

POLICY AND RESOURCES CABINET COMMITTEE

Friday, 11th September, 2020

10.00 am

Online





AGENDA

POLICY AND RESOURCES CABINET COMMITTEE

Friday, 11 September 2020, at 10.00 am
Online

Ask for: **Emma West**
Telephone: **03000 412421**

Membership (15)

Conservative (12): Mr B J Sweetland (Chairman), Mr R A Marsh (Vice-Chairman), Mr M A C Balfour, Mr P V Barrington-King, Mr P Bartlett, Mr T Bond, Mr N J D Chard, Mr G Cooke, Mrs M E Crabtree, Mr P W A Lake, Mr D Murphy and Mr H Rayner

Liberal Democrat (2): Mr R H Bird and Mrs T Dean, MBE

Labour (1) Mr D Farrell

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.

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

UNRESTRICTED ITEMS

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

- 1 Introduction/Webcast announcement
- 2 Apologies and Substitutes
- 3 Declarations of Interest by Members in items on the Agenda
- 4 Minutes of the meeting held on 29 July 2020 (Pages 1 - 6)
- 5 20/00094 - Proposed Granting of Lease of Accommodation at Westgate Primary School, Dartford, for occupation and use by Dartford Science and Technology College (Pages 7 - 12)

- 6 Financial Update 2021-22 (Pages 13 - 40)
- 7 COVID Building Operational Recovery Update (Pages 41 - 52)
- 8 Decisions Summary Report - For Information (Pages 53 - 56)
- 9 Work Programme 2020-21 (Pages 57 - 60)

Motion to Exclude the Press and Public

That under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following business as it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

- 10 Property Accommodation Strategy - SHQ Review Next Steps (Pages 61 - 334)
An unrestricted report has been published.

Benjamin Watts
General Counsel
03000 416814

Thursday, 3 September 2020

KENT COUNTY COUNCIL

POLICY AND RESOURCES CABINET COMMITTEE

MINUTES of a meeting of the Policy and Resources Cabinet Committee held in the Virtual Meeting on Wednesday, 29 July 2020

PRESENT: Mr B J Sweetland (Chairman), Mr R A Marsh (Vice-Chairman), Mr M A C Balfour, Mr P V Barrington-King, Mr P Bartlett, Mr R H Bird, Mr T Bond, Mr N J D Chard, Mr G Cooke, Mrs M E Crabtree, Mr D Farrell, Mr P W A Lake, Mr D Murphy and Mr H Rayner

ALSO PRESENT: Mrs S Prendergast and Mr P J Oakford

IN ATTENDANCE: Mr D Cockburn (Corporate Director Strategic & Corporate Services), Ms Z Cooke (Corporate Director of Finance), Mr V Godfrey (Strategic Commissioner), Mrs C Head (Head of Finance Operations), Ms R Kennard (Chief Analyst, Strategic Commissioning Analytics), Ms K Ripley (Special Projects Manager), Sanderson (Head of Property Operations), Mr D Shipton (Head of Finance - Planning, Policy & Strategy), Mr B Watts (General Counsel) and Miss E West (Democratic Services Officer)

UNRESTRICTED ITEMS**219. Membership**

(Item 2)

The Committee noted that Mr Bartlett had filled the vacancy which had been left in the sad passing of Mr Thomas.

220. Apologies and Substitutes

(Item 3)

Apologies for absence had been received from Mrs Dean.

221. Declarations of Interest by Members in items on the Agenda

(Item 4)

No declarations of interest had been received.

222. Minutes of the meeting held on 21 January 2020

(Item 5)

It was RESOLVED that the minutes of the meeting held on 21 January 2020 are a correct record and that they be signed by the Chairman.

223. Protocol for Virtual Meetings

(Item 6)

- (1) Mr Watts confirmed that the arrangements set out within the appended protocols had been put in place in line with the temporary set of regulations

issued by government. He stated that the protocols had been put in place in the emergency phase of the COVID-19 pandemic and confirmed that a discussion would take place at the Selection and Member Services meeting in the afternoon with regards to the future of meetings.

- (2) It was RESOLVED that in order to facilitate the smooth working of its virtual meetings, the Committee agreed to adopt the Protocols for Virtual Meetings.

224. Financial Update

(Item 7)

Ms Z Cooke (Corporate Director of Finance), Mr D Shipton (Head of Finance - Planning, Policy & Strategy) and Ms C Head (Head of Finance Operations) were in attendance for this item

- (1) Ms Cooke and Mr Shipton provided an update on the financial impact of the COVID-19 outbreak and subsequent economic fallout, including the additional funding provided by central Government (including a further 3rd tranche of un-ring-fenced Emergency Grant), the Council's estimated costs for the emergency response, and the potential loss of income and delays to savings plans. It was explained that forecast costs and income losses covered the period from March 2020 until the end of 2020-21, and thus span two financial years. It was also explained that the forecasts included some potential financial risks later in the year and did not include any underspends achieved during lockdown. These factors explained the difference with the forecasts reported in 2020-21 financial monitoring report. The overall assessment was that there was still a significant forecast shortfall in the emergency grant received to date resulting in a substantial projected overspend. The magnitude of the variances is such that it was proposed to undertake a review of both the revenue budget and capital programme which would require an amendment to the budget to be put to County Council in September 2020.
- (2) The report also sets out some potential scenarios for subsequent years based on spending projections and the impact of recession on tax receipts. It was emphasised these are modelling scenarios and cannot be confirmed until the Council received the outcome of Spending Review later in the Autumn and confirmation of the impact on tax receipts from more month's collections.

Officers then responded to a number of comments and questions from Members, which included the following: -

- a) Mr Shipton referred to discussions that were taking place between Kent County Council and district councils in relation to council tax collection losses and stated that for district councils, it would be more of a cashflow issue and for the Council, it would be long-term losses on revenue budget.
- b) In relation to business rates, Mr Shipton stated that Kent County Council only keeps 9% of the total business rates collected in the county. Business rates losses would arise from those business that had seen significant decline in trading activity but do not benefit from the additional reliefs granted to retail/leisure/hospitality premises and nurseries.

