



Summons to and
Agenda for a
Meeting on
**Thursday, 15th
September, 2022**
at **10.00 am**



DEMOCRATIC SERVICES
SESSIONS HOUSE
MAIDSTONE

Wednesday, 7 September 2022

To: All Members of the County Council

A meeting of the County Council will be held in the Council Chamber, County Hall, Maidstone, Kent, ME14 1XQ on Thursday, 15th September, 2022 at **10.00 am** to deal with the following business. **The meeting is scheduled to end by 4.30 pm.**

AGENDA

1. Apologies for Absence
2. Declarations of Disclosable Pecuniary Interests or Other Significant Interests in items on the agenda
3. Minutes of the meeting held on 14 July 2022 and, if in order, to be approved as a correct record **(Pages 1 - 12)**
4. Chairman's Announcements
5. County Council Questions
6. Report by Leader of the Council (Oral)
7. Cost of Living **(Pages 13 - 32)**
8. Kent's Plan Bee **(Pages 33 - 40)**
9. Ukraine / Refugee Update **(Pages 41 - 48)**
10. Treasury Management Annual Report - 2021/22 **(Pages 49 - 70)**
11. Scrutiny referral of Decision 22/00052 - KCC Supported Bus Funding Review **(Pages 71 - 120)**
12. Motion for Time Limited Debate

Motion for Time Limited Debate – Kent water quality

Proposer: Mark Hood

Secunder: Mike Sole

Background information – supplied by the Green & Independent Group

The people of Kent are deeply concerned about water quality and the impact of regular wastewater discharges, including untreated sewage, into our streams, rivers and seas and the impacts on wildlife and on human health.

The UK has the dirtiest rivers in Europe. In Kent, poor water quality is responsible for eutrophication in our rivers and sites of Special Scientific Interest such as Stodmarsh. Southern Water reported around 42,000 hours of sewage spills into the Medway and its tributaries in 2020 alone and Environment Agency reports show large sections of Kent's rivers as having poor or bad water quality which are preventing development in each of the districts in the catchment of Stodmarsh.

Releasing sewage into our rivers and seas has become a regular occurrence even in 'normal' rainfall events, new properties are overwhelming our inadequate existing drainage infrastructure and we are in a situation of cumulative overload on the sewerage and wastewater treatment systems.

Water providers should also be compelled to make it clear whether or not they are able to sustain future development. We should also ensure that surface water from our highways infrastructure is removed from the foul sewer network wherever possible.

Whilst there are long term commitments, there are no plans in place which will address the immediate unacceptable situation either locally by Southern Water or by national government. The National Planning Policy Framework requires a robust approach to both water quality and pollution, and a recent legal opinion from the Environmental Law Foundation confirms the need to consider cumulative impacts. However, planning consultation documents show that it has not been the practice of LPA planners to ask water companies to report on the cumulative impacts of developments or the ability to supply those developments in any detail.

MOTION

This Council resolves to:

1. Recognise this Council's obligation to protect Kent's streams and rivers, including from the cumulative impacts of pollution, in line with its own policies and the National Planning Policy Framework.
2. Recognise that there is clear evidence of deterioration of water quality due to cumulative impacts of multiple sewage

- discharge events or 'sewerage overload'.
3. Ensure that an evidence base is compiled that assesses the cumulative impact of sewage discharges, to inform the council on the sustainable level of future development.
 4. Seek to better understand the cumulative impact of wastewater discharges, including untreated sewage on our local rivers, wildlife and the health of our residents.
 5. Continue to take a lead on addressing the issue of water quality, working constructively with other agencies and local authorities.
 6. Invite the Chief Executive of Southern Water, plus senior representatives from the Environment Agency and Natural England, to attend a meeting to answer questions on the current levels of CSO and sewage plant discharge and to consider whether all future development in Kent should be Water Neutral.
 7. Ask Southern Water (from this date onwards) to clarify in its planning consultation responses for major developments, which treatment works will be managing the sewerage; whether it has the information available to assess the impact on the number or duration of sewage discharges into local rivers or seas and if it does have this information, to share it (noting that this can only be requested not required).
 8. Request that planning officers, from now onwards, include in all reports relating to major development a specific section on the impact on watercourses, including the potential for the development to affect sewage outflow into watercourses (i.e. cumulative impact), or to flag if this information is not fully available, so that this information (or the lack of it) is clearly and transparently set out.



Benjamin Watts
General Counsel
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KENT COUNTY COUNCIL

COUNTY COUNCIL

MINUTES of a meeting of the County Council held in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 14 July 2022.

PRESENT: Mrs L Game (Chairman), Mr G Cooke (Vice-Chairman), Mr N Baker, Mr M Baldock, Mr P V Barrington-King, Mr P Bartlett, Mr D Beaney, Mrs C Bell, Mrs R Binks, Mr T Bond, Mr A Brady, Mr D L Brazier, Mr C Broadley, Mr S R Campkin, Mrs S Chandler, Mr I S Chittenden, Mr D Crow-Brown, Mr D S Daley, Mr M C Dance, Ms M Dawkins, Mr M Dendor, Mr R W Gough, Ms K Grehan, Ms S Hamilton, Mr P M Harman, Mr P M Hill, OBE, Mr A R Hills, Mr S Holden, Mr M A J Hood, Mr A J Hook, Mrs S Hudson, Mr D Jeffrey, Mr A Kennedy, Mr J A Kite, MBE, Rich Lehmann, Mr B H Lewis, Mr R A Marsh, Mr J P McInroy, Ms J Meade, Mr D Murphy, Mr P J Oakford, Mrs L Parfitt-Reid, Mrs S Prendergast, Mr O Richardson, Mr D Robey, Mr D Ross, Mr A Sandhu, MBE, Mr T L Shonk, Mr C Simkins, Mr M J Sole, Mr P Stepto, Mr R G Streatfeild, MBE, Dr L Sullivan, Mr B J Sweetland, Mr R J Thomas, Mr D Watkins, Mr A Weatherhead, Mr S Webb and Ms L Wright

IN ATTENDANCE: Mrs K Goldsmith (Scrutiny Research Officer), Mrs A Taylor (Scrutiny Research Officer) and Mr B Watts (General Counsel)

IN VIRTUAL ATTENDANCE: Mr C Beart, Mr T Cannon, Mrs P Cole, Mr P Cole, Mr N Collor, Miss K Constantine, Mrs S Hohler, Mr R Love, Mrs M McArthur, Mr J Meade, Mr A Ridgers and Mr J Wright

UNRESTRICTED ITEMS

79. Apologies for Absence
(Item 1)

The General Counsel reported apologies for absence from Mr Andy Booth, Mrs Becki Bruneau, Miss Susan Carey, Sir Paul Carter, Mr Nick Chard, Mr Paul Cooper, Mrs Trudy Dean, Mr Harry Rayner, Mr Steve Manion and Mr Jan Ozog.

Members were advised that Mr Cameron Beart, Mr Tom Cannon, Mrs Penny Cole, Mr Perry Cole, Mr Nigel Collor, Miss Karen Constantine, Mrs Sarah Hohler, Mr Rory Love, Mrs Margot McArthur, Mr Jordan Meade, Mr Alan Ridgers and Mr John Wright were joining the meeting virtually.

80. Declarations of Disclosable Pecuniary Interests or Other Significant Interests in items on the agenda
(Item 2)

There were no declarations of interest.

- 81. Minutes of the meeting held on 26 May 2022 and, if in order, to be approved as a correct record**
(Item 3)

RESOLVED that the updated version of the minutes of the meeting held on 26 May 2022 be approved as a correct record.

- 82. Corporate Parenting Panel - Minutes for noting**
(Item 4)

RESOLVED that the minutes of the meetings of the Corporate Parenting Panel held on 16 February 2022 and 13 April 2022 be noted.

- 83. Chairman's Announcements**
(Item 5)

Commonwealth Games

- (1) The Chairman referred to the Commonwealth Games in Birmingham and said she had recently attended one of The Queen's Baton Relay events in Dover. The Chairman explained the Queen's Baton Relay began on 7 October 2021, with Her Majesty The Queen placing her Message to the Commonwealth into the Baton. Since then, it had journeyed across the Commonwealth, visiting all 72 nations and territories. The Chairman said the Commonwealth Games brought nations together in a celebration of sport and was a testament to the hard work and dedication of all the athletes who had been selected to compete at the Games. The Chairman asked Members to join her in wishing everyone competing, especially those from Kent, all the very best for a successful Games.

Children's Services Outstanding Report

- (2) The Chairman paid tribute to the Council's Children's Services who had been rated Outstanding by Ofsted, following their inspection in May. She said Members would hear more about the report later in the meeting but wanted to take the opportunity to thank all the officers and frontline staff for taking the time to support the Ofsted team who conducted the inspection. The Chairman also thanked everyone in Children's Services for their commitment and dedication to supporting the young people of Kent, particularly after the very challenging period of the pandemic and the rising number of unaccompanied asylum-seeking children arriving in the county. The Chairman asked Members to join her in congratulating Children's Services on this fantastic, and well-deserved, recognition.

Kent County Show

- (3) The Chairman said she visited the Kent County Council Stand at the County Show on Friday and met with some of the Council's staff. She said the stand included a lot of activities for young people, including keyring making, spelling games, a giveaway of wildflower seeds to attract pollinators into your garden and giant Jenga. The Council's waste and recycling partner FCC Environment was on hand to answer questions on recycling and waste management. The Chairman asked Members to join her in thanking everyone involved in setting up the stand and everyone who worked on it over the weekend.

Respectful Debate

- (4) The Chairman referred to comments made at the last County Council meeting about a Member who was not present. The Chairman thanked Members who had a respectful and reasonable approach to debate and asked that this positive approach was maintained by all. The Chairman said she was keen that debates focussed on the issues that affected those who lived and worked in Kent and not other Members in the Chamber. The Chairman said it was her wish that meetings of this Council allowed for healthy debate and provided an environment where all views expressed, and those Members expressing them, were shown due consideration, courtesy, and respect. The Chairman invited the Member concerned to respond to the comments made.

84. Questions

(Item 6)

In accordance with Sections 14.15 to 14.22 of the Constitution, 12 questions were submitted by the deadline, 8 questions were asked, and replies given. A record of all questions put and answers given at the meeting is available [online](#) with the papers for this meeting. Questions 8, 10, 11 and 12 were not put in the time allocated but a written answer was provided.

85. Report by Leader of the Council (Oral)

(Item 7)

- (1) The Leader said there were items which he would not address in his report as they were later items on the agenda. He highlighted the recent Kent Children's Services Ofsted inspection as a major and positive development and said Headstart was a reminder of how the Council could make a real difference to the lives and prospects of Kent residents and young people.
- (2) Mr Gough referred to the disruption to residents, caused by a series of water leaks and failings in the Southern Water network, on the Isle of Sheppey. He said the Council's role, as a key partner in the Kent Resilience Forum (KRF), was to provide emergency planning support and protection to vulnerable residents. He said recent reports had suggested progress in restoring supply, but the major incident status remained. Mr Gough expressed his support to the people of the island, and said the Council's two

local Members, Mr Booth, and Mr Beart, had worked hard to support residents.

- (3) Mr Gough referred to the recent leadership events in central government and said he would focus on areas which he felt had relevance to the Council. He said the events had seen the end of a strong and cohesive ministerial team which had, through the Levelling Up white paper and subsequent bills, pursued a range of major policies including the devolution in county deals. Mr Gough said he was delighted that Kent MP, Mr Greg Clark, had been appointed caretaker Secretary of State for Levelling up, Housing and Communities, albeit only until September 2022. Mr Gough said there was uncertainty that related to other issues including the proposed Office for Local Government raised by Mr Michael Gove at the Local Government Association (LGA) Annual Conference.
- (4) Mr Gough said more local government funding was not a priority being set out by the leadership contenders. He said, as he had identified in previous reports to the Council, modest financial settlements would unlikely keep pace with the demographic and inflation, and other pressures would weigh on the Council's budgets. He said although 2021/22 saw the 22nd consecutive year of delivering within the Council's budget, the outlook and pressures remained relentless. The Council's approach was to manage those pressures as much as possible, to take difficult decisions where they were needed and to bring down the Council's cost base, particularly in terms of the Council's estate. Mr Gough said that since Russia's invasion of Ukraine, increases in actual and forecasted inflation had added an extra estimated £40million to the Council's revenue costs, and there were still greater impacts on the Council's capital budget. He hoped the Council would be updated further in the autumn and the Council would also be able to report on the development of its work on Special Educational Needs and Disabilities (SEND) where conversations continued with the Department for Education.
- (5) Mr Gough referred to the KCC Supported Bus Funding Review and highlighted the pressures that commercial operators across the county, and the country, were facing in terms of service reduction and how this had had a major effect on school transport. He said the Council was working with operators to see where services could be replaced in part or in whole, and where, long term, use of the Bus Service Improvement Plan (BSIP) funding may help in delivering services. Mr Gough said the Council recognised how difficult the situation was and said clear and timely information regarding further developments would be prioritised.
- (6) Mr Gough said the Council's partnership with the National Health Service (NHS) took a step forward on 1 July 2022 with the establishment of Integrated Care Systems across the country. He said, within this, the Integrated Care Partnership (ICP) brought together the NHS, local authorities, and other key partners to set the framework and long-term plans for health and care across Kent and Medway. Mr Gough said an Integrated Care Strategy was aimed to be developed by the end of the year to establish key priorities and help shape budgets and resource decisions.

- (7) Mr Gough referred to adult social care reform and said unless it was properly understood and resourced it would present severe risks to both provider markets and Council budgets. He said an announcement had been made that Section 18.3 of the Care Act 2014 would be implemented in a staged process starting with new entrants. He said the Council believed this was a welcome step and reflected what was discussed at Cabinet in April 2022 and the County Councils Network's position in pressing the case to government.
- (8) Mr Gough said Ukrainian families continued to arrive in Kent and there were now 3,782 applicants matched with 1,544 sponsors and over 2,000 of those applicants had arrived. He said Kent remained the area of the country with the largest number of sponsors and visas issued. He said although there was a strain on resources a lot of progress had been made, for example 'thank you' payments to hosts which had proved to be a complex process. Mr Gough said there were new and developing challenges, for example, the development of rematching systems and how breakdowns and ends of placements would be accommodated, along with school funding and the conditions for admitting unaccompanied minors. On top of this there was the interaction between Ukrainian schemes and other major initiatives such as the Afghan scheme and Adult Asylum Dispersal which were considered in-depth at Cabinet on 23 June 2022.
- (9) The Leader said the Operation Brock contraflow system was back in operation in preparation for a busy summer, with high booking numbers in both the Port of Dover and Eurotunnel. He said Operation Brock sought to contain a traffic management problem but could not represent a permanent solution. He said the delivery of a longer-term solution remained one of the Council's highest priorities and the Council continued to make the case to government both for the support of specific projects and the development of an approach that recognised the national as well as local significance of the issue.
- (10) The Leader concluded that it was most important that the Council retained a realistic and tough-minded approach to its finances to sustain the delivery of its services.
- (11) The Leader of the Labour Group, Dr Sullivan, responded. Dr Sullivan thanked officers for continuing to rise to the challenge of the Covid-19 pandemic and the arrangements in place to deal with the extreme heat. She noted that the pandemic had not gone away, and the health implications of heat were ever apparent. She encouraged Members to follow the Chairman's advice to drink and take a break when needed.
- (12) Dr Sullivan referred to the water issue on the Isle of Sheppey and said water and access to water was a human right. She noted that Scottish Water remained in public ownership and acknowledged the difficulties in holding private companies to account. She hoped there would be a speedy recovery to the situation especially before the impending heatwave which was due to hit the county at the end of the week.

- (13) Dr Sullivan referred to the recent leadership events within central government and said funding for local government did not appear to be a priority. Dr Sullivan referred to the former Secretary of State for the Department for Levelling Up, Housing and Communities' (DLUHC) speech at the LGA Annual Conference and commented on the competencies of the Secretary of State's predecessors and said she hoped that the Council's local government minister would work with local government and not against it.
- (14) Dr Sullivan commented on financial pressures prior to and following the pandemic and said it was unknown whether resilience may have been different if there had been a different decision regarding Brexit. Dr Sullivan said the inflammatory cost of materials would have a massive impact and she hoped the Leader would join her in asking HM Revenue & Customs to raise the fuel mileage limit to ensure the Council's staff were not short changed whilst getting around and doing their job.
- (15) Regarding adult social care reform and the fair cost of care, Dr Sullivan said it was good to meet with the County Network's spokesperson at the LGA Annual Conference. She welcomed the delay in Section 18.3 of the Care Act 2014 but hoped that local government would be fully funded given shortages in critical workforce and increased demographic demand. She said she hoped the Integrated Care Partnership would have a positive impact on local government and adult social care.
- (16) Dr Sullivan said, referring to Operation Brock, that a long-term solution to the problem was required.
- (17) Finally, Dr Sullivan said she hoped the next Leader of the Conservative Party would invest in local government, and that people would decide it was time to listen to new ideas at the next general election.
- (18) Mr Hook, Leader of the Liberal Democrats Group, said his group welcomed the pending change of prime minister. He said his group would like to thank the Kent MPs who contributed to the prime minister's exit and hoped that his successor would be better.
- (19) Mr Hook referred to Mr Gove's speech at the LGA Annual Conference and said there were parts which, in his view, should be of concern to the Council. Mr Hook said although Mr Gove praised mayors and combined mayors, he felt there was consensus amongst Members, that power in the hands of many elected representatives was wanted, not power in the hands of a single individual. Mr Hook said Mr Gove identified the need for more data to make comparisons between local authority areas and said meaningful data helped identify where potential was being fulfilled or squandered. He said international organisations produced comparison data between countries which helped drive change and reform where it was needed most. Mr Hook commented on Mr Gove's reference to net zero in his speech and said his group was not afraid to say why net zero mattered, and that it was about saving the future of children and inspiring everyone in Kent to make the necessary changes.

