been identified and included in the first monitoring report to Cabinet on 20th July.
- 1.5 The amended revenue budget for 2020-21 has an increased net budget requirement of £1.1bn. Council tax precepts remain unchanged at £0.753bn (the council tax consequences of the recession will not impact on precepts and KCC's share of collection fund balances until 2021-22). The contribution from business rates has reduced to £0.056bn (largely due to anticipated impact on business rate pool). Government grants has increased to £0.291bn (largely due to additional un-ring-fenced Covid-19 grants).
- 1.6 It is important to emphasise that at this stage all forecasts are only an initial assessment of the potential impact of the Covid-19 outbreak on the council's revenue budget for 2020-21 based on the latest available information. This is a unique situation and whilst the Council has responded incredibly well, there remains a significant amount of uncertainty that makes financial planning far more challenging than would usually be the case. A key part of the uncertainty is how much funding the Government will provide and whether this will cover all the costs incurred by the Council as well as the losses in income. Furthermore, the forecasts can only be based on some high level assumptions about the impact of on-going social distancing requirements and other measures as we move into recovery phase and do not include any assumptions about a second wave of infections.

2. Government Funding Allocations

- 2.1 MHCLG has made £3.7 billion available to support local authorities through an Emergency Grant in three tranches in March (£1.6bn), May (£1.6bn) and July (£0.5bn). The Emergency Grant is un-ringfenced so is provided with no conditions attached and local authorities are free to spend according to local priorities. Each tranche has been allocated according to a different formula. The first tranche 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. The second tranche 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. The third tranche 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. KCC's share of the three tranches of Emergency Grant amounts to £77.3m.
- 2.2 The government has also provided some grants which can be claimed on an actual cost basis. These include the following:

- £1.6bn NHS Hospital Discharge Grant. This is a share of the £5bn originally made available to the NHS to deal with the Covid-19 Pandemic in the March Budget. Local authorities will need to work with their local NHS authorities to agree joint bids to support the discharge of patients into care. This includes work undertaken to support hospital discharges by Public Health teams. The budget amendment includes an estimate of £5.8m for additional spending and assumed NHS discharge grant.
- £6m tranche 3 Emergency Grant. This is to be made available to a small number of authorities facing acute pressures from Unaccompanied Asylum Seeking Children (UASC). The budget amendment includes an estimate of £1.0m for additional spending and assumed DfE grant.
- Loss of income from sales, fees and charges (SFC). This will only be available for losses in excess of 5% of total budgeted income. Claims above this threshold will be compensated at 75% of the loss. At this stage KCC losses fall below the threshold and no additional grant has been included in the budget amendment.

2.3 The government has also provided a number of specific ring-fenced grants to be used for defined purposes. Details of these grants have been included for completeness although spending is offset by grant income in the Council's budget and have no impact on the net budget or the shortfall between un-ringfenced grant and additional spending/loss of income incurred by the Council. The specific grants include the following:

- £600m Social Care Infection Control Grant. Announced on 14th May, KCC's share is £18.9m. This grant is specifically aimed at preventing and controlling COVID-19 in all registered care homes. 75% of the grant must be paid to all registered providers as an amount per bed (irrespective of whether they have any KCC clients) and is subject to each home signing a grant agreement. The remaining 25% must also be passed onto care providers although the Council has some discretion over individual allocations.
- £300m Test and Trace Grant. Announced on 22nd May and paid 19th June, KCC's share is £6.3m. In 2-tier areas, this grant is conditional on upper tier authorities working closely with their lower tier partners and pay sufficient resources to lower tier authorities to enable them discharge functions expected of them.
- £63m Emergency Assistance Grant for Food and Essential Supplies. Announced on 11th June, KCC's share is £1.7m. This grant is to help authorities support families struggling with cost of food and other essentials during the crisis. We have paid £200k to Kent Community Foundation and allocated 50% of the remainder to 12 Kent districts, with the other 50% retained by KCC to fund additional claims through Kent Support and Assistance Service (KSAS).
- £40m Additional Dedicated Home to School and College Transport Grant. Announced on 11th August 2020, KCC's share is £1.6m. This grant is to be spent to ensure that pupils and students of compulsory school age and students aged 16-19 can get to school and college safely and on time for first autumn half term.

- £167m Bus Service Support Grant. Announced on 3rd April. The vast majority is paid directly to bus providers. KCC's share to date is £1.3m and is to be used to make additional payments to bus operators to maintain routes. It cannot be used to replace existing subsidies.
- £250m Emergency Active Travel Fund. Announced on 9th May, KCC's share of initial tranche of additional revenue funding £0.47m (plus a further £1.13m capital funding) to develop active travel schemes in response to Covid-19 emergency. Further tranches for non Covid-19 purposes to encourage active travel are due to be announced at a later date.

2.4 Table 1 provides a summary of all the additional grants un-ringfenced grants, specific grants and grants that can be claimed. The Government has also made advance payments of social care grants and grants to compensate for existing business rate discounts before the additional discounts announced since the Covid-19 outbreak. These grants were already built into the Council's 2020-21 budget and therefore do not constitute extra funding towards additional costs and loss of savings, they merely represent an advance to assist cashflow. The Council's share of these advances is £33.4m.

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

3. Cost Estimates

- 3.1 As soon as the pandemic was announced arrangements were made to capture information about the additional costs the Council would incur. In March 2020 a total of £1.705m of additional spending and lost income associated with the Covid-19 response was accounted for within the final 2019-20 accounts. This included distress payments to bus providers, PPE purchases, and IT equipment and licences to support home working. The first tranche of Emergency Grant funding of £39m was received on 27th March, this was used to offset this expenditure with the remaining £37.3m transferred to a specific reserve to be drawn down to support spend in 2020-21.
- 3.2 Initially there was very little guidance on the expectations on local authorities. The Government did issue three Procurement Policy Notes (PPN) although these related to suspending aspects of procurement procedure rather than guidance on the type of expenditure the government anticipated local authorities would incur. The Council produced local guidance on the expenditure and income to be captured. This included:
- Additional costs incurred in response to the initial emergency e.g. temporary mortuary, procurement of PPE, etc.
 - Additional costs to support market sustainability e.g. payments to support social care providers in meeting Covid-19 related additional costs, payments to home to school transport providers even though no service has been provided due to closures, etc.
 - Future demand increases e.g. adult social care where the Council has to assume responsibility following hospital discharges, children's social care due to increased demand following the easing of lockdown restrictions etc.
 - Delays in delivering savings
 - Loss of income
 - Workforce pressures associated with demand increases
- 3.3 The Ministry of Housing, Communities and Local Government (MHCLG) has asked local councils to provide a monthly return setting out estimates of the impact of the Covid-19 pandemic. Four returns have been submitted to date setting out estimates of additional spending, delayed savings and potential lost income. The latest return was submitted on 31st July. The County Council report for 10th September included a summary of each return which has been reproduced in this report in the tables below.

Table 2 Grant Allocated & Impact	Monthly return			
	April £m	May £m	June £m	July £m
Emergency Grant Notified	39.0	66.9	66.9	77.3
Grant Allocated to Service Spend	38.2	66.3	66.9	77.3
Total forecasts				
Additional spending	106.1	100.4	96.6	92.8
Income losses	19.3	17.1	21.0	23.0
	125.5	117.5	117.6	115.9
Less grant notified	(39.0)	(66.9)	(66.9)	(77.3)
F'cast shortfall from Grant	86.5	50.5	50.7	38.6

Table3 Spending & Income Losses	Monthly return			
	April £m	May £m	June £m	July £m
Additional Spending				
Adult Social Care	56.6	49.8	45.1	44.2
Children's Services	6.0	8.1	8.1	7.2
Education	10.1	15.9	17.8	17.4
Highways & Transport	16.0	4.3	4.7	5.2
Public Health	1.0	0.7	0.7	0.8
Cultural & Related	-	0.2	0.2	-
Environment & Regulatory	11.7	4.3	3.5	3.3
Finance & Corporate	4.8	8.6	7.2	4.0
Other		8.5	9.2	10.8
Total	106.1	100.4	96.6	92.8
Income losses				
Sales Fees and Charges	8.5	-	-	-
Highways and Transport	-	2.9	3.8	5.6
Cultural and Related	-	0.2	0.2	2.9
Other	-	3.7	5.0	5.4
Sub Total Sales Fees and Charges	8.5	6.8	9.0	13.9
Commercial Income	5.0	5.0	6.0	4.0
Other Income	5.8	5.3	6.1	5.1
Total	19.3	17.1	21.0	23.0

3.4 Income losses for KCC do not include the impact of additional council tax discounts for households facing a decline in income, or collection losses for other households unable to pay, or losses on business rate collection for business not in receipt of additional Covid-19 reliefs. At this stage these

income losses will be borne by billing authorities (districts and boroughs in Kent) in 2020-21 with precepts for upper tier authorities unchanged from the amounts built into 2020-21 budget. The government has announced that collection fund losses can be written off over three years (rather than the usual one year) although there are no details at this stage how this will work in two-tier areas or whether the delayed write off will be backed by additional funding. The government has also announced that it is considering sharing the impact of irrecoverable council tax losses although again no details at this stage.