- c) In relation to capital, Mr Shipton confirmed that Kent County Council's total accumulated debt was just under £1b. He added that approximately half of the accumulated debt was debt that had been accrued under the supported borrowing regime and stated that Kent would continue to press for the legacy debt to be recognised in the fair funding arrangements as and when the fair funding review was implemented. Mr Oakford (Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services) confirmed that he continued to work closely with Finance officers in relation to the Council's capital and revenue budget, focusing on what could be deferred and removed from the capital budget.
- d) In relation the Kent County Council's debt, Mr Shipton said that nearly all of the debt was maturity debt and there would be penalties if Kent wished to change the terms of loans.
- e) Ms Head confirmed that by statute, Kent County Council had to set aside a minimum revenue provision based on the life of each asset that they had spent capital on and had to set aside each year a proportion of revenue to cover the cost of borrowing. The cost of borrowing was modelled at approximately 4%, based on an asset life of 25 years, but the cost differed based on the life of the asset.
- f) Mr Shipton stated that the Collection Fund was borne by both district councils deemed to be collection authorities and major precepting authorities, therefore, authorities would have a respective share of losses shared out between them. He added that district council's carried parish council's share of collection losses because parish councils did not receive grant money from government or any share of the retained business rates.
- g) Mr Shipton confirmed that Kent County Council were not allowed to fund the revenue budget from borrowing and were only allowed to borrow to fund the capital programme.
- h) In relation to savings and efficiencies, Mr Oakford said that he continued to work very closely with colleagues in Finance and had met with all of Kent County Council's Corporate Directors and Cabinet Members to find effective ways to make savings. He confirmed that a Cabinet meeting would take place in the evening to further discuss the savings that could be made and the way in which the Council sought to operate in the future. He stated that all Members would be briefed in the near future.
- i) Mr Oakford confirmed that preparations would be put in place in relation to a potential second wave of COVID-19, led by Public Health.
- j) Mr Oakford stated that a Council Tax Referendum would have to take place if Kent County Council wished to raise Council Tax.
- k) Mr Oakford referred to Kent County Council's reserves and confirmed that there were approximately £40m of un-ring-fenced reserves.
- l) Mr Oakford stated that Finance officers were working closely with the HoldCo Board to review current structures and income streams and

confirmed that a report would be submitted to a future meeting of the Cabinet Committee on the matter.

m) Ms Cooke said that Kent County Council were in the process of responding to a government consultation in relation to borrowing monies and had been informed that the government were keen to restrain further the council's ability to borrow and for what purpose. She added that she would provide further information to Committee Members outside of the meeting in relation to the consultation.

(3) Committee Members thanked the Finance officers for their hard work and effort during these unprecedented times.

(4) RESOLVED that the report be noted.

225. Strategic and Corporate Services Performance Dashboard

(Item 8)

Mr V Godfrey (Strategic Commissioner) and Ms R Kennard (Chief Analyst, Strategic Commissioning Analytics) were in attendance for this item

(1) Ms Kennard introduced the year-end report which set out progress made against targets set for Key Performance Indicators (KPIs). Also included were the proposed KPIs and targets for 2021. 21 of the 25 KPIs achieved target and were RAG rated Green, 3 were below target but did achieve the floor standard (Amber) and 1 did not achieve the floor standard (Red). The Red indicator related to Freedom of Information (FOI) Act requests completed within 20 working days.

(2) Mrs Prendergast (Cabinet Member for Communications, Engagement and People) provided more information to the Committee in relation to the red indicator within the Performance Dashboard (FOI Act requests completed within 20 working days) and confirmed that much of the delay was caused by the complex nature of the requests that were being received. She added that work continued to be undertaken to improve the indicator and raise the standards within the area of FOI requests.

(3) Mr Watts reminded Committee Members to contact him directly if they wished to review a particular area of the Council's work in detail.

(4) RESOLVED that the Performance Dashboard be noted.

226. Facilities Management Procurement Update

(Item 9)

Mr J Sanderson (Head of Property Operations) and Ms K Ripley (Special Projects Manager) were in attendance for this item

(1) Mr Sanderson introduced the report which set out the progress which had been made with regards to the Facilities Management re-procurement and the proposed commercial strategy.

Officers then responded to a number of comments and questions from Members, which included the following: -

- a) Ms Ripley provided more information in relation to the alignment of the current team (TFM - East, Mid and West) to enable work with hard services contracts and soft services to increase technical expertise within each area and to ensure that the skills within the services meet the type of contracts in place and addresses the needs of the contract. She added that whilst there may be some additional resources, there would be no additional costs incurred.
 - b) Ms Ripley provided more information in relation to the management of the KPI's associated with the hard FM contract, the need to hold the supplier to account and the closeness to the supply chain of the soft services enabling direct liaison with companies.
 - c) Ms Ripley referred to the KPI's which related to performance times and how quickly individuals were expected to respond to calls through the Helpdesk and confirmed that discussions had taken place with each of the directorates to ensure that performance times were closely monitored.
 - d) Ms Ripley referred to changes in the estate and emphasised the importance of flexibility for the purpose of managing the estate as it changed and increased/decreased.
- (2) Mr Sanderson stated that although further FM Procurement updates were due to be submitted to the Cabinet Committee in December 2020 and June 2021, he could provide further information to Committee Members outside of the meeting as matters progressed.
- (3) RESOLVED that the report be noted.

227. Decision - 20/00075 - The Abbey School - Sub-station Lease
(Item 12)

Mr J Sanderson (Head of Property Operations) was in attendance for this item

- (1) Mr Sanderson introduced the report which set out the proposal to undertake a deed of surrender and enter into a 99-year underlease to South East Power Networks at The Abbey School in Faversham for the purposes of a new electricity sub-station / kiosk.
- (2) RESOLVED that the proposed decision to be taken by the Cabinet Member to:
 - a) authorise KCC to enter into a deed of surrender and 99-year underlease to South East Power Networks at The Abbey School in Faversham for the purposes of an electricity sub-station / kiosk; and
 - b) delegate authority to the Director of Infrastructure to take necessary actions, included but not limited to entering into relevant contracts or other legal agreements, as required to implement this decision,

be endorsed.

228. Work Programme 2020/21

(Item 10)

(1) RESOLVED that the work programme for 2020/21 be noted, subject to the inclusion of the following: -

- SHQ Update
- FM Procurement Updates
- Update relating to HoldCo Board discussions
- KCC Estate

229. Exclusion of the Press and Public

RESOLVED that under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following business as it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

Exempt Items

(open access to minutes)

230. Oracle Application Support

(Item 11)

Mr V Godfrey (Strategic Commissioner) was in attendance for this item

- (1) Mr Godfrey introduced the report which set out information relating to the Council's support from Oracle.
- (2) Officers responded to a number of comments and questions from Members relating to contingency plans, timescales, cost pressures, legal implications, challenges and risks, security and liaison with other local authorities.
- (3) RESOLVED that the report be noted.