- (20) Mr Hook referred to the Supported Bus Funding Review and said many Kent families were faced with a school transport problem. He said parents transporting their children to school themselves would mean more congestion on the roads, more pollution, more cost to families and potential inconvenience to parents who needed to get to work. He also noted that drivers were harder to recruit, fees were more expensive and passenger numbers were down since the Covid-19 pandemic.
- (21) Mr Hook paid tribute to the staff working with Ukrainian refugees and to the Kent residents who were providing support. He said he welcomed anything that could be done to ensure the Council was providing the best support available for as many as possible.
- (22) Mr Hook said the return of Operation Brock at the start of the summer holidays would cause disruption to many Kent residents. He said the published reason for this was due to the large number of bookings for the school holidays at Dover and Eurotunnel, but Mr Hook said there had always been a holiday rush and Operation Brock had not always been needed. He said the people of Kent deserved a better explanation as well as a better system.
- (23) Mr Hook agreed with the Leader that the Council should be concerned about inflation. He said higher prices made the cost of living harder and this tended to fall hardest on the poorest. Mr Hook said in his division he had seen an increase in rental costs and the Council should do all it could to promote affordable and social housing.
- (24) Finally, Mr Hook paid tribute to his group's assistant, Ben Ackroyd, and wished him well in his new role.
- (25) Mr Stepto, Leader of the Green and Independent Group, said it had been interesting to watch the leadership events in central government and the cases put forward by the hopeful successors. He expressed disappointment that none of the leadership candidates had attended Sir Patrick Vallance's recent emergency briefing on the climate for MPs at a time when the country was experiencing some of the highest temperatures ever recorded.
- (26) Mr Stepto was positive about Mr Greg Clark's appointment as Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC) and hoped, if he continued in post after September, the Council would look forward to better cooperation with the department.
- (27) Regarding adult social care reform and fair cost of care Mr Stepto questioned whether funding would be sufficient to increase fees so providers could operate without cross subsidy, and whether councils would have sufficient capacity to operate the new system. Mr Stepto also questioned the effects of inflation on the Council's work and whether, as a result, the Council's activities would be curtailed, postponed, or cut.

- (28) Mr Stepto referred to Operation Brock and said he would be interested to learn what feedback there had been regarding any adverse effects local communities had and were experiencing.
- (29) Mr Stepto referring to the Supported Bus Funding Review said he was disappointed that funding for the 'Bus back better' project had been reduced and that it could not be used to support existing services. Mr Stepto said he had received emails from residents regarding their child's school transport and questioned where the mandate was for the cuts and what had happened to the manifesto promised to enrich the skills and education of the young and provide care for the elderly. He said there was now a situation where many children would not be able to get to their schools and elderly people would be isolated without a reliable bus service to reach town centres.
- (30) Mr Baldock expressed, on behalf of Swale Borough Council, huge and sincere thanks to Mr Gough and the Council's staff for their immediate and vital support in responding to the dreadful emergency on the Isle of Sheppey. He asked that the two councils continued to work together to hold Southern Water to account and to get an adequate assurance from them in respect of their future emergency planning.
- (31) The Leader thanked Mr Baldock for his remarks and commended the way the Council and Swale Borough Council, along with a range of partners through the Kent Resilience Forum, had worked together. He said what Kent residents on the Isle of Sheppey had experienced was unacceptable and the Council would work to ensure a recurrence did not occur.
- (32) The Leader responded to points made about government funding and said he thought it was important to acknowledge the large scale of financial support received from central government during the pandemic. Mr Gough questioned local government's place in the priorities of central government given other spending pressures such as the military and the National Health Service. Mr Gough said Mr Gove and his team were coherent and pro-local government and that Mr Gove raised an interesting question about the Office for Local Government.
- (33) Mr Gough agreed with Mr Hook on the merits of using data constructively and said the challenge was whether data was being used for sensible comparison. He said the Council was working to ensure that the right response in terms of the Council's data was understood.
- (34) Mr Gough responded to points made about Net Zero and said the Strategic Statement, agreed at the last County Council, included four key areas. One of those areas was the environmental challenge including not only net zero but also adaptation and biodiversity.
- (35) Mr Gough responded to points made about Operation Brock and reiterated it was not a solution to the problem. He said an underlying problem was the arrival of more vehicles, many of them HGVs, than could leave, and this was something that a traffic management system could not seek to mitigate.

He said the fundamental solution had to lie elsewhere and this was something that the administration would continue to pursue.

- (36) Mr Gough responded to points made about the Supported Bus Funding Review and said, as Mr Hook had indicated, there were a wide range of pressures on the sector which were not only experienced in Kent. He said the Council would seek to do all it could to find a resolution and commit honestly to what it could and couldn't do. He said long term it would be interesting to see how the Bus Service Improvement Plan (BSIP) funding would be used, if secured, to build back elements of the network and to develop it in a new and sustainable way.
- (37) Finally, Mr Gough responded to points made about adult social care reform and fair cost of care, and the County Councils Network's Report, and said the Council had been keen to argue that some of the changes should be approached in a more managed way, and he was pleased that the government had recognised that and responded.
- (38) RESOLVED that the Leader's update be noted.

86. Ofsted Inspection of Children's Services
(Item 8)

- (1) Mrs Chandler proposed, and Mr Ross seconded the motion that
- “County Council notes the content of the report and the significant work of all the staff who contributed to this very positive outcome.”
- (2) Following the debate, the Chairman put the motion set out in paragraph 1.
- (3) RESOLVED that the County Council notes the content of the report and the significant work of all the staff who contributed to this very positive outcome.

87. Review of the Headstart Programme
(Item 9)

- (1) Mrs Chandler proposed, and Mrs McArthur seconded the motion that
- “The County Council notes the success of the Headstart programme and the legacy of continued support for the mental wellbeing of children and young people in Kent.”
- (2) Following the debate, the Chairman put the motion set out in paragraph 1.
- (3) RESOLVED that the County Council notes the success of the Headstart programme and the legacy of continued support for the mental wellbeing of children and young people in Kent.

88. Local Transport Plan 5 (LPT5) Update
(Item 10)

- (1) Mr Brazier proposed, and Mr Watkins seconded the motion that
“The County Council notes progress on development of Local Transport Plan 5, the draft ambition and outcomes developed and the remaining steps to developing a full draft plan for consultation.”
- (2) Following the debate, the Chairman put the motion set out in paragraph 1.
- (3) RESOLVED that the County Council notes progress on development of Local Transport Plan 5, the draft ambition and outcomes developed and the remaining steps to developing a full draft plan for consultation.

89. End of Year Performance Report - 2021/22
(Item 11)

- (1) Mr Gough proposed, and Mr Oakford seconded the motion that
“The County Council notes the Performance Report”.
- (2) Following the debate, the Chairman put the motion set out in paragraph 1.
- (3) RESOLVED that the County Council notes the Performance Report.

90. Annual Report on Urgent Decisions
(Item 12)

- (1) Mr Gough proposed, and Mr Oakford seconded the motion that
“The County Council notes the report.”
- (2) Following the debate, the Chairman put the motion set out in paragraph 1.
- (3) RESOLVED that the County Council notes the report.

91. Pension Board - review of Terms of Reference
(Item 13)

- (1) Mr Thomas proposed, and Mr Oakford seconded the motion that
“The County Council notes the report.”
- (2) Following the debate, the Chairman put the motion set out in paragraph 1.
- (3) RESOLVED that the County Council notes the report.

92. Motions for Time Limited Debate
(Item 14)

Motion for Time Limited Debate 1 – Devolved Government cross party working group

- (1) Mr Baldock proposed and Mr Hook seconded the following motion for time-limited debate:

“Kent County Council agrees to establish a cross-party working group to oversee a feasibility study into devolved government for Kent, based on an elected assembly with legislative powers similar to the powers of other devolved parliaments and assemblies.”

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

For (11)

Mr M Baldock, Mr D Beaney, Mr I Chittenden, Mr P M Harman, Mr M Hood, Mr A Hook, Rich Lehmann, Mr T L Shonk, Mr M J Sole, Mr P Stepto, Mr R G Streatfeild, MBE

Against (27)

Mr N Baker, Mrs C Bell, Mrs R Binks, Mr T Bond, Mr D Brazier, Mr C Broadley, Mrs S Chandler, Mr D Crow-Brown, Mr M Dance, Mr M Dendor, Mr R W Gough, Mr P M Hill, OBE, Mr D Jeffrey, Mr J Kite, Mr J P McInroy, Mr D Murphy, Mr P J Oakford, Mrs L Parfitt-Reid, Mrs S Prendergast, Mr O Richardson, Mr D Robey, Mr D Ross, Mr A Sandhu, MBE, Mr B J Sweetland, Mr R J Thomas, Mr A Weatherhead, Mr S Webb

Abstain (7)

Mr A Brady, Ms M Dawkins, Ms K Grehan, Mr A R Hills, Mr S Holden, Mr A Kennedy, Dr L Sullivan

Motion lost.

Motion for Time Limited Debate 2 – Play Streets

- (1) Ms Grehan proposed, and Mr Brady seconded the following motion for time-limited debate:

“The County Council resolves:

- To undertake a feasibility study to assess the benefits and risks of implementing play schemes across the county;
- To assess whether or not the implementation of such a scheme could be cost-neutral, possibly through sponsorship by local businesses or through Member Grant funding; and
- On the proviso that the above conditions are met, the Executive should roll out a pilot scheme within the next 12 months.”

- (2) The Cabinet Member for Highways and Transport said he would be happy to work with the opposition groups and Highways Officers outside of the meeting to discuss the Play Streets proposal. This would require additional information and any scheme would need to be cost neutral.
- (3) RESOLVED that the motion be withdrawn following commitment from the Cabinet Member that further discussion would be had with a view to progressing this proposal.

From: Roger Gough, Leader of the Council
David Cockburn, Chief Executive

To: **County Council – 15th September 2022**

Subject: KCC's Response to the Cost-of-Living Crisis

Classification: **Unrestricted**

Summary: This report sets out the current picture and KCC's response to the cost-of-living crisis. Whilst acknowledging that the primary responsibility for easing the crisis at the population level sits with Government, through existing schemes and grant programmes following the Covid-19 pandemic, the council already has in place several support programmes that are helping vulnerable residents in Kent with financial hardship and cost-of-living issues. The report also sets out a range of next steps, particularly regarding an enhanced response working alongside strategic partners. It does not address the issue of the inflationary pressures on KCC services or budgets directly, or those of our providers, as this will be considered through the budget development process.

Recommendations:

County Council is asked to:

- (1) **NOTE and DISCUSS** the impact of the cost-of-living crisis on people and households and the current response to it.
- (2) **NOTE** that a separate report on the impacts of the crisis on businesses and enterprises and the support available will be presented to the Growth, Economic Development and Communities Cabinet Committee.
- (3) **NOTE** that the Financial Hardship Programme will continue to provide support to people and households over the winter period.
- (4) **NOTE** that a third round of the Household Support Fund is expected to be provided by Government and, depending on any restrictions, KCC's intention is to allocate the funding as it has previously between support for families eligible for free school meals, some funding issued to District and Borough Councils, some funding provided through KSAS, and some funding held for dedicated support with water and energy bills.
- (5) **AGREE** that KCC will lobby Government to ensure that any cost-of-living grant support to local authorities has clear objectives but limited restrictions to allow KCC and its partners to flexibly meet local need, and that capacity funding is provided to local authorities to administer and deliver any such schemes.
- (6) **AGREE** that KCC will lobby Government to consider the immediate and direct benefit of providing grants schemes targeted at vulnerable households to improve thermal insulation.

(7) **NOTE** that an emergency meeting of Joint Kent Leaders is being held on 15 September to discuss the cost-of-living crisis and how Kent councils should respond jointly.

(8) **NOTE** the potential for the Integrated Care Partnership to be the vehicle through which Kent and Medway partners can work together to jointly address the medium to longer term impact of the cost-of-living crisis, and that the Integrated Care Partnership will discuss a paper about cost of living at their October meeting and consider a collective response.

1. Introduction

- 1.1. This paper aims to provide an overview of the national cost-of-living crisis and how it is impacting on Kent, the response that KCC is already delivering to help vulnerable residents cope with cost-of-living pressures and sets out proposals for next steps to enhance the support available. The cost-of-living crisis presents a significant challenge to the county and its economy, KCC services, our partners and the people of Kent as the impacts of inflation and rising costs are felt by households and organisations.
- 1.2. However, the agenda is fast paced and the new Prime Minister, Liz Truss, is expected to make an announcement in the coming days on a package of significant investment and support from the Government on tackling energy price rises. Whilst we do not yet know the exact measures the new Government will take, a clear commitment has been made for an extensive support package likely involving energy price freezes for households. It is highly likely that by the time of this County Council meeting, a far clearer understanding of the extent of this support offer will be available. As such, an additional supplementary paper outlining any announced support package from Government will be provided to County Council before its meeting.
- 1.3. If the support package on energy costs is as significant as expected, it will materially impact on the inflationary cost-of-living crisis that this paper discusses and will help alleviate a significant amount of pressure on many Kent households. However, it is unlikely to be able to mitigate the cost-of-living crisis completely. Whilst energy costs are perhaps the most significant aspect of the inflationary pressures driving the cost-of-living crisis, as this paper notes, it is important to recognise that other prices, including food, transport and other day-to-day prices are rising significantly faster than many household incomes.
- 1.4. Therefore, the cost-of-living crisis will likely remain a significant challenge to many Kent residents, and evidence is clear that inflationary pressures disproportionately impact vulnerable households' income more than those with greater financial means. Moreover, it is not yet clear whether any support package on energy costs will be extended in some way to cover businesses. As such, even with a significant package of national support to households,

other price rises facing households and businesses remain a significant risk to the Kent's economy and social fabric. As such, the County Council has a clear role to play in doing what it can to help Kent residents, particularly the most vulnerable in our county, through what will be a period of economic uncertainty and pressure.

- 1.5 Although the inflationary cost-of-living crisis is an international and national issue, local factors mean that Kent can feel the effects more strongly. Kent has pockets of significant deprivation which can be masked by the wider South East picture, and factors such as lower average earnings in these areas compared to other parts of the region could make it harder for people to manage increasing costs.
- 1.6 KCC plays an important and long-standing role in developing the success and resilience of the county's economy, working with our partners to boost skills levels, facilitate good-quality jobs, support businesses and sectors, put in place the infrastructure for a successful economy and attract investment into the county. The aim of these interventions is to improve productivity, which is the biggest driver of economic growth and prosperity, raising employment prospects, earnings and quality of life for local people and putting them in a better position to withstand financial pressures. We have set out our plans to accelerate our progress in many of these areas over the next four years and beyond in our Council Strategy *Framing Kent's Future*¹, with a particular focus on areas that are falling behind the rest of the county and closing gaps with the rest of the South East.
- 1.7 While longer-term work to develop the economy is vital, there is also a more immediate need to respond to the cost-of-living crisis that is impacting on people now and will heighten over the winter. Aside from some discrete commissioned services, KCC's role, levers and resources as a county council to provide responsive short-term support to people facing financial crisis have been very limited. However, during the Covid-19 pandemic, upper tier authorities have been expected to step into the provision of crisis support through emergency funding schemes that Government has introduced. This has allowed KCC to work with partners to develop a comprehensive and nationally commended Financial Hardship programme to support people struggling with the impacts of the pandemic.
- 1.8 The cost-of-living crisis is not a critical incident in the same way that the Covid pandemic was and KCC will not have the same level of resources available to respond. However, the Covid response has created a legacy of strengthened partnerships, improved ways of working and successful interventions that KCC and partners can learn from and take forward in responding to the cost-of-living crisis. Given the complex national and global issues impacting the cost of living, many of which require macro level economic and policy interventions at national level, KCC cannot remove the pressures. Instead it has a role to

¹ KCC's Council Strategy 2022-26 [Framing Kent's Future](#).

play in working with partners to support people to mitigate, manage and cope with the impacts they are experiencing as far as we are able to do so within the resource envelope provided by central Government and that maintains strong financial sustainability of the Council.

- 1.9 The cost-of-living crisis has seen a significant amount of media coverage, reporting and projected modelling. This paper has, wherever possible, attempted to use official sources to ensure consistency and confidence in modelling. However, this means some more recent reports from third party sources may not be included even if they are more up to date. The interrelationship between the drivers of inflation and cost of living are inherently complex (e.g., Ukraine conflict, post-pandemic global economic surge, Brexit transition) and readers should use caution in drawing hard conclusions where there is strong correlation but limited evidence of causation.

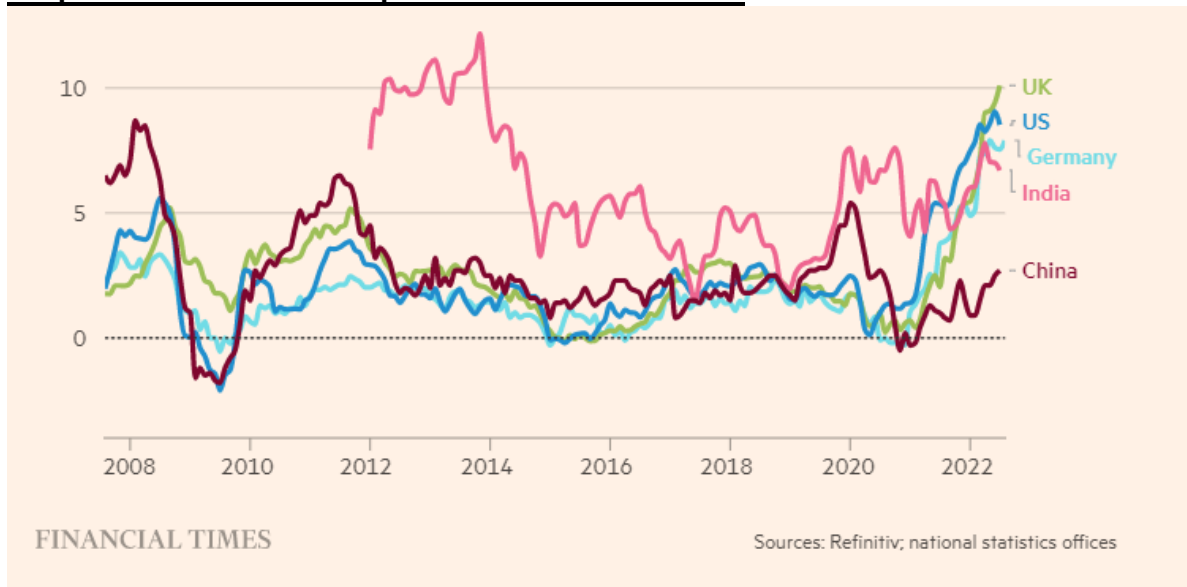
2. Background

National and global picture

- 2.1 The UK is undergoing a prolonged period of economic challenge as it has moved through the Pandemic and now contends with a new but more universal problem as the cost of living, which has been rising since 2021, is beginning to reach crisis levels that may be unsustainable for many.
- 2.2 The key events that have contributed to this situation are well known. The Covid-19 pandemic introduced an unprecedented economic impact as households and businesses navigated lockdowns which brought about reductions in consumer spending, income and production, causing employment challenges as people were either made redundant or furloughed, and requiring many firms to cut production, sell assets and lower investment. However, as the world's economies have recovered, this has in turn created an increase in consumer price inflation (see graph below) due to Pandemic related shortages as pared back businesses have struggled to meet an increased demand in consumer goods and materials. Therefore, this imbalance of strong demand and globally disrupted supply has led to rising prices and higher transportation costs.²

² House of Commons Library briefing [‘Rising cost of living in the UK’](#), 17 August 2022, page 13.