- 3.5 The first budget monitoring report setting out the overall financial position for 2020-21 revenue and capital budgets as the end of May was reported to Cabinet on 20th July. This report only includes forecast spending and income in 2020-21 and thus excludes the £1.7m of Covid-19 spending and lost income in 2019-20 and consequently identifies the balance of £65.2m of Emergency Grant in the Covid-19 Reserve available from tranches 1 and 2 to fund additional costs and income losses in 2020-21.
- 3.6 The budget monitoring report identified a forecast net revenue overspend in 2020-21 of £11.2m related to the shortfall in Covid-19 reserve and forecast £14.6m revenue overspend for non Covid-19 related issues. This report was prepared based on the third MHCLG return in June and before the tranche 3 Emergency Grant was announced.
- 3.7 The budget monitoring for 2020-21 includes a forecast of the additional revenue spending, delays in savings and income losses of £97.9m, and a forecast underspend £21.5m compared to base budget due to Covid-19 related issues. These underspends are not included in the MHCLG return which sought information on total additional spending and income losses related to Covid-19 and not whether any of the spending had base budget provision e.g. continuity payments to home to school transport providers. The MHCLG return also includes the £1.7m of spending in 2019-20 and £18m of potential financial risks which are not yet included in budget monitoring report. Table 4 shows the reconciliation between the 2020-21 budget monitoring and the total potential impact included in the MHCLG return.

Table 4 Reconciliation of MHCLG Covid-19 Return and KCC Budget Monitoring Report for May	KCC Monitoring		MHCLG
	2020-21	2019-20	Return
	£m	£m	£m
Potential Risks (not included in revenue monitoring at this stage)			18
Additional Spending	72.8	1.7	74.5
Delayed Savings	6.1		6.1
Total Additional Spending as per June MHCLG return	78.9	1.7	98.6
Loss of Income as per June MHCLG return	19		19
Gross Spending and Income	97.9	1.7	117.6
Base budget underspends (not in Covid-19 return)	-21.5		
Drawdown from Covid-19 Reserve	-65.2	-1.7	-66.9
Net Covid-19 Overspend	11.2		50.7

3.8 It is important to note that the cost estimates at this stage do not include any impact of a second wave of infections or changes in spending during the recovery phase. Costs and income losses will continue to be refined in light of further evidence.

4. 2020-21 Budget Amendment

4.1 Cabinet on 22nd June endorsed a recommendation for a review of the 2020-21 revenue budget in light of the significant changes since the budget was approved in February 2020. This review has resulted in the proposed amendment presented to County Council on 10th September.

4.2 Appendix A of the 10th September County Council report has been included in this report and identifies the detailed changes to spending plans by directorate. This is the equivalent to the one-year summary of the medium term financial plan (MTFP), section 3 of the Budget Book. The changes to the proposed budget include additional spending, losses of income, delays to the original savings plans, underspends achieved during the lockdown period and proposed management action to deliver a balanced budget. Table 5 shows a high level summary of the proposed changes between the original approved budget for 2020-21 and the amended proposed budget by directorate.

Table 5 High Level Summary	Total £m	Adult Social Care & Health £m	Children, Young People & Education £m	Growth Environ- ment & Transport £m	Strategic & Corporate Services £m	Financing & Unalloc- ated £m
Original Approved	1,099.9	402.4	282.0	173.8	89.9	151.9
Increase/ (decrease)	1,063.7	399.5	273.0	178.9	82.3	130.0
Total Change	36.3	3.0	9.0	-5.2	7.6	21.9
Gross impact of Changes						
Additional Spending Pressures	89.0	25.1	13.4	10.2	15.7	24.7
Income Losses	20.1	1.3	2.9	4.8	1.1	10.1
Undeliverable savings	7.6	3.4	1.3	0.2	0.7	2.0
Sub-total - total gross impact	116.7	29.7	17.5	15.2	17.5	36.7
How budget gets balanced						
Drawdown from reserves	-71.5	0.0	0.0	0.0	-0.1	-71.5
Changes Approved at Cabinet 20th July	27.9	0.0	0.0	0.0	0.0	27.9
Underspends, many due to Lockdown	-24.0	-3.5	-10.3	-7.8	-2.2	-0.2
Proposed Further Action	-12.8	0.0	0.0	-7.9	-0.5	-4.5
Total	36.3	26.2	7.2	-0.5	14.8	-11.5
tfr to unallocated	0.0	-23.2	1.8	-4.7	-7.2	33.4
Revised Total	36.3	3.0	9.0	-5.2	7.6	21.9

4.3 The £71.5m draw down from reserves in the budget amendment comprises of the balance of tranche 1 Emergency Grant after funding spending and lost income in 2019-20 (£37.3m), the tranche 2 grant agreed to paid into Covid-19 reserve by Cabinet on 22nd July (£27.9m), the roll forward of underspends from

2019-20 approved by Cabinet on 22nd July (£6.2m) and draw down from Public Health reserves (£0.1m) in order to preserve the ring-fencing for this service.

- 4.4 The analysis in appendix A also subdivides the proposed changes between those relating to the immediate response to the Covid-19 emergency, forecasts for the recovery phase during the remainder of this year and changes unrelated to the Covid-19 emergency. The analysis also identifies whether these are one-off issues for 2020-21 or recurring (impacting on the base for 2021-22 and later years). Table 6 shows a high-level summary by directorate.

Table 6 Further Analysis of Gross Impact		Total £m	Adult Social Care & Health £m	Children, Young People & Education £m	Growth Environ- ment & Transport £m	Strategic & Corporate Services £m	Financing & Unalloc- ated £m
One-off		83.8	26.5	10.7	14.2	9.9	22.5
Recurring		32.8	3.2	6.9	1.0	7.6	14.2
Total		116.7	29.7	17.5	15.2	17.5	36.7
Covid v Non-Covid							
Covid		96.3	26.8	8.5	12.5	9.5	39.1
Non-Covid		20.3	3.0	9.0	2.7	8.0	-2.3
Total		116.7	29.7	17.5	15.2	17.5	36.7
Covid split							
One-off		75.5	26.8	8.5	12.5	8.1	19.6
Recurring		20.8	0.0	0.0	0.0	1.3	19.5
Total		96.3	26.8	8.5	12.5	9.5	39.1
Non-Covid split							
One-off		8.4	-0.3	2.1	1.7	1.8	3.0
Recurring		12.0	3.2	6.9	1.0	6.2	-5.3
Total		20.3	3.0	9.0	2.7	8.0	-2.3

- 4.4 The balanced budget position has been achieved from a combination of additional specific grants which have enabled previous forecast costs to be funded at net nil impact on the net budget, revised forecasts for potential risk of future costs (compared to the earlier forecasts in the MHCLG returns set out in section 3 of this report) and proposed further management action. This has been a common approach in recent budgets where the solution has come from a combination of managing down what would otherwise have been spending growth and genuine spending reductions. As shown in table 6 all the proposed spending reductions from further management action are one-offs for 2020-21. The amended budget includes an additional £32.8m of net costs in 2020-21 which will be recurring in later years. These costs have been funded in 2020-21 from one-off funding sources and one-off underspends and savings and consequently will require a permanent solution in future years' budgets (either from additional sustainable funding, resisting costs or base budget savings).

- 4.5 The gross impact of Covid-19 on the Council's budget is £23.8m more than the emergency grant. The spending pressures include payments to providers during the lockdown period made under the provisions of the government's changes to Procurement Policy Notes (PPNs). We have included this expenditure as it was incurred in response to Covid-19 and in best value terms was expenditure for which no service was received.
- 4.6 It is important to identify the best value impact (and that such abortive spend should be funded from the emergency grant) even though some of that expenditure was already planned in the approved budget e.g. home to school transport. Effectively the underspends against the original approved budget help to offset the shortfall in government funding and have enabled a balanced budget to be proposed which does not detrimentally impact on the Council's reserves or financial resilience. The proposed further management action effectively balances the impact of non Covid-19 changes (after allowing for the £6.2m of additional planned spending funded from rollover of 2019-20 underspends).