From: Peter Oakford – Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services; and

Rebecca Spore – Director of Infrastructure

To: Policy & Resources Cabinet Committee – 11 September 2020

Subject: **Grant of Lease over 20 Years to Dartford Science and Technology College Trust at Westgate Primary School, Dartford**

Key decision: Yes

Decision No: 20/00094

Classification: Unrestricted

Past Pathway of Paper: FED approval

Future Pathway of Paper: Cabinet Member decision

Electoral Division: Division: Dartford – Jan Ozog

Summary: This report sets out the proposed decision to grant a 99-year lease to Dartford Science and Technology College Trust, to regularise their occupation of the County Council's retained accommodation at Westgate Primary School, Dartford, having regard to change in status of the College.

Recommendation:

The Policy and Resources Cabinet Committee is asked to **CONSIDER** and **ENDORSE**, or **MAKE RECOMMENDATIONS** to the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, on the proposed decision as set out in the Proposed Record of Decision to:

- 1) authorise Kent County Council to enter into a new 99-year lease of accommodation at the Primary School; and
- 2) delegate authority to the Director of Infrastructure to take necessary actions, including, but not limited to, entering into relevant contracts or other legal agreements, as required to implement this.

1. Introduction

1.1 As the proposed property transaction requires a lease over 20 years, it falls outside of the Delegated Powers set out in Kent County Council's Property Management Protocol. Therefore, this is a decision that must be taken by the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services as a key decision.

1.2 Cygnus Academies Trust occupy the majority of the property known as Westgate Primary School, Dartford, under the terms of a 125-year lease, granted in 2016, with the County Council retaining the freehold, when the School converted to an Academy. Part of the Primary School building has been occupied for over ten years by the Trust. In 2017, the Trust joined Dartford Science and Technology

College, which obtained Trust status in 2014. Whilst the Transfer of the main College site has been completed in accordance with the 2007 Regulations, it is necessary to resolve the property occupation of the shared building.

2. Background:

- 2.1 The buildings currently comprising Dartford Science and Technology College and Westgate Primary School were built by the County Council circa 2006/07. The main College building comprises self-contained accommodation. The Primary School building was built on four storeys, with the Primary School occupying most of the ground and first floors, and the College occupying most of the second and third floors. Access to the College's accommodation from its main building into the accommodation within the Primary School building is achieved via two enclosed bridges.
- 2.2 The College obtained Trust status in 2014. In accordance with Schedule 6 of the School Organisation Regulations 2007 (" the 2007 Regulations") the Trust can claim an estate interest in the County Council's land and buildings held for, or used by, the College. The Transfer of the main College building to the College Trust has been completed in accordance with statute. Having regard to the location of the College's accommodation within the Primary School building, it is not appropriate to transfer the freehold of part of the building to the College and split the building ownership; it is therefore recommended that the County Council grants a lease of this accommodation to the College Trust, which constitutes an estate interest in accordance with the 2007 Regulations.
- 2.3 Westgate Primary School converted to an Academy in 2016 and is currently operated by Cygnus Academies Trust. The accommodation held for, and used by, the College was excluded from the 125-year lease granted to Cygnus Academies Trust in 2016, and retained by the County Council, for leasing to the College Trust.
- 2.4 Terms have been agreed with the College Trust for a 99-year lease of the accommodation within the Primary School building, at a rent of £1 per annum (if demanded). The terms of the proposed lease replicate existing working arrangements on site between the College and Cygnus Academies Trust, accord with the terms of the existing Academy Lease and create a property interest in line with the intent of the 2007 Regulations.

3. Financial Implications

- 3.1 A rent of £1.00 (one pound) per annum, if demanded, payable by the College Trust throughout the term of the lease.
- 3.2 As this is a lease which needs to be granted in accordance with the 2007 Regulations, each party will bear its own legal costs upon completion of the lease.

4. Legal implications

- 4.1 The College currently occupies the accommodation in accordance with a Memorandum of Understanding which they agreed with the Primary School's (former) Governing Body when occupation of the new building first commenced in 2007, in respect of the sharing of common utility costs. The previously agreed sharing of costs remain relevant to this day, and are defined in the 2016 Academy Lease, and will be incorporated into the proposed lease terms to be

agreed with the College Trust. Once the lease to the College Trust is formally completed, their occupation of the accommodation will be on a formal leasehold basis and the historic Memorandum deemed null and void.

5. Equalities implications

- 5.1 The granting of the lease does not impact on any of the nine areas specified by KCC under its Equality Impact Assessments. No further EQUIA assessment is required.

6. Other corporate implications

- 6.1 The granting of the proposed lease to the College Trust will ensure children and young people:

(a) will have a safe, strong environment within which they can be successfully educated and raised,

(b) will have better physical and mental health,

(c) will be engaged, thrive and achieve their potential through academic and vocational education.

7. Governance

- 7.1 The proposed decision will delegate authority to the Director of Infrastructure to take necessary actions, including, but not limited to entering into relevant contracts or other legal agreements, as required to implement this decision.
- 7.2 The Local Member, Mr Ozog, was informed of the proposed granting of the Lease on 24th August 2020.

8. Conclusions

- 8.1 The proposed long lease will enable the County Council to grant an estate interest in the accommodation held for, and used by, the College Trust, in accordance with the 2007 Regulations.

9. Recommendation(s): The Policy and Resources Cabinet Committee is asked to **CONSIDER** and **ENDORSE**, or **MAKE RECOMMENDATIONS** to the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, on the proposed decision as set out in the Proposed Record of Decision to:

- 1) authorise Kent County Council to enter into a new 99-year lease of accommodation at the Primary School; and
- 2) delegate authority to the Director of Infrastructure to take necessary actions, including, but not limited to, entering into relevant contracts or other legal agreements, as required to implement this.

10. Background Documents

- 10.1 Appendix 1 – Proposed Record of Decision

11. Contact details

Report Author: Andrew White Name and job title: Asset Surveyor Telephone number: 03000 416825 Email address: Andrew.White@kent.gov.uk	Relevant Director: Rebecca Spore Name and job title: Director of Infrastructure Telephone number: 03000 416716 Email: address: Rebecca.Spore@kent.gov.uk
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KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TAKEN BY:

Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services

DECISION NO:

20/00094

For publication

Key decision*

Subject Matter / Title of Decision:

Accommodation within Westgate Primary School, Dartford – Granting of a long lease to Dartford Science and Technology College Trust having regard to a change in the status of the College.

Decision:

As Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, I propose to;

- authorise KCC to enter into a new 99-year lease of accommodation at the Primary School; and
- delegate authority to the Director of Infrastructure to take necessary actions, including, but not limited to entering into relevant contracts or other legal agreements, as required to implement this decision.