Graph 1: International comparison of inflation levels³



- 2.3 The rising prices as a result of the Pandemic have now been significantly compounded by the Russian invasion of Ukraine, which economic forecasters anticipate will cause consumer price inflation to be higher for much longer⁴, due to Russia being a major exporter of gas and oil globally and both Russia and Ukraine's significant role in the global food market. The Governor of the Bank of England has highlighted that the war in Ukraine is "the largest contributor to UK inflation by some way."⁵
- 2.4 The recent rise in energy, fuel and food prices are the most noticeable areas of expenditure for households, and rising energy and food prices have been the largest contributors to the change in inflation, fuelling the current cost-of-living crisis:
- **Energy⁶:** The rise in energy prices is a key contributor to the exponential rise in inflation. Prices for oil and gas were already volatile during the height of Pandemic due to dramatic changes in demand and the need to manage supply and pricing accordingly. According to the House of Commons Library, domestic gas prices increased by 96% and domestic electricity prices by 54% in the twelve months to July 2022. To respond to the rising wholesale gas and electricity prices, the energy regulator Ofgem is increasing the price cap that sets maximum prices for energy units and standing charges. It is also increasing the frequency of changing the price cap from every six months to quarterly in order to better address the market's current volatility. This capping, even though increasing, does not cover everyone: businesses' energy prices are not capped, which means higher costs may be passed onto the consumer. Heating oil prices are not capped either, which will affect approximately 1.6m households in the UK. Furthermore, the cap varies depending on method of bill payment: direct debit attracts a lower cap, whereas customers on pre-payment schemes –

³ Financial Times [Global Inflation Tracker](#)

⁴ House of Commons Library briefing, *ibid*, page 12.

⁵ Bank of England [Press Conference](#), 4 August 2022

⁶ House of Commons Library briefing, *ibid*, page 16-19

approximately 4.5 million customers and often those more vulnerable - have a higher cap. These saw a 54% increase in April 2022 (to £1,971 and £2,017 respectively⁷). However, as announced by Ofgem on 26 August⁸, the cap will be further increased in October 2022 to £3,549 for those paying for dual fuel by direct debit; that is an 80% increase on April's cap, and a 177% increase on the cap of £1,277 before that. Those on pre-payment meters will pay an additional £59, and those paying by credit or cash will pay an additional £215. As the price cap changes are now quarterly, households will face further increases in January and April 2023.

- **Food⁹:** Food and drink prices (excluding the hospitality sector) have been rising since the second half of 2021 due to factors such as supply chain challenges, the rising costs of energy and transportation, and labour shortages. The Russian invasion of Ukraine significantly compounds this: both countries are major exporters of staples such as wheat. Ukraine's farming and harvesting have been profoundly disrupted by the conflict, as have its ports which are major transportation hubs for commodities. Fertilisers have also seen a price surge as Russia, a major producer, has restricted its exports. All of this has a direct impact on food prices for the UK, and the House of Commons Library cites forecasts by research company Kantar that the average household grocery bill will increase annually by £380; an extra £32 a month.

- 2.5 Economic forecasts predict that the rising cost of living for households will worsen. The Governor of the Bank of England (BoE) has commented that "there are a lot of people out there who are very badly affected by this inflation – all inflation affects people on low incomes badly – but this time particularly because it is concentrated in energy and food."¹⁰
- 2.6 The BoE has also forecast that inflation, as measured by the Consumer Prices Index (CPI), "is expected to rise...from 9.4% in June to just over 13% in" October "and to remain at very elevated levels throughout much of 2023, before falling to the 2% target two years ahead."¹¹ This forecast is mainly due to the October 2022 energy price cap increase. However, the rate of CPI inflation may rise above 13% by the end of the year, and several economists have also predicted a rise of between 15% to 18% by early next year. To put this into context, the ONS have already reported that CPI inflation has already risen to 10.1% in the 12 months to July 2022.¹²
- 2.7 The high level of inflation has impacts on the overall performance of the economy. The Office for National Statistics (ONS) has reported¹³ that the economy contracted by 0.1% in the three months to June, and on 4 August, the Bank of England raised interest rates for the sixth time this year, by 0.5%

⁷ Ofgem '[Price cap to increase by £693 from April](#)', 3 February 2022

⁸ Ofgem '[Ofgem updates price cap level and tightens up rules on suppliers](#)', 26 August 2022

⁹ House of Commons Library briefing, *ibid*, page 22-24, BBC News '[Food bills are set to soar by £380 this year](#)', 21 June 2022

¹⁰ BBC Today programme, 5 August 2022

¹¹ Bank of England Quarterly Monetary Report *ibid*

¹² ONS [Consumer Price Inflation UK: July 2022](#), 4 August 2022

¹³ [GDP first quarterly estimate, UK - Office for National Statistics \(ons.gov.uk\)](#), 12 August 2022

to 1.75%, in an effort to tackle to rising cost of living.¹⁴ However, as inflation is significantly driven by energy and food prices due to external factors, it is unclear whether interest rate increases will help reduce inflation in the short to medium-term.

- 2.8 The Governor has added that when inflation starts to fall, he expects interest rates to settle below 5%, which was last seen before the 2008 financial crisis, saying, “I don’t think that in the steady state we are going back to where we were before the financial crisis.”¹⁵ The risk of a prolonged economic downturn and interest rates remaining at pre-2008 levels increase the pressure on many households and the risk of long-term social and economic scarring to national and local economies.

3. How is this impacting upon people and households?

Cost of living:

- 3.1 Households are already feeling the effects of the rise in the cost of living and are having to adapt. The Office for National Statistics (ONS) reports¹⁶ that between March and June 2022, about 9 in 10 adults (89%) continue to report an increase in their living costs – this equates to about 46 million people. This has increased from 62%, or 32 million adults when the ONS first asked the question in November 2021 – significantly more people are being drawn into the crisis. 94% reported an increase in the prices of their food shopping, 82% an increase in gas or electricity bills, and 77% reported an increase in the price of fuel. People are having to make changes to cope with these price increases: while 57% are cutting back on non-essentials, worryingly, 51% are using less gas and electricity at home and 35% are cutting back on food and essentials. In addition to cutting back, just under a quarter of people (23%, approximately 11 million) are using savings to cover costs, and around 6 million people (13%) said they were using more credit than usual.
- 3.2 Disposable income¹⁷ is set to fall by 3.7% over 2022 and 2023 – the biggest fall since records began in 1963. The Resolution Foundation calculates this as an average fall of £2000 for households during this period.¹⁸ For household income, the BoE has forecast that “real household post tax income is projected to fall sharply in 2022 and 2023.”¹⁹ This is on top of the fall in real-terms growth in total pay and regular pay in the year from April to June 2022 that the ONS has reported, at 2.5% and 3.0% respectively.²⁰ This is the fastest fall in regular pay for 20 years. Coupled with this, the unemployment rate is forecast to rise from 3.5% to 5.5% by 2024.

¹⁴ Bank of England [Monetary Policy Summary](#), 4 August 2022

¹⁵ BBC Today programme, 5 August 2022

¹⁶ ONS [‘What actions are people taking because of the rising cost of living?’](#), 5 August 2022

¹⁷ ONS definition: the amount of money households have available for spending and saving after direct taxes have been accounted for.

¹⁸ House of Commons Library, *ibid* page 39-40, Resolution Foundation [‘Slower for Longer’](#) 4 August 2022

¹⁹ Bank of England [Monetary Policy Summary and minutes of the Monetary Policy Committee on 3 August 2022](#)

²⁰ ONS [Average weekly earnings in Great Britain: August 2022](#), 16 August 2022

3.3 For more vulnerable groups, the picture looks worse. ONS reported²¹ that disabled people were more likely reduce their spending on food and essentials due to increased costs than non-disabled people (42% compared to 31%). People aged between 55 and 74 years were more likely to be cutting their gas and electricity use (just under 60%), which, considering this was reported in warmer months, does not bode well for the winter. People renting who experienced rising costs were more likely to reduce their spending on food and essentials (46%) than those with a mortgage (33%). People living in the most deprived areas were more likely have cut back on spending on food and essentials (42%) than the average (35%), while more likely to be using credit more than usual: 18% in most deprived areas compared with the average of 13%, and 8% in the least deprived areas.

Energy inflation impact:

3.4 Low-income households²² are disproportionately affected by the cost-of-living increases as they spend a larger proportion of their income on food and energy than average income households, thereby facing higher inflation. The Resolution Foundation estimated that a low-income household faces paying an additional £418 on their direct debit gas and electricity bills for the period of January to March 2023, compared to what was forecast for them back in May 2022. They are also more susceptible to ‘fuel stress’ whereby more than a tenth of household income is spent on energy, and the Resolution Foundation reports that an increasing number of households are facing this predicament. Arrears on energy bills are more widespread than seven months ago. Some 2 million low-income families (17%) are in arrears with energy bills, an increase of more than a quarter.²³

3.5 Research has identified energy crisis hotspots across England and Wales local authorities.²⁴ Energy crisis hotspots are neighbourhoods (LSOAs²⁵) where energy use is high and typical household income is below the national average. In many cases, energy use is high in these neighbourhoods because homes are poorly insulated, meaning they require more energy to remain warm. Swale and Thanet have the highest number and proportion of neighbourhoods identified as energy crisis hotspots in the county, ranking 44th and 52nd out of 331 local authorities in England and Wales. The average annual energy bills in these hotspot areas are £2,226 (rising to £3,244 in October 2022) and £2,132 (rising to £3,105) respectively.

²¹ ONS ‘What actions...’ ibid

²² House of Commons Library, ibid page 40-43, Resolution Foundation ‘[Cutting back to keep warm](#)’, 15 August 2022

²³ Joseph Rowntree Foundation ‘[Cutting back to keep warm](#)’, 15 August 2022

²⁴ Friends of the Earth, published by the End Fuel Poverty Coalition

²⁵ Local-layer Super Output Areas: “small areas designed to be of a similar population size, with an average of approximately 1,500 residents or 650 households” MHCLG [The English Indices of Multiple Deprivation 2019](#), September 2019

Universal Credit:

- 3.6 The number of Universal Credit claimants in Kent peaked in March 2021 when 132,131 people were claiming (13.8% of 16–64-year-olds). Since then, the number of claimants has fallen slightly; however, the latest data (May 2022 to June 2022) shows that the number of claimants has increased slightly. This is true in all Kent districts except Dover and Folkestone & Hythe. All districts have seen an increase in claimants who were in work, while in all districts except Gravesham and Sevenoaks claimants who were not in work fell.

Pay:

- 3.7 Pay has fallen further behind the rising cost of living, according to the latest official data. While average wages rose 4.7% between April and June, that was outpaced by inflation - or price rises - which is growing at a much faster pace. As a result, the "real value" of pay fell by 3%, according to the Office for National Statistics. Arrears have increased and families have been pushed to take on more borrowing. At the end of May and early June 2022, 4.6 million low-income households (40%) were in arrears in at least one type of bill or had fallen behind on their borrowing repayments. This is an increase of a fifth (21%) since the October 2021 survey.²⁶

Food Banks:

- 3.8 Independent food banks are struggling to cope with increases in demand for their services. 93% of organisations reported an increase or significant increase in the need for their services since the start of 2022. More than 80% of organisations reported that they have struggled with food supply issues over the last four months. 78% of these organisations saw a drop in food and/or financial donations and half of these organisations have needed to dip into their financial reserves to pay for food or vouchers. 95% of organisations reporting increases say that the cost-of-living crisis is the reason behind this.²⁷

Kent Support and Assistance Service (KSAS):

- 3.9 Prior to Covid-19 and the cost-of-living crisis, KSAS on average received a little over 7000 applications a year, with the service receiving 7112 applications in 2018/19, averaging 136.8 applications a week. Due to the financial pressures that have impacted communities since 2019, service demand has increased exponentially. KSAS received 28,728 applications during 2021/22, averaging 552.5 applications a week, this is an increase in service demand of over 300% (303.9%). This financial year, KSAS demand has been similar of that in 2021/22. With seasonal pressures and a further and significant uplift in the energy price cap in October, the service is expecting similar applications volumes as to those seen in last financial year. KSAS has administered a voucher scheme funded by the Household Support Fund Extension which saw unprecedented demand with over 4,000 applications

²⁶ Joseph Rowntree Foundation – survey of 4,000 low income households

²⁷ IFAN independent food bank survey

received in one week. This further highlights the increasing financial pressures on residents.

Public Health:

- 3.10 The Health Foundation²⁸ has highlighted that living in poverty is likely to lead to poorer health outcomes including:
- Increase in mortality rates - including excess deaths due to living in cold houses through hypothermia and infection, potential increase in suicide linked to depression and anxiety, heart attacks and strokes linked to experiencing long term anxiety and stress.
 - Children experiencing food insecurity are more likely to suffer from anxiety and stress, and hunger in childhood has been linked to depression and suicidal episodes in teenagers. Hunger is also linked to increased levels of chronic illnesses such as asthma and impacts on years lived in good health.
 - Mental health needs associated with money worries - feelings of low self-esteem, insecurity, anger, despair, anxiety and depression
 - Burden of disease - the 'food poor' are at higher risk of developing chronic diseases such as hypertension, diabetes and cardiovascular disease. The risk of developing hypertension, cancer and heart disease is also linked to long periods of low-level stress. Cold, damp and mouldy homes pose increased risks of respiratory infections and the onset or worsening of asthma
 - Unhealthy lifestyle choices leading to increased risk of disease. Taking care of your own health is not a priority for the financially insecure. The conditions surrounding insecurity of income are linked to an increase in drug and alcohol consumption, smoking, lack of exercise and unhealthy eating.

4. Existing Support and the Current Response

Government Support

- 4.1. To date, the Government has provided a number of financial support interventions for households and individuals to help mitigate the effects of the cost-of-living crisis. These include²⁹:
- a £400 payment per household which will be taken off their energy bills
 - a £650 payment of two instalments in July and autumn 2022 for those on means-tested benefits (about 8 million people)
 - an additional £300 payment for approximately 8 million pensioners who receive the Winter Fuel Payment
 - an additional £150 payment for approximately 6 million people receiving disability benefits.
 - A council tax rebate of £150 for households in Bands A to D.

²⁸ The Health Foundation, [Poverty and Health](#), January 2018, '[Living in poverty was bad for your health long before COVID-19](#)', July 2020

²⁹ House of Commons Library briefing, *ibid*, pages 25-29.

- 4.2. This amounts to a maximum of £1650 for an individual receiving the Winter Fuel Payment, disability benefits and the council tax rebate.
- 4.3. Throughout the pandemic, via various Grant funding streams, the Government provided local authorities with the means to provide additional support to vulnerable residents. On 23 March 2022, an extension to the Household Support Fund was announced. The allocation to Kent (received by KCC) in this tranche was £11.06m to be used by the end of September 2022. It is being utilised as follows:
- £4.74m devolved to Kent's 12 District Councils of which £3.60m ringfenced for pension age residents for energy bills, the remainder for local schemes targeted according to area need
 - £3.55m for Free School Meals over May half-term and £50 flat rate over summer holidays, building on the work that KCC has undertaken in this area since October 2020
 - £1.55m to be used by the Kent Support and Assistance Service and other services to distribute help to families in financial hardship
 - £1.22m for countywide initiatives to support households with energy and water
- 4.4. A key difference with this tranche in contrast to previous allocations is that the Department for Work and Pensions (DWP) specifically stipulated that a third must be spent on pension age residents.
- 4.5. As part of this support, KCC launched a voucher scheme with the Kent Support and Assistance Team (KSAS) to allow residents in need who met the eligibility criteria to apply for support. The scheme opened on the 29 July and within one week the scheme had unprecedented demand, receiving over 4,000 applications. The volume of applications received utilised the funding available and therefore the voucher scheme was forced to close.
- 4.6. In addition, KCC is running a referral scheme where professional partners can refer residents who meet the eligibility criteria for a fuel voucher. As with other voucher schemes, the scheme will remain open until the end of September, or until funding has been used.
- 4.7. The Government has announced that there will be a third Household Support Fund; however, details of this scheme have not yet been confirmed by the Government at the time of publication of this report. Initial DWP briefings suggest it is likely that the third round of funding will not require allocated amounts of spend to be used on families, or pension age residents. Assuming that when announced, the funding will have similar guidelines to previous rounds, it is suggested that support offered by KCC will continue in a similar pattern to previously. This could therefore include some support for families eligible for free school meals, some funding issued to District and Borough Councils, some funding provided to an application form with KSAS, and some funding held for dedicated support with water and energy bills. Early discussions with partners also indicates support for warm hubs which will be considered as part of this fund where appropriate.