5. Medium Term Impact

- 5.1 The medium term outlook remains highly uncertain. The Chancellor of the Exchequer has launched the 2020 Comprehensive Spending Review (CSR). The review aims to set departmental resource budgets for the years 2021-22 to 2023-24 and capital budgets for the years 2021-22 until 2024-25. This would usually include the overall spending for local government from central grants and the amounts expected to be raised locally through council tax and business rates. No firm date has been set when the review will be reported, and no overall spending envelope has been fixed. Submissions to inform the review need to be made by 24th September.
- 5.2 The Chancellor has been clear that given the impact Covid-19 has had on the economy there will need to be tough choices in areas of spending that are not among the Government's stated priorities. As part of the preparations for the CSR departments have been asked to identify opportunities to reprioritise spending and deliver savings. Departments will also be required to fulfil a series of conditions in their returns, including providing evidence they are delivering the government's priorities and focussing on delivery. The Government has already confirmed that reforms to local government funding for the move to 75% business rate retention and reforms to funding distribution through Fair Funding reform and reforms to business rate retention will not go ahead for next year.
- 5.3 As identified in paragraph 4.4 the recurring costs identified for 2020-21 in the budget amendment have only been funded by one-off solutions in the current year (emergency funding from government, underspends during the first part of the year during lock-down, and one-off future savings from action to defer spending). These recurring costs will need to be built into 2021-22 budget together with the more usual spending growth due to pay/prices and demography. There is also a high risk that there could be further spending

growth to deal with longer term consequences of Covid-19 pandemic and economic fall-out. If these spending growth pressures are not recognised in the CSR the predicted level of overall spending growth is likely to be unaffordable.

- 5.4 The recession could also affect council tax and business rates precepts. The County Council's share of council tax and retained business rates accounts for over $\frac{3}{4}$ of the total funding towards the net revenue budget requirement. Since the localisation of council tax benefit and the introduction of local business rate retention the Council is exposed to the economic consequences from a recession to a much greater extent.
- 5.5 Working age households on low incomes can claim discounts of up to 75% to 90% of the household council tax bill (the discount is determined by local schemes agreed individually by each district). If, as anticipated, the recession leads to higher levels of unemployment this would increase the number of council tax support claimants thus reducing the value of the collectable council tax. During April and May there has already been a 10% increase in the value of council tax support discounts compared to the estimate used for the 2020-21 precept. Since then the rate of increase in claimants has reduced but is still rising (as at the end of July, the latest information available, the increase stood at 11.9%).
- 5.6 Collection rates have also declined during the first four months of the current year. Collection rates represent the overall amount of collectable council tax i.e. after discounts have been applied, actually collected. Typically districts expect to collect between 97% to 99% of the collectable tax base. As with council tax support discounts there was an initial significant impact on collection in April compared to the previous year, but the rate of decline in collection rates has reduced in subsequent months. The average amount collected in April was 10.51% of the collectable base compared to 11.14% in April of the previous year i.e. a reduction of 0.63%. By July the total council tax collected was 37.41% compared to 38.72% in July of the previous year i.e. a reduction of 1.32%. In theory this under collection could be recovered later in the year but on current evidence this seems unlikely.
- 5.7 The combined impact of increase in council tax support claims and lower collection rates could result in KCC having to bear a substantial share of collection fund deficit and a reduction in the 2021-22 tax base. In recent years the Council has benefitted from a collection fund surplus and increasing tax base. These have been a significant factor in being able to set a balanced budget in previous years.
- 5.8 The combination of higher growth in spending than in previous years and the spectre of a potential collection fund deficit and reduced tax base would present a much greater threat to the Council's financial viability than the challenge we have faced over the last 10 years through austerity.

6. Capital Programme

- 6.1 The approved capital programme identifies £1,014m investment in infrastructure over the 3 years 2020-21 to 2022-23, this includes £121m of new schemes not included in previous programmes including a significant investment in highways asset management and priority remedial works. Capital investments are funded by a combination of government grants, developer contributions, external funding, capital receipts and borrowing. The approved programme included a preliminary figure for the 2019 schools commissioning plan together with assumed basic need grant but was still subject to confirmation at that time.
- 6.2 A fundamental review of the capital programme is being undertaken as the funding sources (borrowing, capital receipts, developer contributions, etc.) will also be impacted by Covid-19. It should be noted that avoiding borrowing would only reduce the revenue costs of borrowing and the Minimum Revenue Provision and would not impact until 2021-22. Capital receipts flexibility can still be used to support revenue transformation spending although our ability to attract receipts is limited in the current circumstances.

7. Recommendations

- a) Policy and Resources Cabinet Committee is asked to note magnitude of changes to spending and income plans in the amended 2020-21 budget presented to County Council on 10th September.
- b) Policy and Resources Cabinet Committee is asked to note that the position remains highly uncertain and could further change significantly during the Autumn.
- c) Policy and Resources Cabinet Committee is asked to note that this uncertainty extends into 2021-22 and later years pending the Government's Comprehensive Spending Review, further analysis of the impact on local tax yields, and progress towards balancing 2021-22 budget.

8. Background Documents

- 8.1 KCC's Budget webpage
<https://www.kent.gov.uk/about-the-council/finance-and-budget>
- 8.2 KCC's approved 2020-21 Budget
https://www.kent.gov.uk/_data/assets/pdf_file/0006/103758/Budget-Book-2020-21.pdf

9. Contact details

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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		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 £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
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
Underspends 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
Libraries	One-off reduction to the book fund												-300.0	-300.0
Libraries registration & archives	Defer some service development												-100.0	-100.0
Libraries registration & archives	Review of staffing and vacancy management												-49.5	-49.5
Community Wardens	Review of staffing and vacancy management												-130.0	-130.0
Strategic Planning	Review of staffing and vacancy management												-65.0	-65.0
Sustainable Communities	Review of staffing and vacancy management												-60.0	-60.0
Public protection	Review of staffing and vacancy management												-37.0	-37.0
Emergency Planning & Kent Scientific Services	Review of staffing and vacancy management												-50.0	-50.0
Highways, Transport & Waste	Review of staffing and vacancy management												-25.0	-25.0
Strategic Management	One off release of underspend												-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
Highways	Revenue costs chargeable to capital grants												-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
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
Minimum Revenue Provision (MRP)	Reduction in MRP required based on assets completed in 2019-20												-1,151.0	-1,151.0
Strategic Priorities Funding	Removal of remaining funding set aside for Strategic Priorities												-3,300.0	-3,300.0
Flood Protection	Deferral of planned Flood protection project until 2021-22												-70.0	-70.0
Member Community Grants	£5k per Member reduction in Community Grants budget												-405.0	-405.0
Member Allowances	5% reduction in Member Allowances from September												-55.2	-55.2
Other	Other minor policy savings												-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
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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From: Gaetano Romagnuolo, Research Officer - Overview & Scrutiny
To: **Scrutiny Committee – 6 October 2020**
Subject: Short Focused Inquiry – Visitor Economy
Classification: **Unrestricted**

1. Introduction

- a) At its meeting of 23 June 2020, the Scrutiny Committee agreed that the work programme for the Short Focused Inquiries should begin with an inquiry into Kent's visitor economy.
- b) Oral evidence was gathered from the following people/organisations:
 - David Smith, Director of Economic Development, KCC
 - David Sheen, Public Affairs Director, UK Hospitality
 - David Statham, Managing Director, Southeastern Railways
 - Deirdre Wells, CEO, and Bill Ferris, Chairman, Visit Kent
- c) In addition, the Committee received written evidence from a variety of sources, including the following:
 - KCC Members, who provided feedback from their own division's perspective
 - Kent local authorities
 - Port of Dover
 - Canterbury Cathedral
 - East Kent College
 - Dreamland
 - Shepherd Neame brewery
- d) The recommendations and findings of the inquiry are set out in the report contained in the Appendix.

2. Next Steps

- a) Once agreed, the report and recommendations will be submitted to the Executive.
- b) Subject to any changes of the Short Focused Inquiry work programme by the Scrutiny Committee, the next inquiry will be into the farming economy, as agreed on 23 June.
- c) For Members' information, the Scrutiny Committee also discussed undertaking a Short Focused Inquiry into NEETs (Not in Education, Employment or Training) and the impact of Coronavirus on care homes, and what mitigation might be required.