Reason(s) for decision:

As this proposed underlease is over 20 years, it falls outside of the Delegated Powers set out in KCC's Property Management Protocol. Therefore, this is a decision that must be taken by the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services.

The County Council will need to grant the lease to ensure the College has an estate interest in the accommodation, as required by Statute in accordance with the College's change in status.

Cabinet Committee recommendations and other consultation:

Scheduled for Policy and Resources Cabinet Committee on 11th September 2020.

Any alternatives considered:

None. This Decision ensures that the County Council's granting of the lease accords with the 2007 Regulations and regularises the College's occupation of the County Council's retained accommodation within the Primary School.

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

n/a

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Signed

.....
date

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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 & Unallo- cated £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
Other	Other minor Price and Demand pressures	8.4		17.0				19.3					44.7	44.7
Commissioned Services														
Corporate Landlord	Impact on the capital construction programme of COVID 19, to be funded by a revenue contribution from the capital grant							128.2					128.2	128.2
Kent Travel Saver Refunds	Cost of processing refunds for the Kent Travel Saver e.g. a charge was levied by Cantium Business Solutions to manage this process					91.0							91.0	91.0
Policy														
Software Licences	Update to Microsoft licences to better support the business needs of the Council whilst working remotely							1,343.3					1,343.3	1,343.3
Loss of Income														
Adult Social Care Daycare	Loss of income for clients not attending daycare services	255.0											255.0	255.0
Reduction in Social Care income	Anticipated increase in client debts resulting in an increase in bad debt provision for Older Persons Residential Care services	619.4											619.4	619.4
Reduction in Social Care income	Anticipated increase in client debts resulting in an increase in bad debt provision for Older Persons Community Care services	230.7											230.7	230.7
Reduction in Social Care income	Anticipated increase in client debts resulting in an increase in bad debt provision for Physical Disability Residential Care services	24.0											24.0	24.0
Reduction in Social Care income	Anticipated increase in client debts resulting in an increase in bad debt provision for Physical Disability Community Care services	96.5											96.5	96.5
Reduction in Social Care income	Anticipated increase in client debts resulting in an increase in bad debt provision for Learning Disability Residential Care services	19.0											19.0	19.0
Reduction in Social Care income	Anticipated increase in client debts resulting in an increase in bad debt provision for Learning Disability Community Care services	8.0											8.0	8.0
Reduction in Social Care income	Anticipated increase in client debts resulting in an increase in bad debt provision for Mental Health Residential Care services	0.4											0.4	0.4
Reduction in Social Care income	Anticipated increase in client debts resulting in an increase in bad debt provision for Mental Health Community Care services	2.0											2.0	2.0
Home to School Transport	16+ travel saver loss of one term's income. In order to maintain supply we have continued to pay transport providers so no off-setting reduction in spending					1,000.0							1,000.0	1,000.0
Community Learning Skills	Loss of tuition income for Adult Education					1,300.0							1,300.0	1,300.0
Attendance & Behaviour Service	Reduction in income due to schools being closed					212.0							212.0	212.0

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

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

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

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

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

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

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

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

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

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

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

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

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

Heading	Description	ASCH		CYPE (incl DCS Age 0-25)		GET		S&CS (incl PH)		FI&U		Total		
		One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	One-off £000s	Recurring £000s	TOTAL £000s
Surplus Properties	Holding costs for ex school sites no longer to be held for Education purposes and therefore no longer chargeable to the Education grant								500.0				500.0	500.0
Property Related Services	Unachievable, historic surplus target from Schools income on the Client Services contracts.							187.3					187.3	187.3
Non Delivery of Savings														
Office Estate	Slippage in Asset Utilisation and New Ways of Working phase 2 savings based on the latest Modernising the Council plans							691.0					691.0	691.0
Subtotal - Business As Usual Changes to Growth Proposals		-280.8	3,239.4	2,129.2	6,852.9	1,714.5	981.1	1,809.3	6,238.9	2,992.7	-5,333.8	8,364.9	11,978.5	20,343.4
Actions to close the Budget Gap														
Policy														
Highways Maintenance Contract	Delay in the recommissioning of the Highways Maintenance contract resulting in a delay in the projected increase in contract values												-1,994.3	-1,994.3
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	-71,534.9
Transfer of proposed Covid Response and Recovery budgets to unallocated		-23,241.1	0.0	1,751.8	0.0	-4,664.1	0.0	-5,876.0	-1,343.3	32,029.4	1,343.3	0.0	0.0	0.0
GAP												32,270.4	-32,270.4	0.0
Proposed Amended Budget		-280.8	402,707.7	2,129.2	279,887.0	-6,153.3	179,904.0	1,349.1	88,501.8	6,388.6	145,475.6	35,703.2	1,064,205.7	1,099,908.9
Change from Published 2020-21 Budget		2,958.6		8,982.1		-5,172.2		7,588.0		21,898.1				36,254.6
Changes approved by Cabinet 22nd June 2020 - roll forwards		118.7		95.7		1,199.9		1,691.3		3,120.7				6,226.3
Changes approved by Cabinet 20th July 2020 - revenue budget changes & tranche 2 Covid grant		-411.3		389.3		195.1		3,338.7		24,422.2				27,934.0
Further Change requiring approval		3,251.2		8,497.1		-6,567.2		2,558.0		-5,644.8				2,094.3

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

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

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

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

Key:

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


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Policy and Resources Cabinet Committee


11 September 2020


Operational Building Recovery Update


Planning Principles


 Effective measures are in place to ensure the safety of our staff and our service-users


 Prioritisation to statutory services and services that protect the most vulnerable in the county


 Staff, Member and service-users feel confident with KCC as an employer/ service-provider, and their working environment

 Our approach enables stable and consistent service delivery and reduces service disruption

 Supports the continued development of KCC's cultural and organisational values

 Any measures implemented are sustainable

 Adherence to Government guidance

 Does not constrain or prevent future decisions that may be taken in respect of establishing the longer-term norm

Building Recovery

- Whilst lockdown has begun to ease, the Government has issued guidance for reopening and use of physical spaces, which is based on a **risk-based approach**. **6,500 members of staff are continuing to access our technology systems remotely** each day, to support service delivery, with only a **small number of staff needing to access** buildings to support essential activity that cannot be undertaken remotely.
- **Priority list of buildings to be reopened** has been agreed, based on service need. This assessment has considered **Government guidance, KCC statutory duties**, what is **sustainable** from a service perspective taking into account alternative delivery options that have been developed and the **safety** of KCC's staff, Members and service-users.
- Risk-assessments are being undertaken across the **111 buildings** identified, that will be utilised to support KCC services. It should be noted that other buildings may be open to support partner activities or where we have tenants, but may not be supporting KCC service delivery.
- This activity is coordinated by a cross-directorate recovery group reporting to CMT.