Kent County Council Support

KCC Financial Hardship programme

- 4.8. In February 2021, Kent County Council announced a local discretionary scheme designed to offer support directly to those Kent residents and businesses most impacted by the pandemic. The Helping Hands scheme would set aside £10m of the emergency Covid- 19 monies to underpin a raft of projects and workstreams that would support those in immediate need. In addition to this, the programme has been designed to provide a sustainable legacy and increase community resilience for the future when large one-off grants are no longer available.
- 4.9. The four categories of spend are as follows:
- £4m to support low-income households and households in financial distress, including through council services such as the Kent Support and Assistance Service, district and borough councils, voluntary and community sector organisations, such as Kent Community Foundation and utility companies such as South East Water.
 - £3m to provide a range of support for businesses and the self-employed not in receipt of government funding, including through council services, district and borough councils, voluntary and community sector organisations, and business support organisations such as the Chamber of Commerce. This delivers support to businesses through funding projects which target delivery of growth, innovation and/or employment. Further information on this workstream will be provided in a report to Growth, Economic Development and Communities Cabinet Committee which will take into account any additional support announced by the government for businesses.
 - £2.5m to tackle digital poverty, working with schools and colleges, district and borough councils and voluntary and community sector organisations.
 - £500k to match-fund crowdfunded community projects and initiatives that support local communities in responding to and recovering from the impact of the pandemic.
- 4.10. £4m was allocated to support low-income households and those in financial distress. This includes providing support to families and individuals in food and fuel poverty and with other essentials through the Council's Kent Support and Assistance Service, district and borough councils, voluntary and community sector organisations, such as Kent Community Foundation and utility companies such as South East Water. The funding is and will also be used to provide financial advice and support to address debt and financial hardship and capability issues. Part of the funding is allocated to enhance existing services, including mental health, suicide prevention, domestic abuse, drug and alcohol misuse services, and support for both young and old experiencing social isolation, all of which have seen significant increases in need due to the impact of the pandemic. A number of projects will be delivered over Winter 2022/23 to support residents in Financial Hardship which are outlined below:
- **Debt Advice** – the debt advice work is intending to provide financial advice and support to people in hardship and provide a financial plan to support them and improve their financial resilience. A key part of this has been

supporting a Money and Mental Health project that since April 2022 has helped 265 clients. The service has helped with a number of different issues such as debt, benefits and housing. This has resulted in an income gain of just under £200k for clients as well as more than £34k of debt written off or rescheduled.

- **Underwritten Loans Scheme** – the underwritten loans scheme is a partnership project with Citizen’s Advice Bureau and Kent Savers. The project will provide no interest loans to residents in high interest debt. Applicants would need to undertake financial resilience training to improve their financial resilience, which will provide long term benefits to the residents. The scheme anticipates supporting over 200 people over the coming Winter.
- **Support for those who are new to financial hardship** – one of the areas of focus for the residential workstream is to support people who are new to financial hardship as a result initially of the pandemic, and now as a result of the cost-of-living crisis.

4.11. The Financial Hardship Programme includes the Helping Hands Scheme which expands on this work to utilise funding from other sources. As a result of this, three additional workstreams are included in the Financial Hardship Programme which also support tackling the cost-of-living crisis:

- **Data Sharing:** Across local authorities, at both County and District level, we cannot effectively identify individuals at risk of crisis. As such there is a strategic need to develop a solution which allows frontline teams greater visibility of individual vulnerability, both financially and socially to enable a proactive response in providing support. The Data Sharing Workstream has been testing two systems which specialise in extracting, combining, and representing data in a more useful way: Policy in Practice and Xantura. These systems are being implemented across Kent, in partnership with District level authorities.
- **Referrals:** This workstream promotes referring residents directly for support with other organisations, above simply signposting residents with contact information. By referring an individual to a support service, the ownership of contact is placed on the referring agency, and ensures the individual is not left to initiate contact at a time of crisis or hardship. KCC has launched a secure referral system called ReferKent across the county for organisations to refer individuals for financial advice and wider holistic support. The system will also provide the ability to track referrals and generate reports on aggregated data relating to the referrals made - meaning more targeted services can be developed. The ReferKent system launched a pilot on the 25 July 2022 and has so far recruited 14 organisations, with 17 organisations signed up to join the system. There have been 66 referrals over the first 6 weeks, and as the system is more widely adopted, it is anticipated that this number will substantially increase. The system, alongside other referrals projects, aims to become systemic in the Kent community, allowing both residents and organisations to better connect and understand the support on offer. This will be especially crucial over the Winter as more people require support.

- **Free School Meals and Healthy Start:** This workstream aims to increase uptake of Free School Meals (FSM) and Healthy Start (HS) by automatically notifying and/or registering eligible families. This will ensure children who are entitled to healthy food receive it and schools access an additional £2.25m to close the attainment gap, as well as families receive an additional £1.4m support to buy food.

KCC's community services

- 4.12. A number of services within KCC are either providing support where they can, or plan to in the months ahead:
- 4.13. **Kent's libraries** provide open and warm spaces that offer a range of free services including books, activities, ICT, WiFi, e-books/e-magazines/e-newspapers, and they are planning a promotional push because not everyone is aware of this offer. Wood Avenue Library in Folkestone is also hosting a [Community Fridge](#) scheme with partner organisations to provide free food supplies for the community, and Libraries, Registration & Archives (LRA) are looking to roll this out more widely. Dartford library hosts 'Green Doctor' sessions where experts come in to advise about energy grants, how to save energy and can also help refer to food banks. LRA can also offer spaces so that KCC services and partners wanting to reach people with advice or drop-in surgeries can host these in our libraries.
- 4.14. **The Gypsy and Traveller Service** will be carrying out a 'winter preparedness' campaign for all residents on its sites and will begin this in October by highlighting risks and signposting to support and advice. The service will also look to refer some of their more vulnerable residents to the Household Support Fund which could see them receive a £150 energy voucher.
- 4.15. **Public Protection** is currently seeing a steady increase in scams aiming to exploit the cost-of-living crisis. The service is already seeing sophisticated scams targeting heating cost reduction, council/government financial support grants, fake employment opportunities, and cheap food – financially devastating to those who are caught out. It is anticipated that this will follow the pattern of Covid whereby scams escalated and became more sophisticated over time. The service is also expecting to see increases in unsafe/cheaper counterfeit goods, including food, and in the run up to Christmas an increase in cheap, unsafe and counterfeit goods aimed at children.
- 4.16. The Public Protection group will be monitoring and coordinating tactical campaigns with partners, and Trading Standards, Kent Scientific Services and Community Wardens will continue to share intelligence, take direct action, and warn and inform the public using our digital and social media channels. Public Protection's digital and social media channels protected vast numbers of residents and businesses against the wave of scams during the Pandemic, and will have a critical role in doing so again during the cost-of-living crisis – they have an enormous digital reach (3.4 million in July 2022) and will continue to warn the public about scams and other deceptive practices aimed at those most vulnerable during this crisis.

- 4.17. **The Kent Community Warden Service** provides an essential lifeline for many of our residents. Its support includes knowledge of benefits available to help residents access support, can identify residents in hardship who would be eligible for council tax reductions and make the request on their behalf, identify, engage with and support homeless individuals into accommodation, and work with District Council community hubs to help link eligible residents into Districts' hardship funds or to energy/fuel poverty advisers. Acting as a frontline, Community Wardens use local knowledge and intelligence from Trading Standards to check the legitimacy of traders, guard residents against fuel payment scams, and reinforce messages against illegal money lenders.
- 4.18. Community Wardens have knowledge of local resources such as food banks; for example, on the Isle of Sheppey, Wardens are engaged with four food banks that they regularly refer people to, and also support the Sheppey Support Bus which is a hub for people experiencing food poverty. The Wardens are also supporting locally emerging 'Heat Hubs' within community settings, which during the daytime welcome those who are struggling to heat their homes. Venues include nominated churches and libraries (such as Paddock Wood) and in some areas are run in partnership, such as the [scheme starting in September](#) with Age Concern Sandwich.
- 4.19. It is anticipated that the Community Wardens will spend a greater proportion of time engaging with and attempting to address the various needs of a growing cohort of vulnerable residents (beyond older people and homeless people) who will be increasingly affected by the cost-of-living crisis, especially those having to cut their expenditure on fuel and food, or experiencing heightened social isolation (for example, caused by reduced financial means) and deteriorating mental health. Community Wardens will support the re-instigation of any 'good neighbour' and community-based volunteer schemes (evident during the height of the Pandemic) to alleviate this.

Social Care Services:

- 4.20. Alongside our community services, KCC's social care services (adults and children's) will be working with vulnerable families many of whom will be at heightened risk of struggling with the cost-of-living crisis. It will be important that our social care and wider workforce who engage with service users and families directly are aware of the wider support and referral pathways that will be open to vulnerable residents so they can signpost them to the relevant agencies and support services.

5. Next Steps

- 5.1. As noted earlier, it is important to remember that the primary responsibility and means for addressing the inflationary cost-of-living crisis sits with the Government, and the incoming Prime Minister and new Cabinet will likely be setting out additional proposals to deal with the cost-of-living crisis in the forthcoming days and weeks from the publication of this paper.

Lobbying

- 5.2. Should the new Government determine that additional targeted support to vulnerable individuals, households and communities is to be delivered through targeted grants via local authorities (as opposed to direct payment, price controls or the tax system) then KCC will of course stand ready to support the Government in meeting its objectives.
- 5.3. However, the clear lesson from the pandemic response is that any future funding from the Government should replicate the successes of the Covid Emergency Grant. This fund was unringfenced and allowed local authorities to put in place innovative solutions with long-term benefits that truly supported residents with wrap-around support. We would urge the Government that any grant support to local authorities has clear objectives but limited restrictions which gives KCC and its partners the ability to flexibly meet local need as it materialises, rather than against central Government planning assumptions.
- 5.4. Moreover, unlike the pandemic, which allowed the Council to bring a large proportion of its workforce to directly supporting the Response phase of Covid-19, the cost-of-living crisis is different in that local authorities must still deliver all of our services as business-as-usual, with the expectation that the crisis will also increase short, medium and long-term demand pressures on services which are already overheating. Therefore, the Government should recognise that to administer and deliver additional targeted grant schemes will require some element of capacity funding. If it is determined by Kent Leaders that it is necessary to stand back up District level Community Hubs as an effective means of intervention and support at a local level (see section below), this will also require additional capacity funding.
- 5.5. It will be for the Government to determine the policy objectives for any grant schemes delivered by local councils in meeting the cost-of-living crisis. However, we would strongly urge the Government to consider the immediate and direct benefit of providing grants schemes targeted at vulnerable households to improve thermal insulation. Almost half of the poorest fifth of households live in uninsulated homes, and it has been calculated that come January 2023, households in energy inefficient homes face paying an additional £231 a month than those in an EPC 'C' rated home.³⁰ Previous discounted insulation schemes have now ended, but this could provide direct and immediate benefit to vulnerable people whilst also supporting the council to meet our Environmental Step Change objectives.³¹

³⁰ House of Commons Library, *ibid* page 40-43, Resolution Foundation '[Cutting back to keep warm](#)', 15 August 2022

³¹ KCC's Council Strategy 2022-26 [Framing Kent's Future](#).

KCC commitment to providing ongoing support

- 5.6. KCC is committed to continuing the support that it currently provides to vulnerable residents in need of financial support, insofar as the resources required do not impact on our ability to manage a balanced budget.
- 5.7. KSAS continues to work with residents who have experienced an unforeseen, short-term crisis or who are facing an emergency.
- 5.8. Support for residents with their energy bills continues to be provided through the Household Support Fund. KCC is currently delivering with partners the second round of this funding, and there are indications from the government that there will be an additional round of support for household bills from October 2022 to March 2023.
- 5.9. The Financial Hardship Programme will continue to build awareness in Kent's communities about current support available. This will be done through the development and expansion of the ReferKent network as well as working closely with the Voluntary, Community and Social sector (VCS) to share knowledge of support between organisations. KCC will continue to support local initiatives put forward by communities which help residents in hardship, for example warm hubs, where evidence supports this activity as being beneficial. By supporting different initiatives that have been identified locally, we will ensure that support given is tailored to the needs of the local area.
- 5.10. A key success of the Financial Hardship Programme has been the ability to remove barriers to data sharing and ensure that information is shared safely and securely to better support residents. The Programme will look to grow on this success, and use the processes put in place to help residents to access benefits that they are entitled to. Improving the take up of Free School Meals, Healthy Start, as well as other key benefits will help residents to maximise their income. Work is currently being undertaken to determine if it is possible to extend the timeframe of the programme, or specific aspects of the Programme, beyond March 2023.

Strengthening the short and long-term partner response

- 5.11. It is almost certain that the cost-of-living crisis will drive an economic downturn, potentially a lengthy recession, which risks leaving some element of social and economic scarring which will have a negative impact on Kent residents and communities. Alongside any direct intervention from government, we need to ensure that our short-term response across statutory and voluntary partners is joined up, but also that we coordinate our future partnership work to provide leadership and co-ordination from a system wide perspective and ensure any scarring effect is minimised.

Kent Districts

- 5.12. In the immediate term we have a model template for joint working through the arrangements that were established to support Joint Kent Leaders and Joint Kent Chief Executives through the Covid pandemic. An emergency meeting of Kent Leaders has been called for the 15 September.

- 5.13. At this meeting, the Leader will be proposing the creation of a time limited multi-agency Taskforce to assess the data and intelligence on how the cost-of-living crisis is impacting Kent as it emerges and changes over time, but also provide a vehicle for strong political leadership and oversight to ensure strong coordination of our collective response to the crisis. It will also provide a single point of contact for Government and support Kent in providing clear messaging back to Government on issues as they emerge and the impact of any interventions. Membership of this group would include representatives from KCC, District and Borough Councils, Health, VCS, and statutory partners.
- 5.14. From the start of the pandemic a different approach was taken to the majority of County Councils across the country, with Kent County Council devolving a large amount of funding District Councils to support the establishment and operation of a range of crucial community-based initiatives including the Community Hubs, recognising the unique and crucial role District Councils play in their community, their knowledge of key local ground-level organisations and groups, and access to local facilities and staff which could be redeployed at short notice. The Community Hubs supported local people with food, emergency supplies and help whilst isolating (particularly Kent's Clinically Extremely Vulnerable community), help at community centres and youth hubs, ground-level VCS organisations delivering direct to vulnerable people including befriending services, debt advice and support for victims of domestic abuse. At the emergency 15 September meeting, Kent Leaders will need to consider the appropriateness of standing back up Community Hubs at District level.

Integrated Care System (ICS)

- 5.15. Traditionally, the NHS has been very focussed on meeting the immediate health needs or implications from any social or economic issues. However, the creation of the statutory Integrated Care Partnership for Kent and Medway, to which the upper tier local authorities in Kent are statutory members, will see them playing a wider role across the Kent and Medway as a system. One of the purposes of creating the ICS is to support addressing the broader social and economic pressures which impact on the health and wellbeing of people who live and work in the area.
- 5.16. As the Integrated Care Partnership develops further, it will be the natural vehicle through which Kent and Medway partners can work together to jointly address the medium to longer term impact that the cost-of-living crisis associated economic downturn will have. The ICS is required to develop an interim Integrated Care Strategy by December 2022 which will be influenced by Director of Public Health (DPH) professional advice and a refresh of the Joint Strategic Needs Assessment. The needs assessment will highlight how deprivation impacts on health inequalities and how the system can focus on preventative measures to mitigate the effects. This will undoubtedly pick up the latest impact on health inequalities caused by the cost-of-living crisis.
- 5.17. The ICS has requested a paper about cost of living at their October meeting to consider a collective response which will reference this paper. One of the issues that the Leader will be asking the Integrated Care Partnership Board to

consider is whether there are additional monies within the system, however limited, that could be repurposed and reprioritised downstream to support direct intervention in the most vulnerable communities before that presents as demand for NHS services.

Voluntary, Community and Social Sector (VCS)

- 5.18. Moreover, a considerable risk the ICS will need to consider is the risk that demand for preventative activity including social prescribing, which is a fundamental aim of NHS long-term plan to reduce demand on acute services, will increase significantly during the cost-of-living crisis, which in turn will place additional pressure on services provided by the VCS sector in Kent. It will be necessary to ensure that there is effective engagement and coordination of impact of the cost-of-living crisis on VCS both as a sector, and on the services they provide. The Kent VCS Strategic Partnership Board that was established following the Pandemic will play a vital role in assessing this impact and flagging key issues to statutory partners and Government. The ICS, KCC and District Councils are all represented on the VCS Strategic Partnership Board.
- 5.19. As a Council, we have committed to supporting the sector through our infrastructure support commitments in the Civil Society Strategy. This type of support will be vital in helping organisations who are under increasing pressure to look at or access training and support in relation to their organisational strategy, financial planning, budgeting, rebalancing costs and opportunities for collaboration, whilst not underestimating the challenges the sector are facing.

6. Recommendations:

County Council is asked to:

- (1) **NOTE and DISCUSS** the impact of the cost-of-living crisis on people and households and the current response to it.
- (2) **NOTE** that a separate report on the impacts of the crisis on businesses and enterprises and the support available will be presented to the Growth, Economic Development and Communities Cabinet Committee.
- (3) **NOTE** that the Financial Hardship Programme will continue to provide support to people and households over the winter period.
- (4) **NOTE** that a third round of the Household Support Fund is expected to be provided by Government and, depending on any restrictions, KCC's intention is to allocate the funding as it has previously between support for families eligible for free school meals, some funding issued to District and Borough Councils, some funding provided through KSAS, and some funding held for dedicated support with water and energy bills.
- (5) **AGREE** that KCC will lobby Government to ensure that any cost-of-living grant support to local authorities has clear objectives but limited restrictions to allow KCC

and its partners to flexibly meet local need, and that capacity funding is provided to local authorities to administer and deliver any such schemes.

(6) **AGREE** that KCC will lobby Government to consider the immediate and direct benefit of providing grants schemes targeted at vulnerable households to improve thermal insulation.

(7) **NOTE** that an emergency meeting of Joint Kent Leaders is being held on 15 September to discuss the cost-of-living crisis and how Kent councils should respond jointly.

(8) **NOTE** the potential for the Integrated Care Partnership to be the vehicle through which Kent and Medway partners can work together to jointly address the medium to longer term impact of the cost-of-living crisis, and that the Integrated Care Partnership will discuss a paper about cost of living at their October meeting and consider a collective response.

7. Contact details

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From: **Susan Carey, Cabinet Member for Environment**
Simon Jones, Corporate Director of Growth Environment and Transport

To: **County Council – 15th September 2022**

Subject: **Update on Kent's Plan Bee**

Classification: **Unrestricted**

Summary: Kent's Plan Bee is the County Council's pollinator action plan. It sets out the contribution we can make in helping to address the decline of pollinator species. This report reflects on the achievements of the Plan over the past two years, since its adoption, and reports on actions to be taken in the coming year(s).