3. Recommendation:

That the Scrutiny Committee approve the Short Focused Inquiry Report into the visitor economy, and that it be submitted to the Leader and relevant Cabinet Members along with a request for a formal response to the recommendations within two months.

4. Background Documents

None.

5. Contact details

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Kent County Council

The Visitor Economy Short Focused Inquiry (SFI) Report

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August 2020



Headline Findings

- Kent's visitor economy is a large sector. Prior to the COVID-19 pandemic, Kent attracted close to 65 million visitors a year, contributing almost £3.8 billion to the county's economy, and supporting more than 77,000 jobs. **This is equivalent to 11% of all employment in the county.**
- The impact of COVID-19 on the local hospitality and tourism industry has been devastating. 89% of Kent businesses in the sector closed, either temporarily or indefinitely – a higher proportion than in any other sector. Businesses in the sector also reported the most redundancies, accounting for 32.6% of all registered job losses.
- While measures such as business rates relief, tourism and hospitality grants, and the CJRS¹ have been a lifeline for businesses, local firms in the visitor economy are still low on cash reserves, and there is a high risk that many of them may not survive the winter.
- Priority should be given to developing an extensive and powerful marketing campaign, which focuses on the domestic market, and promotes Kent as a safe and attractive visitor destination.
- Although the focus should be on the domestic market, the postponing of internationally-renowned events, such as the Open Golf Championship and the Folkestone Triennial, offers an opportunity to use them as platforms to raise the profile of Kent as a destination and to boost economic recovery next year.
- KCC should focus its advisory support, and any potential financial support, on smaller businesses. As the business need is likely to be significant, it will be necessary to develop a package of potential products which could either seek funding, or be supported, through partnership and joint working.
- The Tourism Sector Deal offers a vital means of providing support for the industry, with its focus on workforce, skills, data sharing and place building. KCC should seek to become one of the five pilot Tourism Zones that will drive the Deal.
- The regeneration of Kent's high streets and open spaces is vital in order to encourage footfall, boost the local visitor economy and rebuild communities.

¹ CJRS: Coronavirus Job Retention Scheme

- The changes in consumer behaviour as a result of lockdown have produced new opportunities around sustainability and transport. KCC could work with transport providers and tourism businesses to overcome “last mile” transport challenges and to promote environmental sustainability.
- The visitor economy has been shown to be a rapid job creator after a recession. It is therefore important that KCC works closely with businesses and educators to stimulate employment and skills development opportunities in Kent’s hospitality and tourism sectors, in response to the impact of COVID-19.

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1.Introduction and Scope

1.1. Introduction

1.1.1. The COVID-19 pandemic has already had a significant impact on Kent's economy. Overall, it is estimated that Kent and Medway face an output loss of around £5.3 billion in 2020.² Almost all sectors of the economy will be affected by this, but the impact on the hospitality and tourism, retail and cultural sectors will be particularly severe.

1.1.2. The Government responded quickly, at the end of March 2020, with a substantial package of measures to help protect jobs and businesses, including the Coronavirus Jobs Retention Scheme (the Furlough Scheme) and a series of grants for business. This has since been adjusted in response to evidence of need, and has helped to avert widespread business closures and redundancies.

1.1.3. Since the outbreak of the crisis, Kent County Council (KCC) has worked hard to support the visitor economy. However, the COVID-19 crisis has hit Kent's large visitor economy severely, and much still needs to be done to support the sector's reopening and recovery.

1.1.4. The aim of this inquiry is to identify further measures that KCC could take to mitigate the impact of COVID-19 on the visitor economy in Kent, and to provide support towards its recovery.

² Kent County Council (2020) The Kent and Medway Economy and Coronavirus Crisis. Economic Recovery Plan: Discussion Draft

1.2. Committee Membership

1.2.1. The membership of the inquiry consisted of all the members of KCC's Scrutiny Committee:

Mr Andy Booth (Chairman, Conservative)

Mr John Wright (Vice-Chairman, Conservative)

Matthew Balfour (Conservative)

Mr Paul Barrington-King (Conservative)

Mrs Pauline Beresford (Conservative)

Mrs Rosalind Binks (Conservative)

Mr Rob Bird (Liberal Democrat)

Mr Gary Cooke (Conservative)

Mrs Trudy Dean, MBE (Liberal Democrat)

Mr Dara Farrell (Labour)

Mr Rory Love, OBE (Conservative)

Mr Alan Ridgers (Conservative)

Dr Lauren Sullivan (Labour)

1.3. Scope

1.3.1. The scope of the inquiry was:

1. To define the visitor economy and briefly set it in context.
2. To explore the impact of COVID-19 on the visitor economy in Kent.
3. To identify additional measures that KCC could take to boost the visitor economy in Kent in response to the impact of COVID-19.

2. Background

2.1. Definition

2.1.1. The term “visitor economy” is much broader than tourism; it includes all staying and non-staying visitors, and the activities and expenditure involved in supplying products and services for them by both the private and public sectors.

2.1.2. The visitor economy includes a multitude of different working environments, from outdoor paid-for attractions such as theme parks, to indoor venues such as stately homes or planetariums.

2.1.3. It also includes a variety of activities and events which take place at hotels, convention and exhibition centres, conference halls and meeting rooms.³

³ Gov.UK (2020) What do We Mean by “The Visitor Economy?”, online, <https://www.gov.uk/guidance/working-safely-during-coronavirus-covid-19/the-visitor-economy>

2.2. National and International Context and Impact

National and international context and impact

- 2.2.1. COVID-19 is an unprecedented health emergency, which has had a significant negative impact on the global economy, societies and individuals. The hospitality and tourism sector is more vulnerable than other sectors to unforeseeable events, and the impact on these two industries has been particularly severe. Globally, governments have taken the difficult decision to close businesses, with many also introducing strict travel restrictions and social distancing to try to contain the spread of the virus.⁴
- 2.2.2. In the UK, the Government announced the closure of businesses in the hospitality sector at the end of March 2020. This was an unprecedented intervention into their affairs and ended their ability to trade on normal terms.⁵
- 2.2.3. At global level, the economic implications of COVID-19 are stark. According to the International Monetary Fund (IMF), the global economy will shrink by 3% in 2020, marking its worst decline since the Great Depression of the 1930s.⁶
- 2.2.4. The United Nations World Tourism Organisation (UNWTO) estimates that in global international tourist arrivals could decline by between 20-30% this year, following an estimated growth of 3% to 4% in early January.⁷ Tourism businesses were among the first to be affected by COVID-19, with airlines cutting flights and customers cancelling business trips and holidays. Restoring consumer and business confidence is likely to be a wide-ranging, long-term process. Oxford Economics has forecast that inbound tourist volumes will not recover to their pre-COVID-19 levels until 2023/24.⁸
- 2.2.5. According to the UNWTO, extended disruption to tourism could lead to a global loss for the industry of between £25 billion and £45 billion of spending by international visitors.⁹

⁴ All Party Parliamentary Group for Hospitality and Tourism (2020) Pathways to Recovery

⁵ Ibid

⁶ Ibid

⁷ <https://www.unwto.org/>

⁸ <https://www.oxfordeconomics.com/country-and-city-tourism>

⁹ <https://www.unwto.org/>

2.2.6. The impact of the pandemic has been most acute on countries with a strong reliance on inbound tourism. In Spain for example, a country that is dependent on the tourism sector for 12% of its GDP and 13% of its employment, the reported potential loss of revenue for this year amounts to £120 billion. There is a similar picture in Greece, Italy and other popular European destinations.¹⁰

2.2.7. Tourism is also a vital part of the UK's economy. In 2018, the UK welcomed about 38 million visitors, with a total visitor spend of about £23 billion.¹¹ The UK visitor economy is worth £127 billion in annual turnover, and is the country's third largest employer, supporting over 3 million jobs.¹²

2.2.8. The combination of closed businesses and declining visitor spend is having a severe impact on the domestic visitor economy. VisitBritain's forecast data estimates a decline of 48% in domestic spending in England, or a loss of £36.8 billion (from £75.9 billion in 2019 to £39.2 billion in 2020).¹³

2.2.9. As of June 2020, VisitBritain forecast that inbound tourism this year will decline by 59% in visits (to 16.8 million), and by 63% in spend (to £10.6 billion). This would represent a loss, compared to its pre-COVID forecast, of 25.3 million visits and £19.7 billion spend.¹⁴

2.2.10. Estimates of hotel demand show that, in the short-term (the next 6-12 months), it will recover to around 60-80% of 2019 levels, but it is not expected to recover fully to these levels until 2023.¹⁵