Above example of Sessions House restaurant with social-distancing

Moving to COVID- secure workplace

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Physical measures - signage, wayfinding demarcation, screening, one-way systems, restrictions to common areas e.g. toilets, queueing systems, revised secure lines, fire evacuation routes.

Recommissioning of building systems, legionella testing, systems flushing and ventilations system adjustment.

Removal of shared equipment with new hygiene protocols in place.

Introduction of appo systems, new sign processes and desk-systems that monitor occupancy and supp prioritisation of sp

New office protocols.

Assessment of cleaning regimes and enhancement where required, in line with PHE guidance. Additional hand sanitiser, wipes and the provision PPE where required.

Health and Wellbeing Support Packages.

Updated Fire Risk Ass Building Accessib Assessment, First Aid Warden review and t

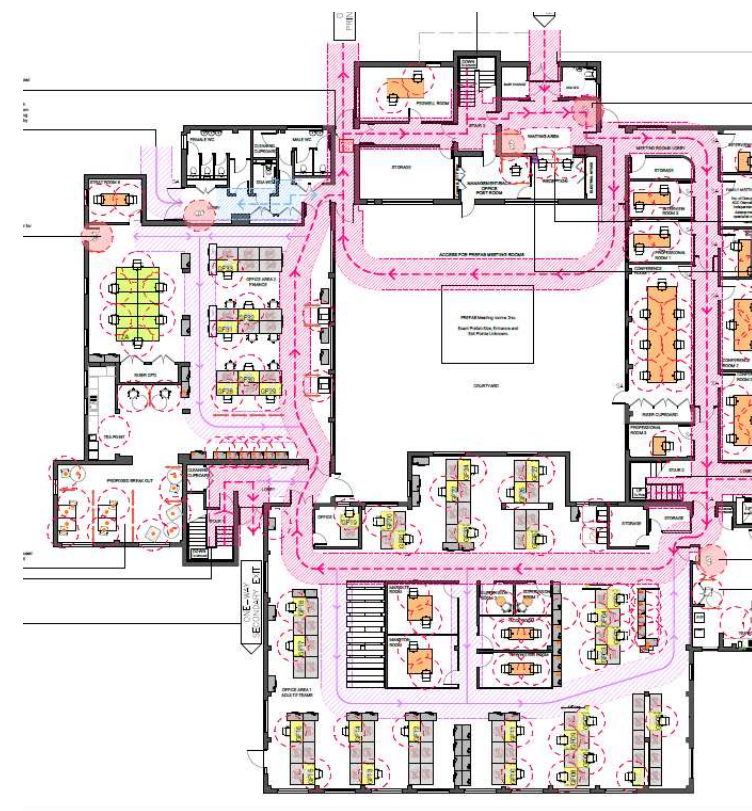
Continuing to support remote working, introducing solutions for printing, post, access to equipment and files etc..

Building Recovery Update

In order to meet the Government guidelines, **occupancy levels** are significantly reduced to circa **20-30% of usual levels**. As a result the majority of staff who usually access the office estate **will continue to work remotely**; priority for use in the office estate will be given to **essential business activity** and those staff who need to access the space from a **wellbeing** perspective.

To support building management we have introduced a **desk-booking app** and are looking at solutions for post, video-conferencing, digital filing, signing in etc.

Additional cleaning has been implemented with **hygiene stations** provided for building-users.



Recovery Proposals
St Peter's House Ground
Floor

Office Estate

Office	District	Expected COVID-Secure completion (as at 11/9/20)	Pre-Covid Occupation (Desks)	Covid-Secure Occupation (Desks)**	Covid-Secure Occupation (Team Zones)
Ashford Highways Offices	Maidstone	Completed	210	59	0
Antium House	Maidstone	25/09/20	46	TBC	TBC
Asford Road	Maidstone	Completed	102	28	0
Assions House	Maidstone	25/09/2020 *	1,062	327	13
Aricta House	Maidstone	Completed	683	99	5
Peter's House	Thanet	Completed	299	93	2
Arilton House	Folkestone & Hythe	Completed	74	24	0
Arroll House	Tonbridge & Malling	Completed	413	84	3
Arner House	Ashford	Completed	444	62	1
Ashford Highways Office	Ashford	Completed	254	TBC	TBC
Astley Hill	Dover	Completed	146	27	2
Attons	Dover	Completed	69	31	0
Avenue of Remembrance	Swale	Completed	193	50	2
Axe Willows	Sevenoaks	Completed	88	25	0
Aynes House	Gravesham	Completed	222	34	3
Book House	Canterbury	Completed	479	85	6
Bontague House	Tunbridge Wells	Completed	140	26	2

Due to size and complexity, Sessions is being completed in phases. Overall completion is expected by 25/09/2020

* Excludes LATCo desks and 3rd-party desks

Non-Office Estate

Directorate	Service Use	Number	Expected COVID-secure completion (as at 11/9/20)
Adult Social Care and Health	Care-homes	6	All sites expected to be COVID-Secure by September 2020 with exception of some CLS sites where service has requested October completion
	Short-break units	4	
	Independent living	2	
Children, Young People and Education	CLS sites	8	
	Short-breaks units	5	
	Family Centres	4	
	Children Centres	12	
	Youth Hubs	7	
Growth, Environment and Transport	Libraries and registration offices (including Kent Scientific Services)	37	
	Country Parks	9	

How does it look?