Recommendation(s):

The County Council is asked to note the success of Kent's Plan Bee in its first two years and the work that will be continued into future years.

1. Introduction to Kent's Plan Bee

- 1.1 In July 2019, Kent County Council adopted Kent's Plan Bee¹, our pollinator action plan, which sets out the contribution the County Council can make in helping to slow and reverse the decline of pollinators in Kent.
- 1.2 The Plan responded to the National Pollinator Strategy for England and the call to local authorities to use their regulatory powers and other functions to deliver, inform and engage others to participate in work that will benefit pollinators. The Plan recognised that the County Council, with its wide-ranging responsibilities, services and land holdings, was well placed to make a significant contribution directly through changes to its land management activities, but also provide leadership on this issue within the county in order to safeguard our native pollinators.
- 1.3 Consequently, Plan Bee set out to:
 - Make the county council a community leader in action for pollinators, leading the way in its own operations and property and by supporting others.
 - Ensure that pollinators' needs are always considered throughout Kent County Council's work and services.
 - Put the conservation of pollinators and their habitats at the heart of the council's land management and planning.
 - Make Kent County Council a significant contributor to the recovery of pollinator populations which will support biodiversity and the need of the county's agriculture.

¹ [Kent's Plan Bee pollinator action plan - Kent County Council](#)

- 1.4 The Plan aims to deliver these outcomes by taking action under the following objectives:
1. Manage the land it owns or controls or can influence in a way which can benefit pollinators' forage and habitat.
 2. Use the planning system to protect pollinators and improve the habitats on which they rely.
 3. Deliver a campaign to encourage others to take action themselves, raising awareness of the importance of pollinators in our lives and everybody's potential role in protecting them.
- 1.5 This report to County Council looks at the status of pollinators in Kent, updates members on what Plan Bee has achieved since its adoption and outlines the next steps in delivering on this important agenda.

2. The state of pollinators in Kent

- 2.1 Many plants rely on insects to pollinate their flowers – most plants cannot set seed without being pollinated (receiving the pollen, usually from another flower). It has been calculated that one of every three mouthfuls of food we eat depends on pollination, with the annual benefits of insect pollinators to the British economy valued at £691 million (Living with Environmental Change, 2014).
- 2.2 Despite their importance, pollinators are in serious decline as a result of habitat loss, pesticides and climate change. When the Council adopted Plan Bee, it was reported that nationally half of the UK's 27 bumblebee species were in decline and three were already extinct. And two-thirds of the UK's moths, and 71% of the UK's butterflies, were also in long term decline.
- 2.3 Just this year, the citizen science survey Bugs Matter² reported a decline in flying insects by 59% between 2004 and 2021. More worrying still was that in Kent this figure was a staggering 72%. They noted that these figures indicate a rapidly declining trend in insect abundance nationwide, which is consistent with research that has reported declining trends globally.
- 2.4 The 2021 State of Nature in Kent report³ notes some more positive news for some of the county's pollinators, but it also comes with notes of caution and concern.
- 2.5 Two of the nationally scarce butterfly species, the Heath Fritillary and Duke of Burgundy which are both found in Kent, have done well in the last decade, increasing in numbers and extending their range slightly. This is thanks to the efforts of conservation organisations and volunteers and some private landowners. Several other species, including the Adonis Blue, have also expanded their range.
- 2.6 Although these results appear to paint a favourable picture for Kent's butterfly populations, many colonies of our commoner butterflies have been lost as a result of habitat loss, fragmentation and changes in land use; for instance, the reduction in coppicing has made most woods unsuitable for many butterflies.

² [Bugs Matter \(kentwildlifetrust.org.uk\)](https://kentwildlifetrust.org.uk)

³ <https://kentnature.org.uk/state-of-nature/>

The report notes that the outlook for butterflies in Kent is bleak unless key habitats are protected from loss and linked together, to enable butterflies to move between them.

- 2.7 The abundance of macro moths in the south has shown a decline of 39% over the past 50 years (and this is similar for micro moths). However in Kent, trends for all moths show a mixed picture over the last 10 years, with more species showing an increase than a decrease.
- 2.8 Whilst some of the more generalist species of ants, bees and wasps appear to be on the increase, and the number of this group of insects recorded in the county is growing year on year because of new species colonising from continental Europe, this group of pollinators is generally suffering from downward trends in Kent. The report notes that with a changing climate, and more development pressures in the county, it is likely that the trend of decline will continue.
- 2.9 So, whilst there have been some gains thanks to the collaborative efforts across the county, it is still right to be concerned about pollinators in Kent and further step up the action for this important group of insects.

3. The impact of Kent's Plan Bee

- 3.1 Kent's Plan Bee began as a member led initiative by Sean Holden who now chairs a cross party member group which together with the Cabinet Member for Environment oversees this work. The delivery of Plan Bee is supported by officers from the Natural Environment and Coast Team within the Environment and Waste Division (GET) and has specialised input from a part-time officer, seconded from the Bumblebee Conservation Trust.
- 3.2 However, Plan Bee is a whole authority plan, and its delivery relies upon the efforts of many services, not least of all highways' soft landscape team and infrastructure's soft landscape team. Work in earnest began in spring 2020 and the below summarises some of the Plan's achievements over the past two years.

Action against objective 1 – manage the land it owns or controls or can influence in a way which can benefit pollinators' forage and habitat

- 3.3 In February 2022, it was agreed that the existing rural swathe cut regime of one cut per year would be changed to provide much greater gains for pollinators. At an additional cost of £300k per annum, the swathe cut moves to two cuts each year running March to May and September to October, allowing for the key flowering period and optimum time for foraging pollinators to be free of cutting activity. In order to provide the most benefit to pollinators, the programme of cutting will be tiered so that the verges that present the most value to biodiversity (for example Sites of Special Scientific Interest, Roadside Nature Reserves, Bee Lines and Bee Roads) will be cut at the earliest and latest periods of March and late October.
- 3.4 This step change in approach means that much larger areas and lengths of the network are now managed for pollinators, providing greater opportunity for

wildflowers and wildlife generally to be supported. By focussing on verges of higher value to pollinators (Bee Roads) or those verges in areas of known importance to pollinators (Beelines), we can ensure effort is targeted to where it is most needed and offer the greatest benefits. Consequently, over time, this new approach will create an extensive network of habitat mosaics across Kent which are interconnected and managed to optimise the range of habitats provided for pollinators across Kent's rural verge network.

- 3.5 Verge management along the Fastrack route in North Kent is being adapted specifically with pollinators in mind and, in particular, the rare Shrill Carder Bee whose residence in Kent Thameside is one of just three locations in England where this pollinator is found. Along Fastrack's dedicated and shared bus route in the Dartford area, 10 pollinator road verges have been established and more are planned in Ebbsfleet and Gravesend, in addition to the installation of green roof bus shelters. Further to this pollinator planting, is the creation of the bee bus, a double decker on the route featuring the Shrill Carder Bee and promoting the Kent's Plan Bee.
- 3.6 At Allington Household Waste Recycling Centre, species rich grassland and trees for the benefit of pollinators have been included in the landscaping and designed to provide forage and habitat throughout the whole year.
- 3.7 The land management plan for the closed landfill site, Shaw Grange (near Charing), has specifically included measures to provide for pollinators including only mowing parts of the meadow every two years to provide the structure needed by bees for sheltering and overwintering; and increasing the number of flowering, pollen rich plants by collecting arisings after the annual cut.
- 3.8 Kent County Council's country parks are managed for the benefit of biodiversity, and pollinators are an integral part of this activity. The grassland areas are managed to maintain flowering plants and grasses diversity, with cuts in late September/early October and cuttings removed to maintain optimum soil condition. The parks also provide extensive opportunities to engage with the public, with planted bee beds, interpretation and events dedicated to pollinators. At Brockhill Country Park (Hythe) habitat is specifically managed for the benefit of solitary bees to provide foraging and nesting opportunities.
- 3.9 Pesticide use is another aspect of land management to be considered. In 2021, the Council reviewed its pesticide use and found that there was no use of the damaging neonicotinoid. The Chairman of the Plan Bee member group and Cabinet Member for Environment also lobbied the UK, and other European Governments, to take a stand against permissions for emergency use of neonicotinoids and urged Kent MPs to take part in a debate about this pesticide.
- 3.10 The impact of the herbicide glyphosate on bee species remains under review. Despite the work of the Highways Soft Landscape Team in reviewing the industry and market and trialling weed control methods, no viable, effective, affordable and environmentally friendly alternatives have yet been found, and so it remains in use. Both the Kent County Council estate soft landscape contract renewal in 2022 and Highways weed control contract renewal in 2023 present opportunities to reduce the use of pesticides and further examine and trial alternatives to glyphosate.

3.11 Delivery of action under the land management objective does have its challenges, not least that existing contracts can limit the speed of change and that this change is often associated with an additional cost. The Kent County Council estate soft landscape contract renewal in autumn 2022 presents an opportunity to further extend action under this objective and ensure real changes across the county council's land for the benefit of pollinators.

Action against objective 2 – for Kent County Council to use the planning system to protect pollinators and improve the habitats on which they rely

3.12 In delivering against this objective, we have focussed on supporting districts and boroughs to adopt their own actions for pollinators. To assist this, the Plan Bee blueprint was developed, focussing on the range of opportunities that could be taken at the local level. The draft blueprint is currently being tested by working with Canterbury, Swale, Thanet and Gravesham Councils.

Action against objective 3 - to mobilise the people of Kent, to take action themselves; Kent's Plan Bee aims to help them to greater awareness of the importance of pollinators in all our lives and everybody's need and ability to act to protect them

3.13 To really deliver change for pollinators, we need action across the whole county not just on the land we own and manage. Therefore, mobilising the people of Kent has been a key focus of our work to date.

3.14 In 2021 we launched our Plan Bee Facebook page⁴, which provides a direct means to connect with interested people all over the county. The page is followed by over 1,500 people; in the past month, posts reached over 18,000 people. A dedicated communications plan sets out a rolling campaign to inform and influence. In addition, we circulate a dedicated monthly newsletter, circulated to over 2,300, which summarises news and information and provides advice on what the reader can do and what they might see that month. Further information is also available from the County Council website⁵.

3.15 Specific campaigns have included the 2021 public perception survey⁶, designed to help us understand what people understood about our pollinators and their thoughts on alternative approaches to green space management. This survey had over 5,000 responses plus returns and provided an interesting insight that has been used to influence future public engagement work.

3.16 In 2022, we launched a No Mow May pledge, where 336 individuals and 16 organisations across the county pledged to not cut their grass for the month of May. This amounts to a total area of land left uncut of 14 hectares/35 acres, which roughly equates to almost 500 tennis courts. Leaving grass uncut for this month allowed wild plants to grow and flower, providing forage, food plants and nesting areas for pollinating insects at a critical time of the year. The No Mow May pledge will be repeated annually and we hope that it will show an annual increase in participation and therefore gain for pollinators.

⁴ [Kent's Plan Bee \(facebook.com\)](#)

⁵ [Pollinators - Kent County Council](#)

⁶ [Pollinator public perception survey report - Kent County Council](#)

- 3.17 In January 2022, the Kent Children's University Pollinator Challenge⁷ was launched. This is a 12-month programme of pollinator themed activities and learning for children aged 5 to 14. Although designed for the Kent Children's University programme, this activity pack can stand alone and has been shared with Kent's schools and promoted via the Facebook page and newsletter.
- 3.18 Plan Bee has also engaged with stakeholder and businesses across the county. Two Plan Bee summits have been held, in 2020 and 2021. Both attracted large numbers of attendees – the 2020 event was one of the Council's best attended online events that year with 240 people taking part – demonstrating the level of interest in this important agenda.
- 3.19 Kent Ambassadors have also supported the Plan's work. Penny Williams, from the Big Plan Group, designed Plan Bee's logo and brand and advised on the establishment of our Facebook site. Mike Bax hosted the Plan Bee Members Group at his farm in Shadoxhurst, so members could witness first-hand how land management can benefit pollinators.

4. Next steps for Kent's Plan Bee

Immediate opportunities

- 4.1 There are a number of immediate opportunities to progress Plan Bee's objectives within the Council. The Kent County Council estate's soft landscapes contract and pest control contract are both renewed this year (2022). The Plan Bee officer is currently working with the Highways Soft Landscape team on how these new contracts could be designed, so that the management of our estate presents better opportunities to support pollinators and limit potential impacts on them from maintenance activities.
- 4.2 Similarly, the Highways weed control contract renewal in 2023 will also consider options for reducing herbicide use and trialling alternatives.
- 4.3 The County Council's Plan Tree (tree establishment strategy) also presents opportunities to provide nectar forage for pollinators by increasing the number of Spring flowering trees and hedgerows within the overall tree planting across Kent.
- 4.4 On November 22nd, we'll be continuing the conversation about land management for pollinators by making this the topic of our annual Plan Bee Summit.
- 4.5 In relation to land management, we will continue work with Network Rail on the development of their largescale project to improve trackside management for the benefit of pollinators and wider biodiversity, and create corridors for wildlife throughout the landscape of Kent.
- 4.6 Work will continue with district and borough councils to deliver improvements for pollinator habitats at the local level through, for example, their management of greenspace, local plans and development management.

⁷ [Children's University \(kentchildrensuniversity.co.uk\)](https://kentchildrensuniversity.co.uk)

Update of the action plan

- 4.7 In reviewing Kent's Plan Bee, opportunities to strengthen the action plan have been identified and therefore an updated and renewed Plan will be developed over the autumn and presented to Environment and Transport Cabinet Committee before the end of the year.

Kent pollinator pledge

- 4.8 Kent's Plan Bee is intended to be done 'with' residents, businesses and organisations in Kent rather than 'for' them. The Plan Bee officer resource is therefore directed where it can make the most impact in sharing information on how people can make changes that will help pollinators.
- 4.9 The Plan Bee Facebook page and newsletter addresses this in respect of individuals **but there is potentially more that can be done** with parish and town councils, community groups and others that can affect land management on a larger scale.
- 4.10 Therefore, next year, Plan Bee will begin development of the "Kent pollinator pledge", a self-guiding toolkit with advice that enables the development of action to support pollinators. There will be dedicated online resources, with a portal where the pledges can be made, and those that have pledged will be listed. In the first instance this will be designed for, and promoted to, the county's parish and town councils and community groups but over the years specific guidance for new target audiences, such as schools, businesses, farmers etc, will be added
- 4.11 It is hoped that this will create a network of activity across the county and, through the pledges, we can monitor what is actually being done at the local level.

Monitoring for Plan Bee

- 4.12 Whilst we're able to identify the changes that have come about as a result of Plan Bee, we don't currently have a way of measuring the actual impact of these nor the progress being made. Therefore, the refreshed Plan will have a new objective, to monitor and evaluate, and will be accompanied by a set of monitoring measures.
- 4.13 Action under this new objective will include the establishment of BeeWalks at a number of selected sites under KCC management/ownership. BeeWalk is a standardised bumblebee-monitoring scheme which involves volunteer 'BeeWalkers' walking the same fixed route once a month between March and October, counting the bumblebees seen and identifying them to species and caste (queen, worker, male) where possible.
- 4.14 This will not only boost the national survey effort but will also identify what measures are most effective in boosting pollinator numbers. We will look to Kent County Council's Environmental Champions network and staff working at

the chosen sites for volunteers in the first place and full training and support will be made available. We also hope Kent Members will sign up to assist.

5. Conclusions

- 5.1 Kent's Plan Bee has delivered significant progress against its four objectives over the past two years. As operations are largely tied into contracts, the rate of change in respect of the way we deliver our services and manage our estate is progressive and will continue to be delivered over time. Despite this, some good gains have already been made and commitment of the Council to this agenda is well demonstrated, through both action and the additional budget secured to enable these actions.
- 5.2 The level of engagement with the Facebook platform, public campaigns and the two previous summits suggests this is a widely supported agenda. Therefore, the proposed development of a Kent Pollinator Pledge will help galvanise this support into measurable action at the ground.
- 5.3 The development of monitoring will help us more accurately measure what's being done, and its impact, so that we can direct resources to where they're most needed.
- 5.4 There is more to be done to help pollinators in Kent but we have excellent momentum already in the county to build upon.

6. Recommendation(s)

Recommendation(s):

The County Council is asked to note the success of Kent's Plan Bee in its first two years and the work that will be continued into future years.

7. Contact details

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From: Roger Gough – Leader

To: County Council - 15 September 2022

Subject: Ukraine / Refugee Update report

Classification: Unrestricted

Past Pathway of report: N/A

Future Pathway of report: None

Electoral Division: All

Summary:

There are a number of active Refugee Resettlement Programmes in operation across the UK by Government, including the Syrian, Afghan and Ukraine schemes. All of these have been designed by the UK Government to support individuals who are fleeing conflict in their own countries. Alongside the formal programmes in operation, other policies, such as Asylum Dispersal add to the need for accommodation in Kent.

The most recent scheme to be launched by the UK Government in March 2022 relates to support Ukraine following the Russian invasion of Ukraine. The Government launched two key programmes for Ukrainian refugees to enter into the UK, the 'Ukraine Family' scheme and the 'Homes for Ukraine' scheme. The 'Homes for Ukraine' scheme requires Local Authorities to undertake an active role in the scheme. This report seeks to summarise key activities in respect of the 'Home for Ukraine' scheme since it was launched in March 2022 by the UK Government and the most significant challenges we now face within the context of a number of other refugee/ immigration programmes which were already in operation across the County.

Recommendation(s):

County Council is asked to comment on and note the Report.

1. Introduction

- 1.1 The Russian invasion of Ukraine and subsequent conflict has seen the largest humanitarian crisis in Europe since the aftermath of the second world war with approximately 3 million Ukrainian refugees leaving Ukraine to neighbouring countries to flee the conflict. The UK Government has responded positively with the development of two key pathways to enable refugees to enter the UK which has seen over 100,000 people arrive in the UK.
- 1.2 The two key schemes which are operating are the extended Family Scheme, under which Ukrainians can come to the UK where they have existing family which has seen approximately 31,000 arrivals, and the 'Homes for Ukraine' scheme which is where Ukrainian Refugees are sponsored to come to the UK by a host family or individual which to date has seen 72,000 people arrive.