¹⁰ All Party Parliamentary Group for Hospitality and Tourism (2020) Pathways to Recovery

¹¹ <https://www.visitbritain.org/2020-tourism-forecast>

¹² Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Briefing Session, 27 July 2020

¹³ [Covid domestic tourism impact forecast, VisitBritain](#)

¹⁴ [Covid inbound tourism impact forecast, VisitBritain](#)

¹⁵ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Written Evidence

UK Government response

- 2.2.11. Faced with one of the greatest challenges in modern times, the UK Government has had to act quickly, with an unprecedented range and scope of initiatives. The entirety of the fiscal support provided so far by the Government is equivalent to around 15% of the UK's GDP. This is considerably higher than the scale of the rescue measures taken in the wake of the 2008 financial crash.¹⁶
- 2.2.12. The central pillar of the Government's support was to introduce a Coronavirus Job Retention Scheme (CJRS). The scheme helps employers to continue to pay part of the salary of employees who would otherwise have been at risk of redundancy. For employees designated as 'furloughed', HMRC reimburses 80% of wage costs, up to a cap of £2,500 per month. On May 12th the Government extended the CJRS from its original end date (the end of June) until October.¹⁷
- 2.2.13. To provide vital capital to businesses, the Government introduced schemes to facilitate the lending of money to businesses that needed it. This included the creation of the Coronavirus Large Business Interruption Loan Scheme (CLBILS), which was introduced to support businesses with an annual turnover of over £45million. For smaller businesses, the Government introduced the Bank of England COVID-19 Corporate Financing Facility (CCFF), which aims to provide liquidity to bridge COVID-19's disruption to cash flows, through loans.¹⁸
- 2.2.14. The Government also announced significant reliefs for businesses in the retail, hospitality and leisure sectors, including a £25,000 cash grant for those with a rateable value of less than £51,000.¹⁹
- 2.2.15. Another well-received measure was the protection from eviction to 30th June 2020, offered to commercial tenants who were unable to pay their rents.²⁰

¹⁶ All Party Parliamentary Group for Hospitality and Tourism (2020) Pathways to Recovery

¹⁷ Ibid

¹⁸ Ibid

¹⁹ Ibid

²⁰ Ibid

2.2.16. Other interventions include:

- The Small Business Grant scheme - a one-off cash grant of £10,000 to small businesses
- VAT deferral – allowing businesses to make no VAT payments between 20 March and 30 June, with accumulated liabilities payable by 31 March 2021
- Time to Pay – A case-by-case support from HMRC for firms that have missed their last tax payment or may miss their next one.²¹

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²¹ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Written Evidence

2.3. Local Context and Impact

Local context

- 2.3.1. Prior to the COVID-19 pandemic, Kent attracted 65 million visitors a year, contributing £3.8 billion to the county's economy, and supporting more than 77,000 jobs. This is equivalent to 11% of all employment in the county.²²
- 2.3.2. Kent is the third most visited UK destination for international visitors outside London, reaching a record 1.1 million in 2017, and bringing £361 million to the local economy.²³
- 2.3.3. In 2019 there were 5,345 tourism enterprises in Kent, a growth of 14.6% over the last five years. Seven Kent districts have a higher proportion of tourism enterprises than the national average of 8.5%, with the highest being in coastal areas.²⁴
- 2.3.4. The Port of Dover is Europe's busiest international ferry port. In 2019 it welcomed about 12 million passengers, over 2 million tourist cars and about 80,000 coaches. In 2018, the combined numbers for ferry and Eurotunnel were over 22 million passengers, 4.7 million tourist cars and over 130,000 coaches. The Port of Dover is also England's second busiest cruise port, attracting 130 ships in 2019 and over 200,000 passengers annually.²⁵

²² Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Written Evidence

²³ Ibid

²⁴ Ibid

²⁵ Ibid

The impact of COVID-19 on Kent's visitor economy

- 2.3.5. The impact of COVID-19 on Kent's visitor economy has been devastating.
- 2.3.6. Visit Kent - Kent's destination management organisation - reports that Kent began to see cancellations as a result of COVID-19 in February, with 50% of businesses experiencing cancellations, mostly from international visitors.²⁶
- 2.3.7. Major events planned for 2020 were cancelled or postponed, including the 149th Open, Dickens 150 events, Becket 2020 events, the Lambeth Conference and the Folkestone Triennial.²⁷
- 2.3.8. In March 2020, businesses experienced an average decrease of 73% in terms of footfall and revenue, compared to March 2019. This worsened in April, as the lockdown progressed, with a 98% reduction in both footfall and revenue compared to April 2019.²⁸
- 2.3.9. Southeastern railways reported to the Committee that in April 2020 it operated only 166,000 off-peak journeys, compared to 4.4 million in April 2019.²⁹
- 2.3.10. 98% of businesses surveyed by Visit Kent reported that they had furloughed staff, with most saying that this accounted for the majority of their employees.³⁰
- 2.3.11. 89% of Kent businesses in the tourism and hospitality sector closed, either temporarily or indefinitely – a higher proportion than in any other sector. In addition, businesses in the sector reported the highest number of redundancies, representing 32.6% of all reported job losses.³¹
- 2.3.12. ONS data from July 2020 shows that footfall in high streets was less than 40% of its level in the same period last year, while footfall in shopping centres was just under 50%. 36% of food and accommodation businesses, and 40% of entertainment and recreation businesses, said that all capital expenditure had stopped.³²

²⁶ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Written Evidence

²⁷ Ibid

²⁸ Ibid

²⁹ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Briefing Session, 28 July 2020

³⁰ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Written Evidence

³¹ Ibid

³² <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/bulletins/coronavirustheukeconomyandsocietyfasterindicators/2july2020>

2.3.13. The ONS also reports that 96% of accommodation and food service businesses have applied for CJRS support. 10% of them have no financial reserves, and a further 57% have less than 6 months' reserves – the worse of all industries in terms of resilience.³³

2.3.14. High-profile redundancies have already been announced at Dreamland, DFDS, Holiday Extras and P&O Ferries. There is a significant risk of further redundancies across the sector as the furlough scheme ends in October 2020 and winter arrives, when footfall is typically low.^{34 35}

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³³ Ibid

³⁴ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Briefing Session, 30 July 2020

³⁵ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Written Evidence

Local response

2.3.15. While the Government put in place key measures to mitigate the impact of COVID-19 on businesses and workers, local authorities have played a vital role in delivering much of the national support programme.³⁶

2.3.16. So far the short-term focus has been on responding to the immediate emergency, for example by providing businesses and employees with temporary financial security. The scale of this intervention has necessarily made it a task for central government.³⁷

2.3.17. However, local activity alongside the 'national core' has been vital. Local government has been in the forefront of providing practical and essential support by delivering those Government measures that have been channelled through the business rates system.³⁸

2.3.18. In addition, KCC set up the COVID-19 Business Support Helpline to help firms in navigating the immediate support on offer and, when this support is taken up, to ensure that they are able to access a wider range of business support services.³⁹

2.3.19. Also, announced has been:

- The establishment of an Employment Task Force to promote and support employment and skills development, especially for young people.
- The introduction of KCC loan schemes to support local businesses.⁴⁰

2.3.20. For the mid term, amongst other initiatives, KCC has been involved in the development of a joint Kent and Medway recovery strategy, and an Economic Recovery Plan, which build on existing, short-term interventions and strategies. The Plan contributes to the wider work of the Kent Resilience Forum, and is part of a series of thematic recovery plans.⁴¹

³⁶ Kent County Council (2020) The Kent and Medway Economy and Coronavirus Crisis. Economic Recovery Plan: Discussion Draft

³⁷ Ibid

³⁸ Ibid

³⁹ Ibid

⁴⁰ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Briefing Session, 17 July 2020

⁴¹ Kent County Council (2020) The Kent and Medway Economy and Coronavirus Crisis. Economic Recovery Plan: Discussion Draft

2.3.21. The draft Plan proposes five 'channels' of activity. These are:

- Communications, confidence and trust: providing better intelligence to inform our actions and ensuring collaboration and partnership to drive our activity.
- Open for business: taking action quickly to build confidence and demonstrate that our county and our towns are 'open'.
- Supporting businesses in the return to growth: practical measures to help firms grow, innovate and adapt to changing circumstances and markets.
- Accelerating employment and supporting the labour market: active measures to counter the likely rise in unemployment.
- Investing in the future: bringing forward capital spending and planning for future investment.⁴²

2.3.22. Since the outbreak of COVID-19, Visit Kent has also worked hard to support the sector, focusing its efforts on four areas of activity: business support and recovery, COVID-19 impact monitoring, sector representation to Government and consumer engagement.⁴³