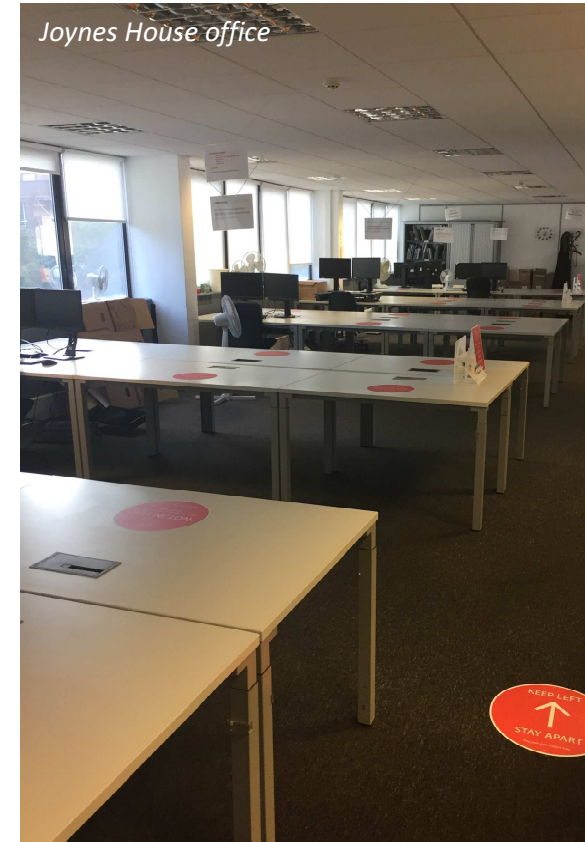




Hill – Spaces for small meetings, 1:1s or lunch breaks



View into office at Avenue of Remembrance



Joynes House office



and breakout space at Thistley Hill



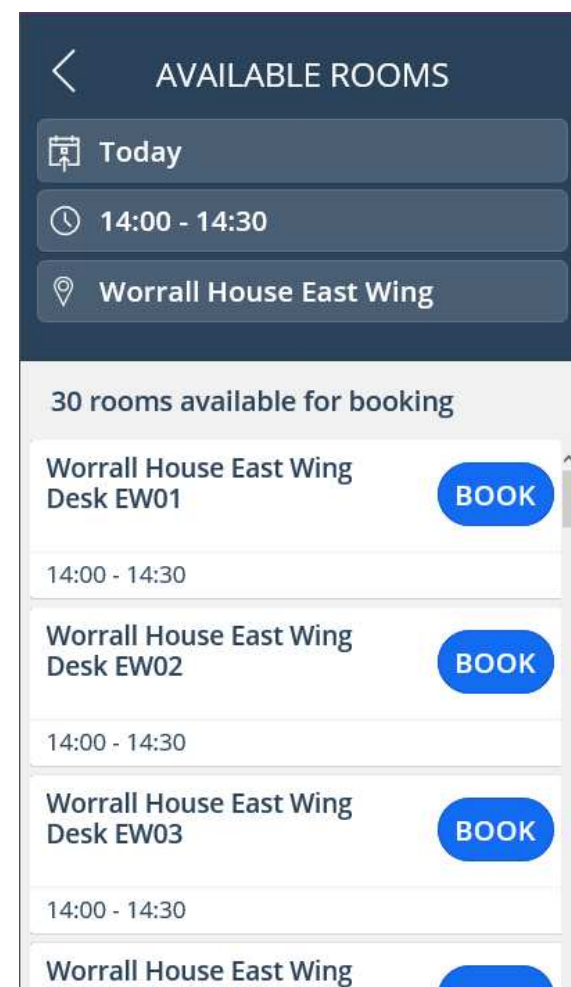
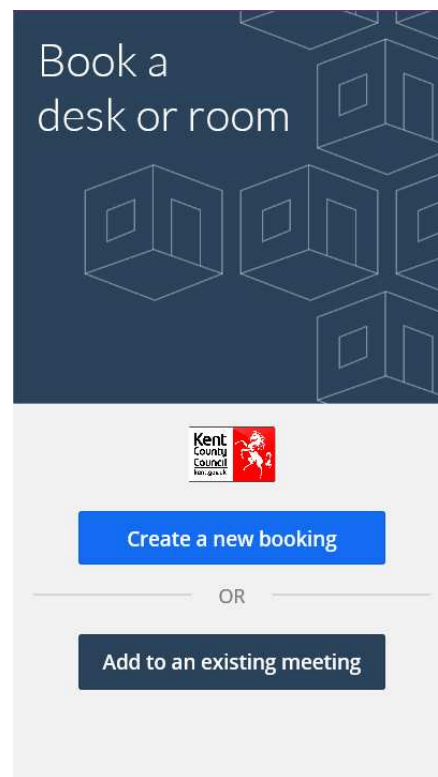
Team Zone at Thistley Hill



Desk set-ups with Sanitiser Station

Building Recovery Update

- During the period we have continued to **support staff working remotely**, supported home risk assessments, home-working kits, distribution of chairs and monitors and targeted the wellbeing offer available for staff.
- Service requirements will continue to be reviewed in line with service need and Governance guidance, with the **current planning assumption currently until the end of the financial year**.
- Cost associated with the building changes to date are c. £800k with **£1.8m** of reduced building running-costs taken into account as part of the budget forecasting.



Questions

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From: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services
David Cockburn, Head of Paid Service and Corporate Director of Strategic & Corporate Services

To: Policy and Resources Cabinet Committee – 11 September 2020

Subject: **Decisions Summary Report – For Information**

Classification: Unrestricted

Previous Pathway of Paper: N/A

Future Pathway of Paper: None

Electoral Division: All

Summary: This information report summarises the decisions taken by the Cabinet Member for Finance, Corporate and Traded Services during the temporary suspension of Cabinet Committee meetings during the COVID19 pandemic.

Recommendation(s): The Policy & Resources Cabinet Committee is asked to **NOTE** the report.

1. Introduction

- 1.1 In the absence of Cabinet Committees, revised arrangements were put in place for taking key decisions remotely.
- 1.2 To ensure Members were engaged with decision-making, the new arrangements included a Pre-PROD (Proposed Record of Decision) stage in addition to existing decision-making stages.
- 1.3 Following publication of the Forthcoming Executive Decisions summary on the KCC website, under the Pre-PROD stage, a confidential draft decision report and PROD was emailed to relevant Cabinet Committee members asking for comments and questions. Any feedback would be shared with the Cabinet Member for consideration.
- 1.4 The final draft decision report and PROD was then published on the KCC website and emailed to relevant Cabinet Committee members asking again for comments and questions to be shared with the Cabinet Member for consideration before the Record of Decision was published. Once published, the decision was subject to a call-in period of five working days before it could be implemented. This is in-line with the decision-making procedures as set out in the KCC Constitution.

1.5 In April, the government passed emergency legislation which allowed local authorities to hold virtual meetings. After testing technology to ensure the meetings could run smoothly, Cabinet Committee briefings were organised for June. The Adult Social Care Cabinet Committee briefing was held on 5 June 2020 when a summary of decisions taken or in progress was reported.

2. Decision Summary

2.1 Following further consideration of the governance and meeting arrangements by the Monitoring Officer, formal Cabinet Committee meetings have resumed from 1 July 2020.