Individual members of the public can sponsor a guest from Ukraine who meet the eligibility criteria for this scheme which involves District or Borough Councils doing a home inspection and County undertaking DBS checks on all adults in the household.

- 1.3 Under the scheme, the sponsor receives a £350 per month 'Thank You' payment provided that they meet the scheme requirements; numbers are uncapped and restricted only by the number of eligible sponsors that come forward. Those accessing the scheme will be able to live and work in the UK for up to three years and access benefits, healthcare, employment, and other support.
- 1.4 The challenges of the schemes for supporting Ukrainian refugees need to be seen in the context of the ongoing wider resettlement environment. This includes the schemes for supporting Afghans evacuated last summer and continuing to be brought to the UK and the global UK Resettlement Scheme. A brief update on these schemes is given below in section 6.

2. Homes for Ukraine and activities over the past 6 months

- 2.1 The response from Kent sponsors has been overwhelming, with 1,642 host families offering their homes and providing support to 3,871 Ukrainian people under the 'Homes for Ukraine' scheme since it started. A total of 2,927 people have already arrived with 944 people still expected. Figures are up until the end of August 2022. The scheme is an open scheme with the numbers continuing to increase and change on a daily basis. Kent has one of the largest numbers of sponsors, guests and visas issued across the Country.
- 2.2 Kent County Council (KCC), District Councils and key public sector organisations have been working together to deliver the 'Home for Ukraine' scheme in line with the UK Government guidance. This has required all partners to operate at speed and in an agile way as national guidance, policy and processes have developed.
- 2.3 Host families have been working alongside the newly formed KCC Homes for Ukraine support team which has successfully mobilised since the scheme started to support the checks which are undertaken at County level and the ongoing support across all districts except for Ashford, Canterbury and Tunbridge Wells, who provide the ongoing wrap around support in collaboration with partners themselves. The teams work closely with KCC Adults and Children's services to ensure that the most vulnerable coming into Kent via the scheme have access to the services that they need.
- 2.4 KCC's Contact Centre was mobilised at the beginning of the scheme with a dedicated team to provide support and advice for both guests and sponsors. Extensive support has been developed as part of the KCC website as the programme has evolved. KCC's Adult Education services have quickly developed its service offer to support in the delivery of ESOL training courses with over 200 Ukrainian Nationals having already completed or in the process of benefiting from ESOL classes with more planned in the new academic year. The KCC teams have also been working closely with KCC Early Years and Education teams to support the 1439 children and young people who have been welcomed under the scheme to access education and care settings.

- 2.5 It has taken time for the required systems to be developed, bed down and adapt as Government guidance has evolved. This at times has been frustrating for both sponsors and guests as it has been necessary to adapt and develop guidance and local processes in an iterative way. Established systems are however in place, working with District and Borough Council housing colleagues to undertake property inspections at the earliest opportunity to ensure the suitability and safety of sponsor homes along with the required DBS checks, welfare checks and payments that are required under the scheme. The KCC Homes for Ukraine team includes area based coordinators and support workers who undertake face to face and telephone welfare visits in the areas covered by KCC. The team, which also includes Ukrainian and Russian speaking workers, continues to deliver ongoing signposting and resettlement support to 697 people across the County.
- 2.6 The majority of Ukrainian guests have also now applied for and received three year biometric residency permits and are making longer term resettlement plans accessing employment or training and settling children into local schools.

3. Key challenges

3.1 End of Sponsorship

- 3.1.1 Based on recent Office for National Statistics (ONS) survey data and its application at a Kent level, it could mean as many as 1,000 placements may need rematching or alternative accommodation options within the next 6-12 months. The South East is already experiencing ongoing challenges with regards to homelessness and accommodation, with District and Borough Councils having very limited substantive and emergency accommodation supply available as well as the private rented sector being under significant pressure with affordable options.
- 3.1.2 To date, 56 households have already been rematched with alternative families since arriving and there are currently a further 34 guests in need of alternative arrangements with these numbers expected to increase substantially. Unfortunately, many people who originally expressed an interest to host when the scheme started are now no longer able to do so as circumstances have changed. The increasing cost of living challenges are also having an impact on sponsors' ability to continue in the scheme.
- 3.1.3 Therefore, except for exceptional circumstances as a County, we have been unable to accept rematching requests from other Local Authorities, Scotland or the Welsh sponsorship schemes, into Kent, due to existing pressures on services and availability of hosts and accommodation across the county.
- 3.1.4 It is anticipated that the end of sponsorship arrangements will see a significant influx of guests seeking alternative accommodation; discussions are ongoing with DLUHC and Districts to develop options for both hosts and guests as the current arrangements come to an end

with further National guidance expected shortly. Data flows between the DLUHC Sponsorship scheme and the Home Office schemes which continue to be challenging with poor data quality also presenting a challenge.

3.2 Education and Early Years Pressures

3.2.1 There are already pressures on both Primary and Secondary School placements, with more pressure being felt in the Secondary sector particularly in the North and West of the County. This is in addition to some schools wanting to place pupils below their age year with cultural differences in the education system being a key issue, e.g. the entry point into school in the Ukraine is 7. A number of Ukrainian families wish for their children to continue online Ukrainian schooling alongside the UK education curriculum and the KCC team is working alongside the Education team and schools where this is requested. Early years provision is also reaching capacity and we anticipate further pressures on nursery spaces over the coming months. We are working with Education colleagues to understand trends and identify what additional education provision may be useful.

3.3 Unaccompanied minors

3.3.1 Following the announcement of sponsorship pathways for unaccompanied Ukrainian minors in June 2022, Kent has so far only seen 10 individuals who have been issued visas with others arriving to stay with existing family members. In light of the amended conscription regulations coming into force from January 2023, allowing women over the age of 18 to be conscripted, it is possible we may begin to see an increase over the coming months of applications from 16 and 17 year old females or those with additional health care needs exempt from subscription.

3.4 The Winter Period

3.4.1 The UK Visa scheme continues to be active, unlike the Scottish and Welsh sponsorship schemes which are currently suspended for new applications, therefore we anticipate a continued steady increase in new applicants arriving into the county particularly as we move into the winter month and the war continues. Unfortunately, DLUHC are unable to provide any forward projections making volumes and the impact on KCC services hard to predict.

4. Legal implications

4.1 KCC, along with District Councils undertake a number of important functions in supporting the 'Homes for Ukraine' scheme in Kent. Notwithstanding the specific functions associated with facilitating the 'Homes for Ukraine' scheme, KCC retains, and is required to fulfil its duties and powers as set out in relevant legislation such as the Children's Act 1989 and the Care Act 2014.

4.2 Therefore, carrying out activities in relation to the 'Homes for Ukraine' scheme does not displace or affect our responsibilities regarding our statutory duty to promote the welfare of children and adults who may be at risk. For example, where there are concerns for the safety or welfare of a child, as a result of

checks that are carried out, we follow our usual safeguarding procedures in line with Working Together to Safeguard Children. Similarly, if it is suspected that an adult guest may have care and support needs, we are required to carry out needs assessment in line with the requirements of the Care Act 2014 and related care and support statutory guidance.

- 4.3 In a similar vein, although children under the 'Homes for Ukraine' scheme have no specific additional priority for admission, KCC is under a duty to offer advice to parents on the school application process (including the application of the in-year fair-access protocol) and to advise them about vacancies, how to apply and supporting parents in choosing schools.

5. Finance

- 5.1 The Government has provided grants to local authorities to support local communities to offer people from Ukraine the warmest possible welcome to the UK. So far 3 grants have been announced; the main Homes for Ukraine (HfU) Grant from DLUHC which is available to Councils to support Ukraine guests and families to rebuild their lives and fully integrate into communities. This includes safety and welfare checks, an immediate cash payment to guests on arrival, on-going support for guests and management/ administration of the scheme; a separate DLUHC grant for "Thank You" payments to sponsors; and a grant from DfE for Education and Childcare. Initial guidance on the main HfU and thank you grants was issued on 18th March with periodic updates. The guidance for Education and Childcare grant was published on 23rd August.
- 5.2 The HfU grant is the same value as the grants for other refugee schemes i.e. a notional £10,500 per arrival. The grant is un-ringfenced although it does contain conditions such as it can only be used to support those arriving under the 'Homes for Ukraine' scheme and cannot be used for those arriving under 'Ukraine Families' scheme or those arriving under visitor visas. The grant will be paid in quarterly instalments based on the number of confirmed arrivals. Unlike other refugee schemes, the grant does not have to pay to source initial accommodation. Where the amount of grant exceeds the authority's actual costs, the difference will have to be repaid following a reconciliation process at the end of the financial year. DLUHC can recover grant where it has been used in breach of the grant conditions.
- 5.3 The "Thank You" grant is paid at the rate of £350 per sponsoring household per month. The grant is ring-fenced solely for the "Thank You" payments and Councils are expected to cover administration and fraud prevention costs within the tariff. Councils have flexibility to determine payment arrangements to suit local circumstances, but the grant can only be paid to sponsors once all the necessary checks have been passed, the sponsor has confirmed they wish to receive the grant and has confirmed that guests are not being charged rent.
- 5.4 Established systems and processes are also now in place to ensure £200 "Welcome Payments" are issued to all new arrivals via Post Office redeemable mobile phone text codes and hosts are receiving timely "Thank you" payments of £350 per month with suitable flexibility to administer additional emergency payments if needed.
- 5.5 Whilst there has been suggestion that Central Government are looking to increase £350 a month "Thank you" payments both in terms of an increased

amount and duration beyond 12 months, nothing has yet been confirmed. This remains a key risk in the retention of sponsors.

- 5.6 Allocations have been agreed and swiftly administered to Districts in order to mitigate any local area costs and pressures such as homelessness, gas safety checks and housing inspections. Amounts remain under review alongside the potential for alternative expenditure as required to resettle people.
- 5.7 The DfE grant to provide Education and Childcare services for children from families arriving from Ukraine under the 'Homes for Ukraine' scheme will be paid on a pro-rata on a per pupil basis:
- Early years (ages 2 to 4) - £3,000
 - Primary (ages 5 -11) - £6,580
 - Secondary (ages 11-18) - £8,755
- 5.8 These tariffs include support for children with special educational needs and disabilities (SEND). The grant can be used to fund the entitlement to early years for 2, 3 and 4 year olds, provision of school places, travel arrangements to schools and early years, specialist and bespoke services, free school meals, uniform and extra-curricular activities.
- 5.9 An urgent decision number 22/00037 (Implementation of the 'Homes for Ukraine' scheme in Kent) was agreed on 5th April 2022 allowing delegated authority to the Corporate Director of Finance in consultation with the Leader to agree spending from the grants. This decision can be found at <https://democracy.kent.gov.uk/ieDecisionDetails.aspx?ID=2584>. The Corporate Director of Finance has established a monitoring group to oversee spending from the grants.
- 5.10 The initial funding was for 1 year and any ongoing funding has yet to be confirmed by the UK Government. This presents a key financial risk to the current programme.

6. Wider resettlement context

- 6.1 The schemes for resettling other refugees that operate within Kent are the UK Resettlement Scheme (UKRS) which has subsumed the earlier Syrian Vulnerable Persons Relocation Scheme (VPRS) and the various schemes for resettling Afghans displaced following the takeover of Afghanistan by the Taliban last year.
- 6.2 To date, in Kent as a whole, there are 115 families, approximately 600 individuals resettled under the VPRS and UKRS. The overwhelming majority are Syrian but we are now receiving other nationalities under the scheme. In addition, there are 35 Afghan families (about 200 individuals) that are resettled in Kent under one of the schemes for resettling Afghans (including that for people who have previously worked with British forces).
- 6.3 All of the cohorts referred to above have full access to public funds, eligibility to work, study and either have (or are about to be granted) Indefinite Leave to Remain or Refugee status.

- 6.4 Resettlement in Kent involves the families being found private sector rentals. It is extremely difficult to find suitable and affordable properties which is also now compounded by the need to potentially source self-contained accommodation for Ukrainians once their sponsorship arrangement ends. Nevertheless, Local Authorities are being requested to increase the number of families they can resettle, particularly from the Afghan cohort. There is some funding from Government available to incentivise Landlords and this is used where appropriate, bearing in mind the need for tenancies to be sustainable in the long-term.
- 6.5 In addition to those refugees that have been found long-term accommodation in Kent, there are currently three Afghan Bridging Hotels within Kent, part of the wider UK bridging estate of about 75 hotels. Families in these hotels are provided with access to all the main services (including schools, GPs etc) but the intention is that their stay will be temporary, pending accommodation being found anywhere in the UK. Families have resided in the hotels (including the three in Kent) since last August/ September with a steady flow of new arrivals, either from other hotels that have closed or new arrivals brought to the UK from countries adjacent to Afghanistan (mainly Pakistan). All families in the hotels are well supported by KCC, the local Councils and various other agencies. All children are in education, all families registered with GP's and accessing appropriate healthcare, benefits are in place, English lessons provided, cultural orientation sessions put on and activities in the hotel and community are being accessed.
- 6.6 The Home Office are currently trying to source additional bridging hotels (including in Kent) and it is possible further sites will be used. At the time of writing, there are no further hotels under discussion but the situation is being closely monitored. The various schemes already in operation place additional pressures on the housing system in Kent.

7. Conclusions

- 7.1 The Government has established the 'Homes for Ukraine' scheme to support the humanitarian impact of the large number of Ukrainians who are leaving Ukraine to flee the conflict. KCC and its services are playing a key role in providing support for those that come into the County and in understanding the longer term impacts on education, safeguarding, community and public health services. KCC has worked collaboratively with multi agency partners to mobilise a County team and reactive response to Ukrainian Refugee Resettlement and are now moving towards a business as usual approach to stabilise longer term services.
- 7.2 The next phase of resettlement support for all programmes aims to see more collaborative working with District and Borough colleagues, local communities and the voluntary sector and host families in order to provide more sustainable longer term resettlement relief and successful community integration across the County.

8. Recommendation(s)

Recommendation(s):

County Council is asked to comment on and note the Report.

9. Background Documents

9.1 Office for National Statistics (ONS) Ukrainian sponsor survey – 10 August 2022

Accessible here:

<https://www.ons.gov.uk/surveys/informationforhouseholdsandindividuals/householdandindividualsurveys/homesforukrainsponsorsurvey>

10. Contact details

Report Author: Jessica Morley Programme Manager Ukrainian Refugee Response 03000 417 230 Jessica Morley@kent.gov.uk	Relevant Director: Rebecca Spore Director of Infrastructure 03000 416 716 rebecca.spore@kent.gov.uk
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From:	Peter Oakford, Deputy Leader and Cabinet Member for Finance, Traded and Corporate Services John Betts, Interim Corporate Director of Finance
To:	County Council - 15 September 2022
Subject:	Treasury management annual review 2021-22
Classification:	Unrestricted

Summary:

To report a summary of Treasury Management activity in 2021-22

Recommendation:

Members are asked to note this report.

FOR INFORMATION

Introduction

1. The Chartered Institute of Public Finance and Accountancy's Treasury Management Code (CIPFA's TM Code) requires that Councils report on the performance of their treasury management function at least twice yearly (mid-year and at year end). Half yearly performance reports are presented to the County Council and quarterly updates are provided to the Governance and Audit Committee. Members of the Treasury Management Advisory Group (TMAG) also receive monthly updates.
2. The Council's Treasury Management Strategy for 2021-22 was approved by full Council on 11 February 2021.
3. The Council has both borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.
4. Treasury risk management at the Council is conducted within the framework of CIPFA's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

Economic background

5. The continuing economic recovery from coronavirus pandemic, together with the war in Ukraine, higher inflation, and higher interest rates were major issues over the period.
6. Bank Rate was 0.1% at the beginning of the reporting period. April and May saw the economy gathering momentum as the shackles of the pandemic restrictions were eased. Despite the improving outlook, market expectations were that the Bank of England would delay rate rises until 2022. Rising, persistent inflation changed that.
7. UK CPI was 0.7% in March 2021 but then began to steadily increase. Initially driven by energy price effects and by inflation in sectors such as retail and hospitality which were re-opening after the pandemic lockdowns, inflation was believed to be temporary. However price rises slowly became more widespread, as a combination of rising global costs and strong demand was exacerbated by supply shortages and transport dislocations. The surge in wholesale gas and electricity prices led to elevated inflation expectations. CPI for March 2022 registered 7.0% year on year, up from 6.2% in the previous month and the highest reading in the National Statistic series. Core inflation, which excludes the more volatile components, rose to a 30 year high of 5.7% y/y from 5.2%.
8. The government's jobs furlough scheme insulated the labour market from the worst effects of the pandemic. The labour market began to tighten and demand for workers grew strongly as employers found it increasingly difficult to find workers to fill vacant jobs. During the 12 months unemployment fell and the most recent labour market data for the three months to March 2022 showed the unemployment rate at 3.7%, 0.2% below pre-pandemic levels, while the employment rate rose to 75.7%. Headline 3-month average annual growth rate for wages rose to 7.0% for total pay and 4.2% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 1.4% while regular pay fell by 1.2%.
9. With the fading of lockdown – and, briefly, the 'pingdemic' – restraints, activity in consumer-facing sectors improved substantially as did sectors such as oil and mining with the reopening of oil rigs but materials shortages and the reduction in the real spending power of households and businesses dampened some of the growth momentum. Q1 2022 gross domestic product (GDP) was estimated to have grown by less than expected at 0.8%, down from 1.3% in the fourth calendar quarter of 2021. During February and March 2022 GDP did not grow at all, indicating that households and businesses were already reducing activity ahead of the April surge in retail energy prices. The annual growth rate was revised down slightly to 8.7% (from 8.9%).
10. Having increased Bank Rate from 0.10% to 0.25% in December 2021, the Bank of England hiked it further to 0.50% in February and 0.75% in March 2022. At the meeting in February, the Monetary Policy Committee (MPC) voted unanimously to start reducing the stock of its asset purchase scheme by

ceasing to reinvest the proceeds from maturing bonds as well as starting a programme of selling its corporate bonds.