2.3.23. Visit Kent's website has provided extensive information on both central government and local government support. The organisation has also carried out broad surveying and monitoring of the impact of the pandemic, with intelligence fed to central government departments and representative bodies.⁴⁴

2.3.24. Finally, both Visit Kent and KCC have longstanding connections with counterpart organisations in mainland Europe, and have been working through the Straits Committee - a new, voluntary partnership between Kent and neighbouring Belgian, Dutch and French local authorities - to explore the potential for working together to promote each other's markets.⁴⁵

⁴² Ibid

⁴³ Kent County Council (2020) Tourism Sector Reopening, Growth, Economic Development and Communities Cabinet Committee, 3 July 2020

⁴⁴ Ibid

⁴⁵ Ibid

3. Key Issues and Recommendations

3.1. Promotion and Marketing

- 3.1.1. Tourism and hospitality are an important part of the economic and social fabric, providing jobs across the country - including to areas that suffer from high levels of social deprivation. As lockdown measures extend into summer, there is a real concern amongst businesses that they will miss out on the whole of their peak season.⁴⁶
- 3.1.2. Also, while measures such as business rates relief, tourism and hospitality grants and the CJRS have been a lifeline for businesses, many still have low cash reserves, and there is a high risk that they may not survive the winter.⁴⁷
- 3.1.3. Consumer confidence to spend on leisure activities will also decline as the country moves into recession. The average spend per person is likely to decrease, with a damaging impact on the local economy.⁴⁸
- 3.1.4. As lockdown restrictions are relaxed, the promotion of sector businesses will be essential in encouraging people to return to normal as part of their resocialisation. There is a good deal of evidence that priority should be given to developing an extensive marketing campaign, aimed at boosting public confidence in the safety of travelling and using hospitality venues.^{49 50}
- 3.1.5. Such an approach would be welcomed by businesses, particularly smaller and independent businesses that may be unable to afford their own publicity.⁵¹
- 3.1.6. Many organisations, including UK Hospitality, Visit Kent and the All Party Parliamentary Group for Hospitality and Tourism, maintain that the focus of these campaigns should be on the domestic market.^{52 53 54} Previous crises (such as Foot & Mouth) have shown that domestic visitor markets recover first.⁵⁵

⁴⁶ All Party Parliamentary Group for Hospitality and Tourism (2020) Pathways to Recovery

⁴⁷ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Written Evidence

⁴⁸ Ibid

⁴⁹ All Party Parliamentary Group for Hospitality and Tourism (2020) Pathways to Recovery

⁵⁰ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Written Evidence

⁵¹ All Party Parliamentary Group for Hospitality and Tourism (2020) Pathways to Recovery

⁵² Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Briefing Session, 27 July 2020

⁵³ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Written Evidence

⁵⁴ All Party Parliamentary Group for Hospitality and Tourism (2020) Pathways to Recovery

⁵⁵ Ibid

- 3.1.7. There is also a recognition that, with the global spread of the pandemic and the strict lockdown measures imposed in other countries, many overseas destinations are not viable for British tourists. Conversely, many businesses that depend on international visitors are unlikely to see their customers return before late 2020 at the earliest.
- 3.1.8. As research indicates that most people who have had to cancel a foreign holiday are not currently planning to replace it with a British one, the need to develop a powerful and effective campaign that markets Kent as a safe and appealing destination becomes even more urgent.⁵⁶
- 3.1.9. The Committee believes that KCC has a responsibility to champion the visitor economy in Kent, and to promote and reinforce the message that Kent is a safe visitor destination and is open for business. However, this responsibility should be shared with other organisations in the public, private and voluntary sectors. Only by working together can we boost effectively the visitor economy in the county in reaction to COVID-19.
- 3.1.10. National initiatives, such as the Eat Out to Help Out scheme, Good to Go industry standard, Know Before You Go and Enjoy Summer Safely, are all aimed at encouraging domestic customers.⁵⁷
- 3.1.11. Visit Kent is already playing a central role in marketing domestic tourism. The purpose of its Secret Garden of England campaign (part funded by KCC) is to position Kent as a safe and appealing visitor destination.⁵⁸
- 3.1.12. However, a persistent and concerted approach is needed to ensure a strong recovery, given that Kent is competing with other destinations for domestic visitors.⁵⁹
- 3.1.13. Also, in view of the urgency of promoting Kent as a safe and attractive visitor destination, and the competition for domestic customers, the Committee believes that it is crucial to make sure that the media used as destination marketing tools are as effective, accurate, powerful and far-reaching as possible.

⁵⁶ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Written Evidence

⁵⁷ Ibid

⁵⁸ Ibid

⁵⁹ Ibid

- 3.1.14. The Committee recommends that the feasibility of using television advertising should be considered in addition to other communication channels. Despite the Internet's steady rise in popularity over the last few years, television remains a powerful medium and one that reaches a wide audience. While the Committee is aware of budget implications, it believes that there is an urgent need to promote Kent as an attractive and safe visitor destination before the end of the peak season, in order to help businesses survive this winter.
- 3.1.15. While praising Visit Kent's website for offering a wealth of information and guidance on themes such as Government updates, business recovery and financial support, the Committee advises that the website should be updated more regularly to reflect the current, local visitor economy offer more accurately. Also, the Committee feels that the use of social media could be pitched to reach the younger section of the population more effectively, and to attract their custom in local hospitality and tourism.
- 3.1.16. Although the focus should be on the domestic market, the postponing of internationally-renowned events, such as the 149th Open and the Folkestone Triennial, offers an opportunity to use them as platforms to raise the profile of Kent as a destination and to boost economic recovery next year.
- 3.1.17. These opportunities could be replicated through the creation of other international events, such as a new, regularly-occurring marathon which involves neighbouring countries across the Channel. This would cement international relationships and provide an additional platform to advertise Kent, as well as promoting the benefits of sport and fitness.
- 3.1.18. Strengthening relationships with neighbouring countries is important to boosting the local visitor economy. With Britain leaving the EU, bilateral relationships with neighbouring authorities across the Channel have become even more important.⁶⁰

⁶⁰ Kent County Council (2020) KCC to Strengthen and Build Relationships with Europe, online, <https://kccmediahub.net/kcc-to-strengthen-and-build-relationship-with-europe745>

3.1.19. The Straits Committee – which includes KCC and local authorities from France, Belgium and Holland that border the Dover Strait and the Channel – offers an opportunity to further solidify international relationships and to promote the heritage and attractiveness of coastal communities and tourism. For instance, in order to promote educational tourism, work is underway to attract schools and youth groups to travel within the Strait areas for cultural and language immersion trips.⁶¹ “Twin towns” links – such as those between Dover and Calais, and Faversham and Hazebrouck – also offer an opportunity to foster and strengthen social and economic relationships across the Channel.⁶²

3.1.20. Having considered all of the above issues, the Committee makes the following recommendations.

Recommendation 1

KCC should look for opportunities to act as an ambassador, and should promote and reinforce the message that Kent is a safe visitor destination and is open for business.

Recommendation 2

KCC and partner organisations should consider the use of television advertising to promote Kent as a safe and attractive visitor destination.

Recommendation 3

KCC should suggest to Visit Kent that:

- 1) Its website should be updated more regularly to reflect the current, local visitor economy offer more accurately.**
- 2) Its use of social media could be pitched to reach the younger section of the population more effectively, and to attract their custom in local hospitality and tourism.**

⁶¹ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Written Evidence

⁶² Kent Messenger (2020) Kent's Twin Towns and Sister Cities Around the World, online, <https://www.kentonline.co.uk/kent/news/the-twin-towns-and-sister-cities-of-kent-226510/>

Recommendation 4

KCC should promote the establishment of a regularly-occurring international marathon which involves neighbouring countries across the Channel. This event would cement international relationships and provide an additional platform to advertise Kent, as well as promoting the benefits of sport and fitness.

Recommendation 5

KCC should use the momentum of Straits Committee meetings and other international links to strengthen the relationship with partner local authorities across the Channel and to promote Kent's coastal communities' heritage, attractiveness and tourism.