2.2 In the period that the Cabinet Committee was suspended the following decisions have been taken:

20/00019 - Dartford Youth Centre Decision was taken on 30 June 2020
20/00035 - The emergency purchase of bulk personal protective equipment (PPE) Decision was taken on 1 April 2020
20/00048 - COVID 19 Rent Management Decision was taken on 4 May 2020
20/00050 - Continued bulk purchase of Personal Protective Equipment (PPE) Decision was taken on 29 April 2020
20/00054 - Extension of TFM contract Decision was taken on 30 June 2020
20/00055 - Disposal of land south of Four Elms, Sevenoaks Decision was taken on 8 July 2020
20/00056 - Capital Construction Programme - Delay costs to projects as a result of COVID-19 Decision was taken on 1 June 2020
20/00057 - Microsoft 365 licensing agreement (s) contract award Decision was taken on 24 June 2020

3. Recommendation

3.1 Recommendation: The Policy & Resources Cabinet Committee is asked to **NOTE** the report.

4. Background Documents

20/00019 - Dartford Youth Centre

<https://democracy.kent.gov.uk/ieDecisionDetails.aspx?ID=2363>

20/00035 - The emergency purchase of bulk Personal Protective Equipment (PPE)
<https://democracy.kent.gov.uk/ieDecisionDetails.aspx?ID=2332>

20/00050 - Continued bulk purchase of Personal Protective Equipment (PPE)
<https://democracy.kent.gov.uk/ieDecisionDetails.aspx?ID=2342>

20/00048 - COVID19 - Rent Management Policy
<https://democracy.kent.gov.uk/ieDecisionDetails.aspx?ID=2343>

20/00054 - Extension of TFM contract
<https://democracy.kent.gov.uk/ieDecisionDetails.aspx?ID=2362>

20/00055 - Disposal of Land South of Four Elms Sevenoaks
<https://democracy.kent.gov.uk/ieDecisionDetails.aspx?ID=2365>

20/00056 - Capital Construction Programme - Delay costs to projects as a result of COVID-19
<https://democracy.kent.gov.uk/ieDecisionDetails.aspx?ID=2352>

20/00057 - Microsoft 365 licensing agreement (s) contract award
<https://democracy.kent.gov.uk/ieDecisionDetails.aspx?ID=2361>

5. **Lead Officer/s**

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From: Peter Oakford, Deputy Leader, Cabinet Member for Finance,
Corporate and Traded Services

Ben Watts, General Counsel

To: Policy and Resources Cabinet Committee – 11 September 2020

Subject: Work Programme 2020/21

Classification: Unrestricted

Past Pathway of Paper: None

Future Pathway of Paper: Standard item

Summary: This report gives details of the proposed work programme for the Policy and Resources Cabinet Committee.

Recommendation: The Policy and Resources Cabinet Committee is asked to CONSIDER and AGREE a work programme for 2020/21.

1. Introduction

- 1.1 The proposed Work Programme has been compiled from items on the Forthcoming Executive Decision List; from actions arising from previous meetings, and from topics identified at agenda setting meetings, held 6 weeks before each Cabinet Committee meeting in accordance with the Constitution and attended by the Chairman, Vice-Chairman and group spokesmen.
- 1.2 Whilst the Chairman, in consultation with the Cabinet Members, is responsible for the final selection of items for the agenda, this item gives all Members of the Cabinet Committee the opportunity to suggest amendments and additional agenda items where appropriate.

2. Terms of Reference

- 2.1 At its meeting held on 27 March 2014, the County Council agreed the following terms of reference for the Policy and Resources Cabinet Committee “To be responsible for those functions that fall within the Strategic and Corporate Services Directorate”.
- 2.2 Further terms of reference can be found in the Constitution at Appendix 2 Part 4 paragraph 21 and these should also inform the suggestions made by Members for appropriate matters for consideration.

3. Work Programme 2019/20

- 3.1 The Cabinet Committee is requested to consider and note the items within the proposed Work Programme, set out in appendix A to this report, and to suggest any additional topics to be considered for inclusion on the agenda of future meetings.

3.2 The schedule of commissioning activity that falls within the remit of this Cabinet Committee will be included in the Work Programme and is considered at agenda setting meetings to support more effective forward agenda planning and allow Members to have oversight of significant services delivery decisions in advance.

3.3 When selecting future items, the Cabinet Committee should consider performance monitoring reports. Any 'for information' or briefing items will be sent to Members of the Cabinet Committee separately to the agenda or separate member briefings will be arranged where appropriate.

4. Conclusion

4.1 It is important for the Cabinet Committee process that the Committee takes ownership of its work programme to help the Cabinet Members to deliver informed and considered decisions. A regular report will be submitted to each meeting of the Cabinet Committee to give updates on requested topics and to seek suggestions for future items to be considered. This does not preclude Members making requests to the Chairman or the Democratic Services Officer between meetings for consideration.

5. Recommendation: The Policy and Resources Cabinet Committee is asked to CONSIDER and AGREE a work programme for 2020/21.

6. Background Documents

None.

7. Contact details

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POLICY & RESOURCES CABINET COMMITTEE - WORK PROGRAMME 2020/21

	Notes/Comments:	Has item been deferred?
Friday 6 November 2020		
• Technology Strategy Update	Andy Cole	Deferred from Sept 2020 mtg
• Nackington Lane	Simon Dodd	
• Proposed freehold acquisition of the school land (Simon Langton for Boys)	Simon Dodd	
• KPSN Procurement	Andy Cole	
• Annual Report on the Implementation of the Armed Forces Covenant in Kent	Annual Report	
• Strategic and Corporate Service Directorate Performance Dashboard	Standing item – every other month	
• Contract Management Review Group update (Exempt)	Bi-annual (Michael Bridger)	Deferred from Sept 2019 mtg
• Legal Commissioning Update (Exempt)	Bi-annual	Deferred from Sept 2020 mtg
• Update relating to HoldCo Board discussions	*Item may go to P&R CC on a different date	
• KCC's Estate	Agreed at P&R CC on 29 July 2020 by Chairman/P.Oakford	
• Work Programme 2020/21	Standard item	
Thursday 14 January 2021		
• Update on Legislative Changes around Business Rate Retention	Zena Cooke/Dave Shipton/Cath Head	Deferred from Nov 2019 mtg and Nov 2020 mtg (put on hold for a year as a result of the one-year spending round.)
• FM Procurement Update	Agreed at P&R CC on 29 July 2020 by J.Sanderson	
• Policy & Resources Cabinet Committee Meeting Dates for 2021/22 - For Information Only		
• Total Facilities Management (Exempt)	Bi-annual	