11. In its March interest rate announcement, the MPC noted that the invasion of Ukraine had caused further large increases in energy and other commodity prices, with the expectation that the conflict will worsen supply chain disruptions around the world and push CPI inflation to around 8% later in 2022, even higher than forecast only a month before in the February Monetary Policy Report. The Committee also noted that although GDP in January was stronger than expected with business confidence holding up and the labour market remaining robust, consumer confidence had fallen due to the squeeze in real household incomes.
12. GDP growth in the euro zone increased by 0.3% in calendar Q4 2021 following a gain of 2.3% in the third quarter and 2.2% in the second. Headline inflation remains high, with CPI registering a record 7.5% year-on-year in March, the ninth successive month of rising inflation. Core CPI inflation was 3.0% y/y in March, was well above the European Central Bank's target of 'below, but close to 2%', putting further pressure on its long-term stance of holding its main interest rate of 0%.
13. The US economy expanded at a downwardly revised annualised rate of 6.9% in Q4 2021, a sharp increase from a gain of 2.3% in the previous quarter. In its March 2022 interest rate announcement, the Federal Reserve raised the Fed Funds rate to between 0.25% and 0.50% and outlined further increases should be expected in the coming months. The Fed also repeated its plan to reduce its asset purchase programme which could start by May 2022.

Financial markets

14. The conflict in Ukraine added further volatility to the already uncertain inflation and interest rate outlook over the period. The Dow Jones started to decline in January but remained above its pre-pandemic level by the end of the period while the FTSE 250 and FTSE 100 also fell and ended the quarter below their pre-March 2020 levels.
15. Bond yields were similarly volatile as the tension between higher inflation and flight to quality from the war pushed and pulled yields, but with a general upward trend from higher interest rates dominating as yields generally climbed.
16. The 5-year UK benchmark gilt yield began the quarter at 0.82% before rising to 1.41%. Over the same period the 10 year gilt yield rose from 0.97% to 1.61% and the 20-year yield from 1.20% to 1.82%.
17. 1-month, 3-month and 12-month SONIA bid rates averaged 0.119%, 0.235% and 0.500% respectively over the financial year.
18. The successful vaccine rollout programme was credit positive for the financial services sector in general and the improved economic outlook meant some institutions were able to reduce provisions for bad loans. However, in 2022, the

uncertainty engendered by Russia's invasion of Ukraine pushed CDS prices modestly higher over the first calendar quarter, but only to levels slightly above their 2021 averages, illustrating the general resilience of the banking sector.

19. In September Arlingclose extended the maximum duration limit for UK bank entities on its recommended lending list from 35 days to 100 days; a similar extension was advised in December for the non-UK banks on this list. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.

Revised CIPFA Codes, Updated PWLB Lending Facility Guidance

20. In August 2021 HM Treasury significantly revised guidance for the PWLB lending facility with more detail and 12 examples of permitted and prohibited use of PWLB loans. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management.
21. CIPFA published its revised Prudential Code for Capital Finance and Treasury Management Code on 20 December 2021. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments.
22. The principles of the Prudential Code took immediate effect although local authorities could defer introducing the revised reporting requirements until the 2023-24 financial year if they wish. The Council has decided to delay changes in reporting requirements to the 2023-24 financial year.
23. To comply with the Prudential Code, authorities must not borrow to invest primarily for financial return. This Code also states that it is not prudent for local authorities to make investment or spending decision that will increase the CFR unless directly and primarily related to the functions of the authority. Existing commercial investments are not required to be sold; however, authorities with existing commercial investments who expect to need to borrow should review the options for exiting these investments.
24. Borrowing is permitted for cashflow management, interest rate risk management, to refinance current borrowing and to adjust levels of internal borrowing. Borrowing to refinance capital expenditure primarily related to the delivery of a local authority's function but where a financial return is also expected is allowed, provided that financial return is not the primary reason for the expenditure. The changes align the CIPFA Prudential Code with the PWLB lending rules.
25. Unlike the Prudential Code, there is no mention of the date of initial application in the Treasury Management Code. The TM Code now includes extensive additional requirements for service and commercial investments, far beyond those in the 2017 version.

26. The Council will follow the same process as for the Prudential Code, i.e., delaying changes in reporting requirements to the 2023-24 financial year.

Local context

27. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.
28. Lower official interest rates have reduced the cost of short-term, temporary loans and investment returns from cash assets that can be used in lieu of borrowing. The Council therefore pursued its strategy of keeping borrowing and investments below their underlying levels, known as internal borrowing, in order to reduce risk and keep interest costs low.
29. At 31 March 2022 the Council had borrowed £826m and invested £463.8m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the capital financing requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These are shown in the following table.

	31 Mar 2022 Actual £m
Loans CFR	1,048.2
External borrowing	-826.0
Internal borrowing	222.2
Less: balance sheet resources	-686.0
Treasury investments	463.8

30. The treasury management position at 31 March 2022 and the change over the year is shown in the following table.

	31 Mar 2022	2021-22	31 Mar 2022	31 Mar 2022
	Balance £m	Movement £m	Balance £m	Average Rate %
Long-term borrowing	853.7	-27.7	826.0	4.47
Total borrowing	853.7	-27.7	826.0	4.47
Long-term investments	261.1	35.3	296.4	4.16
Short-term investments	105.4	-68.9	36.5	0.82
Cash and cash equivalents	135.0	-4.1	130.9	0.50
Total investments	501.5	-37.7	463.8	2.11
Net borrowing	352.2	10.0	362.2	

Borrowing update

31. The Council is not planning to borrow to invest primarily for commercial return and so is unaffected by the changes to the Prudential Code.

Borrowing strategy

32. At 31 March 2022 the Council held £825.97m of loans, a reduction of £27.76m from 31 March 2021 as part of its strategy of funding previous years' capital programmes. The year-end borrowing position and the year-on-year change are shown in the table below.

Borrowing Position

	31 Mar 2022	2021-22	31 Mar 2022	31 Mar 2022	31 Mar 2022
	Balance	Movement	Balance	Average Rate	Value Weighted Average Life
	£m	£m	£m	%	yrs
Public Works Loan Board	449.61	-22.67	426.94	4.70%	15.69
Banks (LOBO)	90.00	0.00	90.00	4.15%	41.88
Banks (Fixed Term)	291.80	0.00	291.80	4.40%	36.51
Streetlighting project	22.32	-5.09	17.23	1.58%	10.88
Total borrowing	853.73	-27.76	825.97	4.47%	25.80

33. The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective.
34. The benefits of internal borrowing are monitored regularly against the potential for incurring additional costs and the Council's Treasury Advisor, Arlingclose has assisted it with this 'cost of carry' and breakeven analysis. The Council's strategy has enabled it to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.
35. The Council continues to hold £90m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during the period.

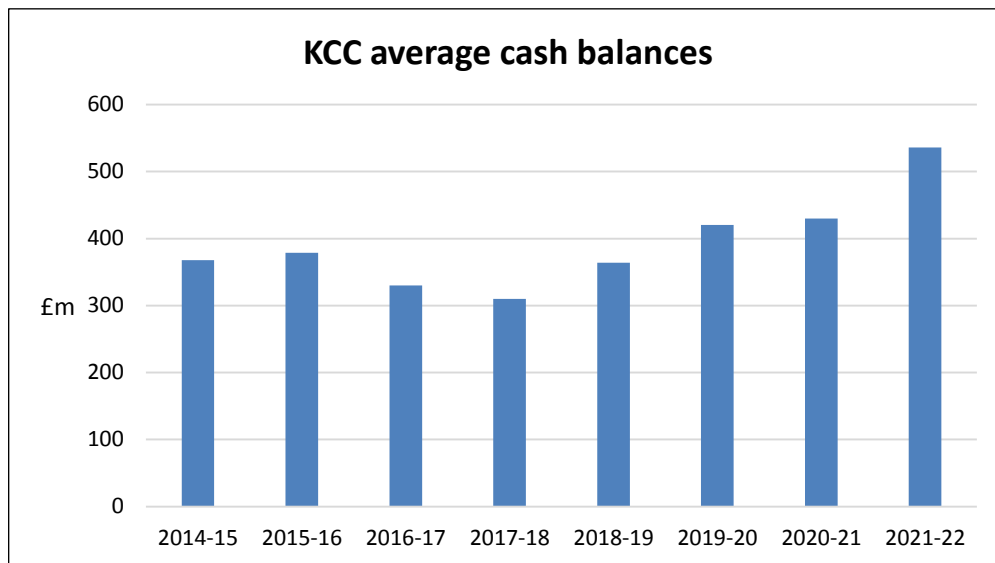
Treasury investment activity

36. CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20 December 2021. These

define treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

37. KCC holds significant invested funds representing income received in advance of expenditure plus balances and reserves held. During 2021-22 the Council's average investment balance was £536m. Balances fluctuated during the year falling at the year end to £463.8m as a result of higher cash outflows at the end of the financial year, than previously forecasted.

Average investment balances 2014 – 22



38. At 31 March 2022 the Council held some £135.9m in bank call accounts and in Money Market Funds with same day access to cover urgent payments and enhance the Council's liquidity.
39. At 31 March 2022 the value of the Council's investments in pooled funds was £189.5m, 40.8% of its total cash.
40. The year-end investment position and the year-on-year change are shown in the table below.

	31 Mar 2021	2021-22	31 Mar 2022	31 Mar 2022	31 Mar 2022
	Balance	Movement	Balance	Rate of Return	Average Credit Rating
	£m	£m	£m	%	
Bank Call Accounts	45.0	-40.0	5.0	0.01	A+
Money Market Funds	135.0	-4.1	130.9	0.52	A+
Local Authorities	51.0	-51.0	0.0		
Covered Bonds	79.7	11.3	91.0	0.93	AAA

DMO Deposits (DMADF)	9.4	10.1	19.5	0.10	AA-
Government Bonds	0.0	12.0	12.0	0.40	AA-
No Use Empty Loans	6.1	8.5	14.6	1.50	
Equity	1.3	0.0	1.3		
Internally managed cash	327.4	-53.1	274.3	0.62	AA
Strategic Pooled Funds	174.1	15.4	189.5	4.16	
Total	501.5	-37.7	463.8	2.11	

41. Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Internally managed investments

42. Ultra-low short-dated cash rates, which were a feature since March 2020 when Bank Rate was cut to 0.1%, prevailed for much of the 12-month reporting period which resulted in the return on sterling low volatility net asset value (LVNAV) Money Market Funds being close to zero even after some managers have temporarily waived or lowered their fees. However, higher returns on cash instruments followed the increases in Bank Rate in December, February and March. At 31 March, the 1-day return on KCC's MMFs ranged between [0.49% - 0.55% p.a].
43. Similarly, deposit rates with the Debt Management Account Deposit Facility (DMADF) initially remained very low with rates ranging from 0% to 0.1% but following the hikes to policy rates increased to between 0.55% and 0.85% depending on the deposit maturity. The average return on the KCC's DMADF deposits was [0.03%].
44. The progression of credit risk and return metrics for KCC's investments are shown in the extract from Arlingclose's quarterly investment benchmarking in the table below.

Investment Benchmarking

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Income Rate of Return
31.03.2021	3.76	AA-	53%	146	1.70%
31.03.2022	3.17	AA	53%	290	2.13%
Similar LAs	4.14	AA-	39%	1,640	1.42%
All LAs	4.39	AA-	60%	14	0.97%

45. Details of the Council's investment position at 31 March 2022 are reported in Appendix 1.

Externally managed investments

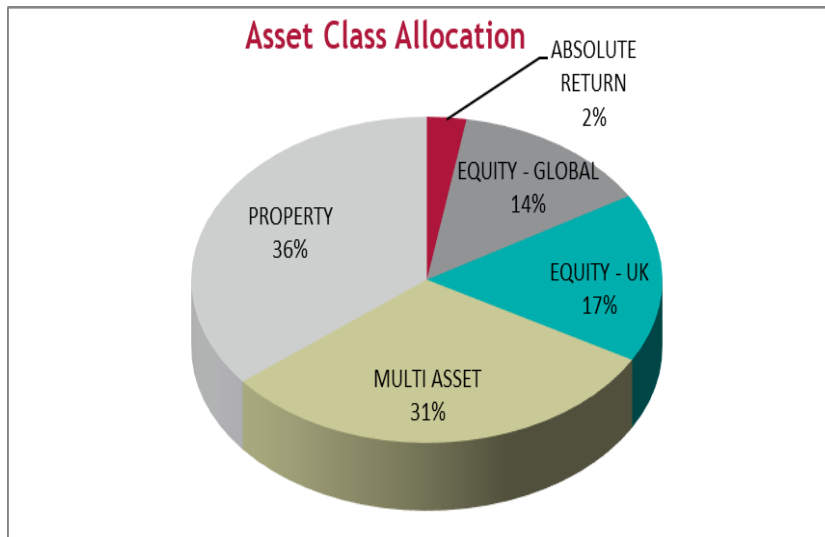
46. The Council has invested £180m in bond, equity, multi-asset and property funds.
47. In the nine months to December improved market sentiment was reflected in equity, property and multi-asset fund valuations and, in turn, in the capital values of the Council's property, equity and multi-asset income funds in the Council's portfolio. The prospect of higher inflation and rising bond yields did however result in muted bond fund performance. In the January- March quarter the two dominant themes were tighter UK and US monetary policy and higher interest rates, and the military invasion of Ukraine by Russia in February, the latter triggering significant volatility and uncertainty in financial markets.
48. In light of Russia's invasion, the managers of our MMF and strategic funds were contacted, and they confirmed that no direct exposure to Russian or Belarusian assets had been identified. Indirect exposures were immaterial. It should be noted that any assets held by banks and financial institutions (e.g. from loans to companies with links to those countries) within MMFs and other pooled funds cannot be identified easily or with any certainty as that level of granular detail is unlikely to be available.
49. Details of the externally managed pooled funds are shown in the following table.

Externally Managed Investments

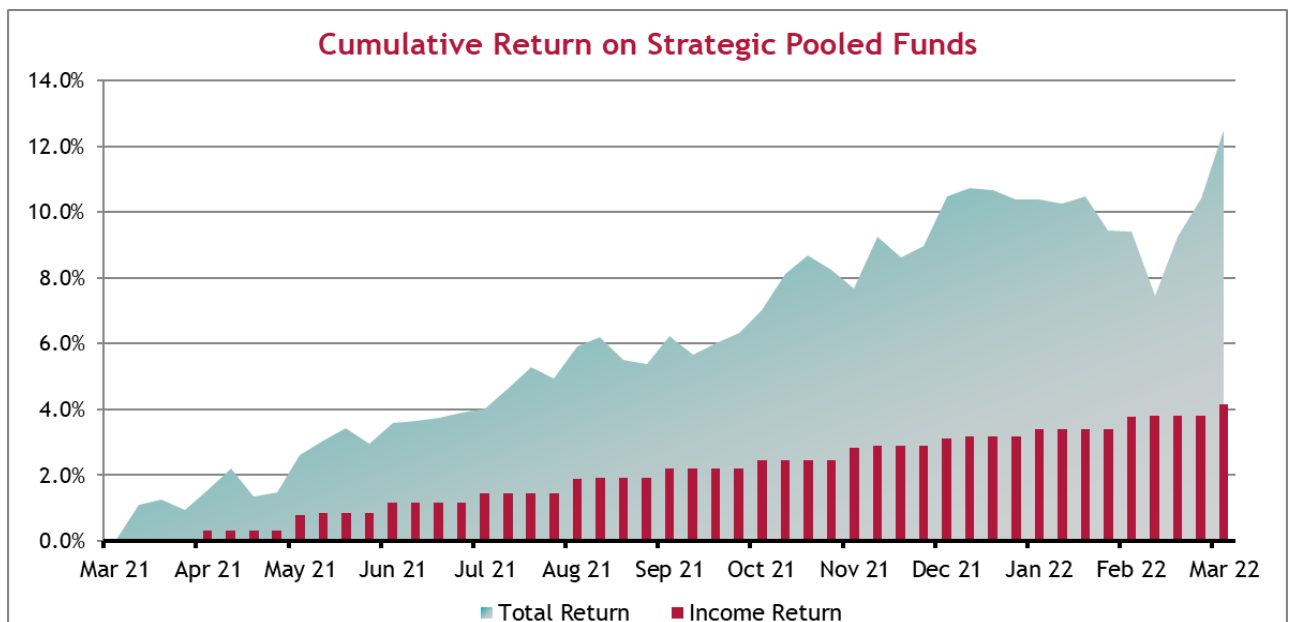
		31 Mar 2021	2021-22	31 Mar 2022	31 Mar 2022	31 Mar 2022
Investment Fund	Book cost	Market Value	Movement	Market Value at	12 months return	12 months return
	£m	£m	£m	£m	Income	Total
Aegon (Kames) Diversified Monthly Income Fund	20.0	20.2	-0.1	20.1	4.98%	4.82%
CCLA - Diversified Income Fund	5.0	5.0	0.2	5.2	2.50%	7.13%
CCLA – LAMIT Property Fund	60.0	57.1	10.5	67.6	3.88%	21.43%
Fidelity Global Multi Asset Income Fund	25.0	24.7	-0.8	23.9	4.28%	1.13%
M&G Global Dividend Fund	10.0	12.2	1.8	14.0	3.16%	17.79%
Ninety One (Investec) Diversified Income	10.0	10.1	-0.5	9.6	3.58%	-1.22%
Pyrford Global Total Return Sterling Fund	5.0	5.0	0.1	5.1	1.64%	3.65%
Schroder Income Maximiser Fund	25.0	19.4	2.1	21.5	7.13%	18.01%
Threadneedle Global	10.0	10.9	1.0	11.9	2.73%	11.38%

Equity Income Fund						
Threadneedle UK Equity Income Fund	10.0	9.6	0.6	10.2	3.37%	9.62%
Total External Investments	180.0	174.1	15.0	189.0	4.15%	12.50%

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

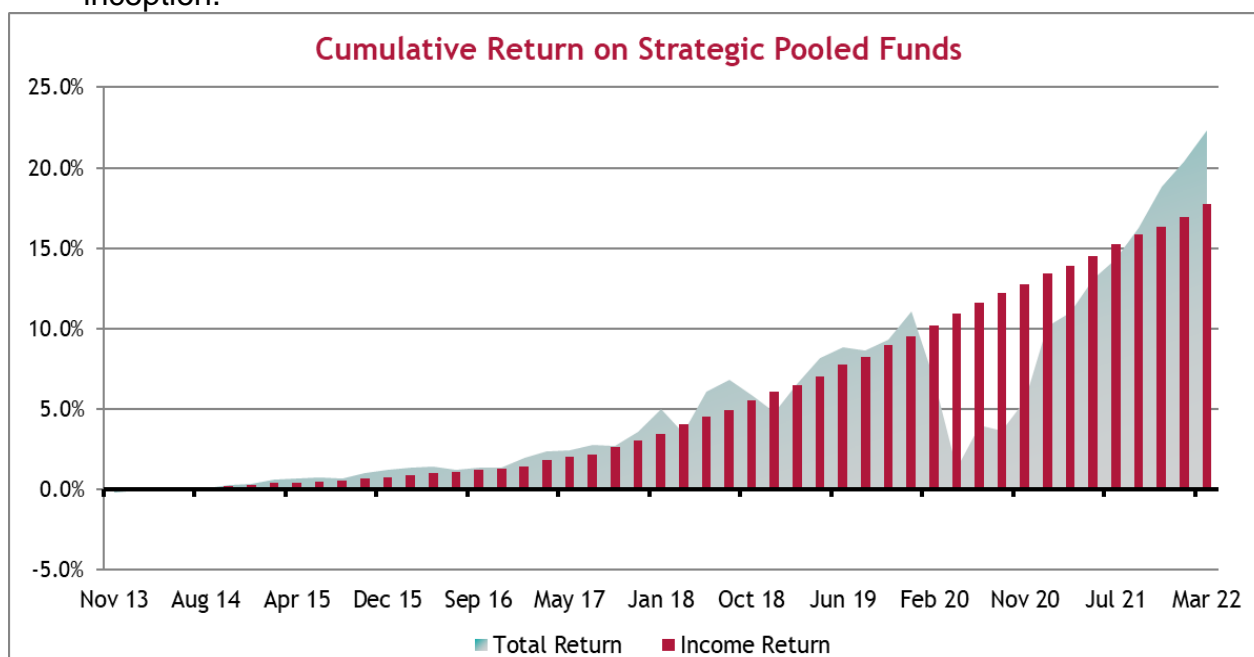


51. **Performance YTD:** The following chart tracks the returns earned on the pooled funds over the 12 months to end March 2022.