3.2. Advisory and Financial Support

Advisory and financial support

- 3.2.1. The impact of COVID-19 on the hospitality and tourism industries has been particularly pronounced. The Government has put in place a number of measures to help the industry. However, such is the scale of the crisis, unless there is further assistance during both the transition and recovery phases, many businesses are unlikely to survive.⁶³
- 3.2.2. As already discussed, amongst other initiatives, KCC has been involved in the development of an Economic Recovery Plan which builds on existing, short-term interventions and strategies.⁶⁴
- 3.2.3. The evidence submitted to the Committee strongly supports the five channels of activity that the Plan proposes to focus on. The need to build customer confidence and to demonstrate that Kent is open for business, to support businesses in their return to growth, and to foster collaboration and partnership working, have all been recurrent themes in the oral and written evidence it has received.^{65 66}
- 3.2.4. The Committee also endorses initiatives that KCC has already implemented, or has announced, to support local businesses – including those in the visitor economy. These include: the funding of a helpline to provide support and advice; the establishment of an Employment Task Force to promote and support employment and skills development, especially for young people; and the re-introduction of KCC loan schemes to support local businesses.⁶⁷
- 3.2.5. The need to support local businesses in the visitor economy is particularly urgent. The visitor economy has been one of the hardest hit industries in terms of redundancies. Also, as it is heavily seasonal - with 70% of business activity happening between April and October - much of the revenue that would normally be generated in the peak season has been lost.

⁶³ All Party Parliamentary Group for Hospitality and Tourism (2020) Pathways to Recovery

⁶⁴ Kent County Council (2020) The Kent and Medway Economy and Coronavirus Crisis. Economic Recovery Plan: Discussion Draft

⁶⁵ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, see all Briefing Sessions

⁶⁶ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, see the Written Evidence Pack

⁶⁷ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Briefing Session, 17 July 2020

- 3.2.6. The great majority of businesses in this sector are micro enterprises. As of March 2020, out of the 5,345 tourism enterprises in Kent, 4,365 (80.5%) were micro enterprises (employing 0-9 people), and 855 (16%) were small enterprises.⁶⁸
- 3.2.7. While Government measures have been a lifeline for them, there is a high risk that many may not survive next winter.⁶⁹
- 3.2.8. As the Economic Recovery Plan indicates, many of the measures to support local businesses will require collaboration and funding from a number of sources. Many of the 'building blocks' are already in place, for example through the Kent and Medway Business Fund, the LOCASE low carbon programme, Kent International Business and the innovation services provided by local universities. There could also be scope for further investment from residual ERDF funds or other funding packages that the Government might seek to devolve. As the business need is likely to be significant, it will be crucial to develop a package of potential products which could either seek funding, or be supported, through partnership and joint working.⁷⁰
- 3.2.9. The Committee believes that, with regard to the visitor economy sector, KCC should focus its advisory support and any potential financial support on smaller businesses, as many may otherwise be unlikely to survive. Having a vibrant visitor economy makes Kent an attractive place in which to live, work and invest. Any erosion of the visitor offer would mean a reduced quality of life for residents and it could also have a knock-on effect on levels of investment in the county.⁷¹

Recommendation 6

The Committee endorses the aims and activities proposed by KCC's Economic Recovery Plan as the basis for KCC's support for local businesses. With regard to the visitor economy, the Committee recommends that KCC focuses its efforts on supporting the recovery of smaller businesses.

⁶⁸ Kent County Council (2020) Tourism Industries in Kent, Strategic Commissioning Statistical Bulletin

⁶⁹ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Written Evidence

⁷⁰ Kent County Council (2020) The Kent and Medway Economy and Coronavirus Crisis. Economic Recovery Plan: Discussion Draft

⁷¹ Ibid

The Tourism Sector Deal

- 3.2.10. In June 2019 the Government announced the UK's first ever Tourism Sector Deal, with the aim of reaffirming the UK as a key player in the industry.⁷²
- 3.2.11. The Deal will revolutionise the way data is used by the sector through the creation of a new Tourism Data Hub. The Hub will regularly collate data on the latest trends and spends, allowing businesses to better target overseas visitors.⁷³
- 3.2.12. The Deal will support the creation of an additional 10,000 apprenticeships for people building their careers in the tourism and hospitality sectors. It also commits to building an additional 130,000 hotel rooms to respond to the increased demand for infrastructure.⁷⁴
- 3.2.13. The Deal also confirms the Government's ambition for the UK to become the most accessible destination for disabled visitors, through the improvement of disabled facilities and access to destinations across the country.⁷⁵
- 3.2.14. As part of the Deal, new Tourism Zones will be identified to deliver a direct boost to holiday destinations across the country, helping to create new jobs as well as supporting improvements in transport connections.⁷⁶
- 3.2.15. The Government intends to pilot up to five of these Tourism Zones to drive visitor numbers across the country. Zones will receive Government support for growing their local visitor economy, through initiatives such as targeted support for product and promotion development, mentoring support to businesses and digital skills training.⁷⁷
- 3.2.16. The Committee believes that the Tourism Sector Deal, with its focus on workforce, skills, data sharing and place building, offers a vital route to delivering support for the industry. With investment and policy support, the Deal provides a ready-made solution for rebuilding a resilient and sustainable tourism sector.

⁷² Gov.UK (2019) PM Announces New Tourism Sector Deal, online, <https://www.gov.uk/government/news/pm-announces-new-tourism-sector-deal>

⁷³ Ibid

⁷⁴ Ibid

⁷⁵ Ibid

⁷⁶ Ibid

⁷⁷ Ibid

3.2.17. Visit Kent intends to develop a bid, either county-wide or at Local Enterprise Partnership level, for Kent to become one of the five pilot Tourism Zones that will drive the Tourism Sector Deal.

3.2.18. The Committee strongly supports this ambition, and urges KCC to support Visit Kent in this endeavour.

Recommendation 7

KCC should support Visit Kent in developing a county or LEP-wide bid to become one of the five pilot Tourism Zones that will drive the Tourism Sector Deal.

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3.3. Open Spaces, High Street and Transport

Open spaces

- 3.3.1. A recurrent theme in this inquiry has been around the use of open spaces to comply with Government's social distancing requirements while boosting the economic recovery process.
- 3.3.2. A number of businesses in the visitor economy have made changes to their usual operation, for instance by embracing takeaway services. Other measures, that have become a feature of other sectors such as retail, include access restrictions at entrances, signage and markers to indicate social distancing requirements to staff and customers.⁷⁸
- 3.3.3. Suggestions were made that planning and pavement licensing rules should be relaxed to enable hospitality businesses to use outside spaces more freely, thereby boosting business recovery and managing safety.⁷⁹
- 3.3.4. The recent Business and Planning Act 2020 has been designed to make it easier for businesses to use outdoor space for trading without the need for planning permission.
- 3.3.5. The Act includes two main provisions for operators of licenced premises: new pavement licences, and provisions to allow the sale of alcohol away from the premises.
- 3.3.6. The aim is to boost businesses, such as pubs and restaurants, by introducing a temporary fast-track process for them to obtain permission, in the form of a "pavement licence", from the appropriate local authority.
- 3.3.7. The provisions in the Act also temporarily modify the Licensing Act 2003 by offering an automatic extension to the terms of most premises and allowing the sale of alcohol for consumption away from the premises, as well as on the premises.⁸⁰
- 3.3.8. While this legislation is very welcome, at a time when customer confidence is fragile, investment in Kent's open spaces is critical in order to complement the new freedoms and to encourage footfall and rebuild communities.⁸¹

⁷⁸ All Party Parliamentary Group for Hospitality and Tourism (2020) Pathways to Recovery

⁷⁹ Ibid

⁸⁰ See The Business and Planning Act 2020, online, <https://www.legislation.gov.uk/ukpga/2020/16/part/1/crossheading/pavement-licences/enacted?view=plain>

⁸¹ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Written Evidence

3.3.9. Kent's destinations need to look their best to provide a positive visitor experience, recommendations and return visits. Therefore, local authority joint-working and investment in street cleaning, public toilets, bins, green spaces and the public realm should be a priority.⁸²

3.3.10. There has been an increased interest in cycling and walking during the lockdown. While Kent has a strong walking and cycling offer, further investment in this infrastructure would also be beneficial, both for residents and to attract more visitors.⁸³

High street

3.3.11. The crisis will probably reinforce and accelerate some of the structural shifts in consumer behaviour that have impacted on traditional retail models, especially in town centres, in recent years.

3.3.12. In the short term, measures to attract custom to the high street and promote confidence will be important. These could include promotional activities, local purchasing campaigns and smaller-scale capital investment.⁸⁴

3.3.13. However, in the long term, there is a need to re-think the role of town centres. The experience of the visitor should be a key priority in any regeneration exercise.⁸⁵

3.3.14. During lockdown there has been a significant increase in the number of people working from home and living locally, and it seems likely that this practice will continue as lockdown eases.⁸⁶

3.3.15. As the Government-commissioned High Streets Task Force has highlighted, during lockdown people have been making more use of centres close to them, rather than travelling further afield.⁸⁷ This could provide opportunities for some local high streets.