• Work Programme 2021/22	Standard item	
Wednesday 24 March 2021		
• Strategic Delivery Plan Monitoring	Bi-annual	
• Strategic and Corporate Service Directorate Performance Dashboard	Standing item – every other month	
• Legal Commissioning Update (Exempt)	Bi-annual	
• Strategic and Corporate Services Risk Management	Annual report (Mark Scrivener)	
• Work Programme 2021/22	Standard item	
Thursday 10 June 2021		
• FM Procurement Update	Agreed at P&R CC on 29 July 2020 by J.Sanderson	
• Contract Management Review Group update (Exempt)	Bi-annual (Michael Bridger)	
• Work Programme 2021/22	Standard item	

From: Peter Oakford - Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services

Rebecca Spore - Director of Infrastructure

To: Policy and Resources Cabinet Committee – 11th September 2020

Subject: **Property Accommodation Strategy - SHQ Review Next Steps**

Classification: Unrestricted

Past Pathway of Paper: Policy and Resources Cabinet Committee meeting on 20th November 2018

Future Pathway of Paper: N/A

Summary:

This paper seeks to update Members on the review work undertaken to date and the workplan to consider the future use of the Strategic Headquarters Campus.

Recommendation(s):

The **Policy and Resources Cabinet Committee** is asked to **NOTE** the report.

1. Introduction

- 1.1 At the Policy and Resources Cabinet Committee meeting on 20th November 2018, an update was given on the work being undertaken to modernise the Council's Office Estate. As part of this work, a review has been undertaken of KCC's (Kent County Council) Strategic Headquarters Campus. The campus currently includes Cantium, Invicta and Sessions House. Sessions House in particular, is facing a number of challenges to provide appropriate accommodation to meet the Council's ongoing needs. Sessions House is a vast, historic, listed building which has become increasingly expensive and environmentally inefficient to maintain. In its current form it also limits our ability to make the most of the technology that we have available and to provide our staff with a modern workspace.
- 1.2 A review of the SHQ accommodation has been progressed to ensure that we are making the most effective use of the Council's resources in the way that we deliver our services given the significant expenditure required. Whilst a number of options have been considered, in all options KCC remains committed to continuing a presence in Maidstone as the County Town.
- 1.3 This paper updates Members on the work of the Member working group and staff engagement. The exempt report provides an update on the Strategic Outline

Case, its key findings, and the next steps as part of the SHQ accommodation review.

2. Establishment of a Member Working Group to consider Member accommodation

- 2.1 The cross-party Member Working Group was set up to inform a set of design principles and a design brief for new Member accommodation.
- 2.2 To support the work, site visits were organised to Somerset County Council, Birmingham City Council and the London Borough of Brent Council, to consider different approaches to working and the configuration of Members' accommodation.
- 2.3 Each authority was using space in a slightly different way, but all had invested in their use of technology to support a new working approach. This included the promotion of a mobile working culture, a multi-functional space including the Council Chamber with Member workspaces shared.
- 2.4 A workshop was held with Members to capture the lessons learnt from the visits and how this can be applied to Kent. This work will help inform the key design principles, space standards and an accommodation brief.

3. Staff Engagement

- 3.1 Engagement with directorates has taken place, facilitated as part of the Council's business change work. Each directorate set up a task-and-finish group to consider how they currently work. The feedback from the directorates emphasised key themes around spaces, technology, people and culture which are highlighted below:
 - Spaces – all directorates requested a mixture of specialist, confidential, flexible and desk-based space, with collaborative spaces adjacent. The spaces must be high quality and consistent across the county, reflecting the demographic need for KCC services.
 - Technology – available to all and consistently reliable, with the use of Artificial Intelligence and good video-conferencing facilities. Services want a digital offering to clients and to facilitate partner-working across networks.
 - People – the need for upskilling, particularly in relation to digital skills, with managers feeling confident to manage a more agile workforce. The importance of Team identity in a more transient culture was highlighted.
 - Behaviour/Culture – promoting use of technology and community focus and the importance of the business change programme were highlighted.
- 3.2 Further feedback sessions were held at the T200 Extended Group of front-line managers, where a series of questions were posed to staff to gauge thoughts and ideas about how and where they would like to work, and what the key aspects of a workspace were for them. In addition, a questionnaire was sent out through the

task-and-finish groups, asking them to feed back on the same questions, with over 1,100 responses, which are summarised below:

- All staff involved were keen to improve their work-life balance by working more flexibly, holding virtual meetings, reducing travel and engaging service users digitally
- Many services and staff groups want to use technology to automate manual processes
- 41% staff thought KCC service need was growing
- 76% staff thought they could be mobile and work remotely at least 1-2 days/week
- 43% staff thought they could be mobile and work remotely 2-4 days/week
- The most important aspects of a workspace to staff was a comfortable environment, immediate work area and car parking

4. SHQ Review and Business Case Development

- 4.1 It has been clear from the engagement with both Members and staff that there is a desire to work differently, building on our technology, environmental and asset strategies.
- 4.3 To support the SHQ review, a project governance structure has been established, along with selected external partners who have worked together to develop a project-initiation document and the strategic outline business case for consideration. In addition, a cross-directorate Modern Ways of Working Group has been established, who have supported the development of the SOC. The cross-directorate group feeds into an advisory group of Corporate Board which has been established to support the Council's modernisation work.
- 4.4 To support the review, discussions have commenced with key stakeholders, including Maidstone Borough Council, along with a wider staff engagement plan to ensure that, whilst this work is in the early stages, staff are aware of the work as it is progressed.
- 4.5 The project team have worked through a series of options which have been evaluated against the Council's future requirements and are set out in more detail in the exempt papers.

5. Conclusions and Next Steps

- 5.1 The SOC has enabled the Council to refine the parameters for the next stage of the business case work as set out in the exempt report. It is recognised that since the SOC was commissioned that there have been a number of changes which have the potential to impact on the operating environment of the Council and need to be considered further in the finalisation of the Council's requirements as we move into the next business-case stage. These include the

impact of the COVID-19 pandemic on long-term working patterns and the Devolution White Paper, which is due to be published by Central Government in September. It is proposed to scope these areas further during the course of September and October.

- 5.2 The key milestones and planning activity for the next steps are summarised below:

Defining the Employers Requirements	Aug 2020 to Nov 2020
Decision point Nov 2020	
Prepare Outline Business Case	Nov 2020 to Apr 2021
Decision point Apr 2021	
Prepare Final Business Case	Apr 2021 To Oct 2021
Decision point Oct 2021	

6. Recommendation(s)

Recommendation(s):

The **Policy and Resources Cabinet Committee** is asked to **NOTE** the report.

7. Contact details

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