⁸² Ibid

⁸³ Ibid

⁸⁴ Kent County Council (2020) The Kent and Medway Economy and Coronavirus Crisis. Economic Recovery Plan: Discussion Draft

⁸⁵ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Written Evidence

⁸⁶ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Briefing Session, 28 July 2020

⁸⁷ High Street Task Force (2020) Task Force Welcomes New Fund for Reopening High Streets Safely, online, <https://www.highstreetstaskforce.org.uk/news/task-force-welcomes-new-fund-for-reopening-high-streets-safely/>

- 3.3.16. Research by UCL suggests that investment in the public realm, and the reallocation of space for walking and cycling, has been shown to work economically for local retailers and businesses in many ways.⁸⁸
- 3.3.17. Nonetheless, the Committee recommends that any such regeneration activity should be carried out carefully to ensure that it will not benefit one area to the detriment of another. For instance, the promotion of cycling and walking in open spaces should not result in a decrease of footfall in the high street.
- 3.3.18. The Committee also recommends that the effectiveness of regeneration interventions should be closely monitored, in order to determine their effectiveness and inform future policy making.
- 3.3.19. Re-establishing the role of the high street as a hub for social connection, and reinforcing and celebrating its roots and unique character, could go a long way to encouraging people to stay local and spend money where they live.

Recommendation 8

KCC should work with partner organisations to regenerate Kent's high streets and open spaces in order to encourage footfall, boost the local visitor economy and rebuild communities.

Transport and sustainability

- 3.3.20. The shift in consumer behaviour forced by lockdown has also prompted issues and opportunities around sustainability and transport. The revival of the visitor economy, and the regeneration of the high street, provide an opportunity to build in sustainability and meet carbon-reduction targets.
- 3.3.21. One of the main barriers to using public transport is the “last mile”, that is, the challenge of moving people between transportation hubs and their final destinations.⁸⁹

⁸⁸ UCL (2020) Street Appeal: The Value of Street Improvements, London

⁸⁹ European Environment Agency (2019) The First and the Last Mile: The Key to Sustainable Urban Transport

3.3.22. Many transport providers have had to re-shape their services to reflect changing work patterns and lifestyles. Southeastern reported that the busiest time of the day for train travel is now around 6am. Also, research from the company shows that 40% of people will not use public transport for the foreseeable future because they will be working from home. Southeastern is therefore planning to offer flexible tickets for those who will continue to work from home and travel to their workplace less frequently.⁹⁰

3.3.23. With transport companies needing to re-think services in line with changing behaviour, there is an opportunity for local authorities, transport providers and tourism businesses to work together to overcome sustainability challenges and promote environment-friendly interventions. For instance, the increased interest in walking and cycling could encourage the development of links from public transport hubs to final destinations.^{91 92}

3.3.24. The long-term ambition to deliver business and employment opportunities, while contributing to a lower carbon, more sustainable economy, is also reflected in KCC's strategic drivers, such as its Economic Recovery Plan.⁹³

3.3.25. The impact of COVID-19 has been disastrous for Kent's visitor economy. However, it has also created opportunities that should not be missed, such as those around sustainability and transport. The Committee therefore recommends the following.

Recommendation 9

KCC should work with transport providers and tourism businesses to overcome “last mile” transport challenges and promote environmental sustainability.

⁹⁰ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Briefing Session, 28 July 2020

⁹¹ The Urban Mobility Daily (2020) Restoring Public Transport After COVID-19: Bike-Transit Systems to the Rescue, online, <https://urbanmobilitydaily.com/restoring-public-transport-after-covid-19-bike-transit-systems-to-the-rescue/>

⁹² European Environment Agency (2019) The First and the Last Mile: The Key to Sustainable Urban Transport

⁹³ Kent County Council (2020) The Kent and Medway Economy and Coronavirus Crisis. Economic Recovery Plan: Discussion Draft

3.4. Skilled Workforce and Training

- 3.4.1. Tourism and hospitality are amongst the economic sectors most affected by the COVID-19 pandemic. The Office for Budget Responsibility estimates a national, cross-sectorial rise in the unemployment rate to 7% in 2020. In Kent and Medway, this would mean an effective doubling of the unemployment rate (which currently tracks the national average at around 3.8%).⁹⁴ Over 2,000 job losses have already been announced by Kent businesses in the visitor economy.⁹⁵
- 3.4.2. Such high levels of general unemployment have not existed since the early 1990s. In recent years, the causes of unemployment have mostly been either ‘churn’ as people quickly move into new jobs, or individual challenges. As the economy recovers, it is likely that the creation of jobs will be slow, and that high unemployment will be a challenge for some time.⁹⁶
- 3.4.3. Rising unemployment is likely to have a specific distributional impact in Kent and Medway. In particular, younger workers are likely to be more vulnerable. This is concerning, since the ‘scarring’ effects of unemployment on school and college leavers tend to be long-term, and youth unemployment tends to be higher in the most disadvantaged areas – such as Thanet. Without intervention there is a risk, as unemployment rises, that the number of young people ‘not in employment, education or training’ (NEET) will rise substantially.⁹⁷
- 3.4.4. At the same time, there are likely to be challenges for older workers in re-entering the labour market. This could present greater difficulties this time than in previous employment crises, given the later state pension age and the increasing tendency for people to work beyond normal retirement age.⁹⁸
- 3.4.5. KCC has already taken some actions to address these issues, for example the funding of a helpline to provide support and advice to local businesses. The Authority has also announced the establishment of an Employment Task Force to promote and support employment and skills development, especially for young people.⁹⁹

⁹⁴ Kent County Council (2020) The Kent and Medway Economy and Coronavirus Crisis. Economic Recovery Plan: Discussion Draft

⁹⁵ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Briefing Session, 30 July 2020

⁹⁶ Kent County Council (2020) The Kent and Medway Economy and Coronavirus Crisis. Economic Recovery Plan: Discussion Draft

⁹⁷ Ibid

⁹⁸ Ibid

⁹⁹ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Briefing Session, 17 July 2020

- 3.4.6. However, the Committee believes that, given the severity of the circumstances, more needs to be done to ensure that businesses have access to the skills that they need, that good quality jobs are created, and that young people understand the opportunities offered by a career in the industry. The visitor economy has been shown to be a rapid job creator following a recession.¹⁰⁰ It is therefore important that KCC works closely with businesses and educators to promote employment and support the recovery of the visitor economy.
- 3.4.7. Additional labour market initiatives could include the re-introduction of temporary employment schemes, such as those offered in the past by KCC and other agencies through the former Future Jobs Fund. These entailed employing younger workers on minimum wage contracts or as apprentices, and using them as supernumerary staff within public and voluntary sector bodies. A variant of this schemes, such as Thanet Works, involved private sector employers. This option should also be considered.¹⁰¹
- 3.4.8. Increasing unemployment could result in a greater demand for Further and Higher Education. This could translate into an opportunity to ensure that tourism and hospitality businesses have access to the skills they need, The feasibility of interventions such as expanding capacity, and removing barriers to participation (such as those linked to travel costs and tuition fees), could be explored.¹⁰²
- 3.4.9. As the impact of the pandemic could lead to temporary employment dislocation – that is, the over-supply of labour in one sector to the detriment of another – temporary brokerage schemes that redress this imbalance could also be established.¹⁰³
- 3.4.10. In addition to measures to stimulate employment and skill levels in the visitor economy industry, the impact of the pandemic would also present an opportunity to attract skilled workers to Kent. With the shift in working patterns, there may be businesses and skilled workers looking to move out of London. Visit Kent and Locate in Kent have been working closely together on a number of projects in recent years. These organisations could develop a joint destination pitch which focuses on the quality of life that Kent can offer.¹⁰⁴

¹⁰⁰ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Written Evidence

¹⁰¹ Kent County Council (2020) The Kent and Medway Economy and Coronavirus Crisis. Economic Recovery Plan: Discussion Draft

¹⁰² Ibid

¹⁰³ Ibid

¹⁰⁴ Kent County Council (2020) The Visitor Economy Short Focused Inquiry, Written Evidence

Recommendation 10

KCC should work closely with local businesses and educators to stimulate employment and skills development opportunities in Kent's hospitality and tourism sectors, in response to the impact of COVID-19.

Recommendation 11

KCC should suggest that Visit Kent works with Locate in Kent to attract skilled workers to Kent by developing a joint destination pitch focusing on the quality of life that the county can offer.

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