52. **Performance since inception:** KCC initially invested in pooled funds in 2013. The total cost of this investment was £180m and during the 9 years the pooled funds have achieved an income return of £36.41m, 17.76% (4.12% pa) while the capital value of the portfolio has risen by £9.39m, 4.58%. The following

chart tracks the returns earned on the pooled funds over the period from inception.



Financial outturn

53. The Council's total investment income for the year was £7.7m, £1.6% on funds held. The above benchmark return reflects the investment in the pooled and spread of cash investments as detailed in the table at paragraph 40 above.

Compliance with treasury management indicators

54. The Interim Corporate Director of Finance reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy. Compliance with specific borrowing and investment limits is demonstrated in the tables below.

Debt Limits

	31 Mar 2022 Actual	2021-22 Operational Boundary	2021-22 Authorised Limit	Complied?
	£m	£m	£m	
Borrowing	826	991	1,016	Yes
PFI and Finance Leases	245	245	245	Yes
Total debt	1,071	1,236	1,261	

Investment limits

	Limit	31 Mar 2022 Actual	Complied?
	£m	£m	
Any single local authority	25	Nil	Yes
Any single supranational bank	20	Nil	Yes
Any single Non-UK Government institution	20	Nil	Yes
Any single UK bank	15	Nil	Yes
Council's banking services provider	20	5	Yes
Overseas banks - unsecured	20	Nil	Yes
Short-term Money Market Funds	20	20	Yes
Cashplus / short bond funds	20	Nil	Yes
Any single covered bond issuer	20	16	Yes
Total covered bond portfolio	100	91	Yes
Reverse repurchase agreements	20	Nil	Yes
Corporates (non- financials)	2	Nil	Yes
Registered Providers	10	15	Yes
Total Loans	20	30	Yes
Absolute Return funds	25	5	Yes
Multi Asset Income funds	25	25	Yes
Property funds	75	60	Yes
Bond funds	25	Nil	Yes
Equity Income Funds	25	25	Yes
Real Estate Investment Trusts	25	Nil	Yes
Total Pooled funds and real estate investment trusts	250	180	Yes

Treasury Management Indicators

55. The Council measures and manages its exposures to treasury management risks using the following indicators.
56. **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its internally managed investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Actual 31 Mar 2022	Target	Complied?
Portfolio average credit rating	AA	AA	Yes

57. **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

Liquidity risk indicator	Actual 31 Mar 2022	Target	Complied?
Total cash available within 3 months	£167.3m	£100m	Yes

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

Interest rate risk indicator	Actual 31 Mar 2022	Upper Limit
One-year revenue impact of a 1% <u>rise</u> in interest rates	£756k	£10m
One-year revenue impact of a 1% <u>fall</u> in interest rates	-£706k	-£10m

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

	Actual 31 Mar 2022	Upper limit	Lower limit	Complied?
Under 12 months	2.14%	100%	0%	Yes
12 months and within 5 years	10.55%	50%	0%	Yes
5 years and within 10 years	0.00%	50%	0%	Yes
10 years and within 20 years	25.86%	50%	0%	Yes
20 years and within 40 years	34.69%	50%	0%	Yes
40 years and longer	26.77%	50%	0%	Yes

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

60. **Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	Actual	Limit	Limit
Price risk indicator	31 Mar 2022	2022-23	2023-24
Principal invested beyond year end	£296.4m	£300m	£300m

Recommendation

61. Members are asked to note this report.

Nick Buckland
Head of Pensions and Treasury
Nick.buckland@kent.gov.uk
Ext: 03000 413984
September 2022

Appendices:

- 1 Investments as at 31 March 2022**
- 2. Glossary of local authority treasury management terms**

Investments as at 31 March 2022

1. Internally Managed Investments

1.1 Term deposits, Call accounts and Money Market Funds

Instrument Type	Counterparty	Principal Amount £	Interest Rate	End Date
Treasury Bills	DMO	6,997,906	0.060%	09/05/22
Treasury Bills	DMO	4,978,280	0.875%	12/09/22
Total Treasury Bills		11,976,186		
Fixed Deposits	DMADF (Debt Management Account Deposit Facility)	19,500,000	0.095%	25/04/22
Total DMADF		19,500,000		
Call Account	National Westminster Bank plc	5,000,000	0.01%	
Total Bank Call Accounts		5,000,000		
No Use Empty Loans		14,610,091	1.50%	
Registered Provider	£10m loan facility – non utilisation fee		0.40%	31/03/23
Registered Provider	£5m loan facility – non utilisation fee		0.40%	16/06/23
Money Market Funds	LGIM GBP Liquidity Class 4	19,997,184	0.5526%	
Money Market Funds	Deutsche Managed GBP LVNAV Platinum	19,828,930	0.4867%	
Money Market Funds	Aviva Investors GBP Liquidity Class 3	19,994,569	0.5264%	
Money Market Funds	Aberdeen GBP Liquidity Class L3	19,994,014	0.4976%	
Money Market Funds	Federated Hermes Short-Term Prime Class 3	14,995,230	0.4995%	
Money Market Funds	HSBC GBP Liquidity Class F	16,051,995	0.5109%	
Money Market Funds	Northern Trust GBP Cash Class F	19,998,273	0.5595%	
Total Money Market Funds		130,860,195		
Equity and Loan Notes	Kent PFI (Holdings) Ltd	1,298,620		n/a

Bond Portfolio

Bond Type	Issuer	Adjusted Principal	Coupon Rate	Maturity Date
		£		
Fixed Rate Covered Bond	Leeds Building Society Bonds	4,202,100	1.29%	17/04/23
Fixed Rate Covered Bond	Bank of Scotland - Bonds	4,366,598	1.71%	20/12/24
Fixed Rate Covered Bond	Bank of Scotland - Bonds	6,794,066	0.43%	20/12/24
Floating Rate Covered Bond	Santander UK - Bonds	5,000,649	0.75%	16/11/22
Floating Rate Covered Bond	Lloyds - Bonds	2,500,975	1.51%	27/03/23
Floating Rate Covered Bond	Lloyds - Bonds	2,500,730	1.52%	27/03/23
Floating Rate Covered Bond	Lloyds - Bonds	5,001,721	1.42%	27/03/23
Floating Rate Covered Bond	Nationwide Building Society - Bonds	4,501,504	0.83%	12/04/23
Floating Rate Covered Bond	Nationwide Building Society - Bonds	5,581,003	0.75%	12/04/23

Floating Rate Covered Bond	Bank of Montreal - Bonds	5,001,669	0.88%	17/04/23
Floating Rate Covered Bond	Nationwide Building Society - Bonds	4,003,083	1.15%	10/01/24
Floating Rate Covered Bond	Santander UK - Bonds	2,001,344	1.45%	12/02/24
Floating Rate Covered Bond	TSB Bank - Bonds	2,501,679	1.62%	15/02/24
Floating Rate Covered Bond	Royal Bank of Canada - Bonds	1,804,007	1.00%	03/10/24
Floating Rate Covered Bond	Royal Bank of Canada - Bonds	9,035,734	0.55%	03/10/24
Floating Rate Covered Bond	Royal Bank of Canada - Bonds	5,043,786	0.27%	30/01/25
Floating Rate Covered Bond	Bank Of Nova Scotia Bonds	5,120,029	0.78%	14/03/25
Floating Rate Covered Bond	Canadian Imperial Bank of Commerce - Bonds	5,145,136	0.83%	15/12/25
Floating Rate Covered Bond	National Australia Bank - Bonds	5,151,865	0.67%	15/12/25
Floating Rate Covered Bond	Bank of Nova Scotia	720,939	0.81%	26/01/26
Floating Rate Covered Bond	Yorkshire Building Society - Bonds	3,008,642	0.72%	18/01/27
Floating Rate Covered Bond	Yorkshire Building Society - Bonds	2,003,956	0.74%	18/01/27
Total Bonds		90,991,215		

Total Internally managed investments	274,236,307
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2. Externally Managed Investments

Investment Fund	Book Cost	Market Value at	12 months return to	
	£	31 Mar 2022	31 Mar 2022	
		£	Income	Total
Aegon (Kames) Diversified Monthly Income Fund	20,000,000	20,116,846	4.98%	4.82%
CCLA - Diversified Income Fund	5,000,000	5,183,050	2.50%	7.13%
CCLA - LAMIT Property Fund	60,000,000	67,555,020	3.88%	21.43%
Fidelity Global Multi Asset Income Fund	25,038,637	24,120,813	4.28%	1.13%
M&G Global Dividend Fund	10,000,000	14,102,780	3.16%	17.79%
Ninety One (Investec) Diversified Income Fund	10,000,000	9,622,179	3.58%	-1.22%
Pyrford Global Total Return Sterling Fund	5,000,000	5,194,637	1.64%	3.65%
Schroder Income Maximiser Fund	25,000,000	21,501,301	7.13%	18.01%
Threadneedle Global Equity Income Fund	10,000,000	11,898,810	2.73%	11.38%
Threadneedle UK Equity Income Fund	10,000,000	10,193,123	3.37%	9.62%
Total External Investments	180,038,637	189,488,556	4.15%	12.50%

3. Total Investments

Total Investments	£463,724,863
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GLOSSARY

Local Authority Treasury Management Terms

Authorised limit	The maximum amount of debt that a local authority may legally hold, set annually in advance by the authority itself. One of the Prudential Indicators.
Bail-in	A method of rescuing a failing financial institution by cancelling some of its deposits and bonds. Investors may suffer a haircut but may be given shares in the bank as part compensation. See also bail-out.
Bail-out	A method of rescuing a failing financial institution by the injection of public money. This protects investors at the expense of taxpayers. See also bail-in.
Bond	A certificate of long-term debt issued by a company, government, or other institution, which is tradable on financial markets
Borrowing	Usually refers to the stock of outstanding loans owed and bonds issued.
Capital Financing Requirement (CFR)	A council's underlying need to hold debt for capital purposes, representing the cumulative capital expenditure that has been incurred but not yet financed. The CFR increases with capital expenditure and decreases with capital finance and MRP.
Capital gain or loss	An increase or decrease in the capital value of an investment, for example through movements in its market price.
Certainty rate	Discount on PWLB rates for new loans borrowed, available to all local authorities that provide a forecast for their borrowing requirements.
Collateral	Assets that provide security for a loan or bond, for example the house upon which a mortgage is secured.
Collective investment scheme	Scheme in which multiple investors collectively hold units or shares. The investment assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'pooled funds').
Cost of carry	When a loan is borrowed in advance of need, the difference between the interest payable on the loan and the income earned from investing the cash in the interim.
Counterparty	The other party to a loan, investment or other contract.
Counterparty limit	The maximum amount an investor is willing to lend to a counterparty, in order to manage credit risk.
Covered bond	Bond issued by a financial institution that is secured on that institution's assets, usually residential mortgages, and is therefore lower risk than unsecured bonds. Covered bonds are exempt from bail-in.
CPI	Consumer Price Index - the measure of inflation targeted by the Monetary Policy Committee.
Credit risk	The risk that a counterparty will default on its financial obligations.
Debt	(1) A contract where one party owes money to another party, such as a loan, deposit or bond. Contrast with equity.

	(2) In the Prudential Code, the total outstanding borrowing plus other long-term liabilities.
Deposit	A regulated placing of cash with a financial institution. Deposits are not tradable on financial markets.
Discount	(1) The amount that the early repayment cost of a loan is below its principal, or the price of a bond is below its nominal value. See also premium. (2) To calculate the present value of an investment taking account of the time value of money.
Discount rate	The interest rate used in a present value calculation
Diversified income fund	A collective investment scheme that invests in a range of bonds, equity and property in order to minimise price risk, and also focuses on investments that pay income.
Dividend	Income paid to investors in shares and collective investment schemes. Dividends are not contractual, and the amount is therefore not known in advance.
DMADF	Debt Management Account Deposit Facility – a facility offered by the DMO enabling councils to deposit cash at very low credit risk. Not available in Northern Ireland.
DMO	Debt Management Office – an executive agency of HM Treasury that deals with central government's debt and investments.
EIP	Equal instalments of principal. A method of repaying a loan where the principal is repaid over the life of the loan, in equal instalments. Interest payments reduce over time as the principal is repaid.
Equity	An investment which usually confers ownership and voting rights
Equity fund	A collective investment scheme that mainly invests in company shares
Floating rate note (FRN)	Bond where the interest rate changes at set intervals linked to a market variable, most commonly 3-month LIBOR or SONIA
FTSE	Financial Times stock exchange – a series of indices on the London Stock Exchange. The FTSE 100 is the index of the largest 100 companies on the exchange, the FTSE 250 is the next largest 250 and the FTSE 350 combines the two
GDP	Gross domestic product – the value of the national aggregate production of goods and services in the economy. Increasing GDP is known as economic growth.
GILT	Bond issued by the UK Government, taking its name from the gilt-edged paper they were originally printed on.
Gilt yield	Yield on gilts. Commonly used as a measure of risk-free long-term interest rates in the UK
Income return	Return on investment from dividends, interest and rent but excluding capital gains and losses.
IFRS	International Financial Reporting Standards, the set of accounting rules in use by UK local authorities since 2010
IMF	International Monetary Fund
Interest	Compensation for the use of cash paid by borrowers to lenders on debt instruments.
Internal	A local government term for when actual “external” debt is below the capital financing

borrowing	requirement, indicating that difference has been borrowed from internal resources instead; in reality this is not a form of borrowing
Liquidity risk	The risk that cash will not be available to meet financial obligations, for example when investments cannot be recalled and new loans cannot be borrowed
Loan	Contract where the lender provides a sum of money (the principal) to a borrower, who agrees to repay it in the future together with interest. Loans are not normally tradable on financial markets
LOBO	Lender's Option Borrower's option – a long-term loan where the lender has the option to propose an increase in the interest rate on pre-determined dates. The borrower then has the option to either accept the new rate or repay the loan without penalty. LOBOs increase the borrower's interest rate risk and the loan should therefore attract a lower rate of interest initially
Long-term	Usually means longer than one year
Market risk	The risk that movements in market variables will have an unexpected impact. Usually split into interest rate risk, price risk and foreign exchange risk
Maturity	(1) The date when an investment or borrowing is scheduled to be repaid. (2) A type of loan where the principal is only repaid on the maturity date
MiFID II	The second Markets in Financial Instruments Directive - a legislative framework instituted by the European Union to regulate financial markets in the bloc and improve protections for investors.
Money Market Fund (MMF)	A collective investment scheme which invests in a range of short-term assets providing high credit quality and high liquidity. Usually refers to Constant Net Asset Value (CNAV) and Low Volatility Net Asset Value (LVNAV) funds with a Weighted Average Maturity (WAM) under 60 days which offer instant access, but the European Union definition extends to include cash plus funds
Monetary Policy	Measures taken by central banks to boost or slow the economy, usually via changes in interest rates. Monetary easing refers to cuts in interest rates, making it cheaper for households and businesses to borrow and hence spend more, boosting the economy, while monetary tightening refers to the opposite. See also fiscal policy and quantitative easing.
MPC	Monetary Policy Committee. Committee of the Bank of England responsible for implementing monetary policy in the UK by changing Bank Rate and quantitative easing with the aim of keeping CPI inflation at around 2%.
MRP	Minimum Revenue Provision – an annual amount that local authorities are required to set aside and charge to revenue for the repayment of debt associated with capital expenditure. Local authorities are required by law to have regard to government guidance on MRP. Not applicable in Scotland, but see Loans Fund
Operational risk	The risk that fraud, error or system failure leads to an unexpected loss
Pooled Fund	Scheme in which multiple investors hold units or shares. The investment assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'pooled funds').
Price risk	The risk that unexpected changes in market prices lead to an unplanned loss. Managed by diversifying across a range of investments
Prudential Code	Developed by CIPFA and introduced in April 2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice. Local authorities are required by

	law to have regard to the Prudential Code. The Code was updated in December 2021
PWLB	Public Works Loan Board – a statutory body operating within the Debt Management Office (DMO) that lends money from the National Loans Fund to councils and other prescribed bodies and collects the repayments. Not available in Northern Ireland.
Quantitative easing (QE)	Process by which central banks directly increase the quantity of money in the economy in order to promote GDP growth and prevent deflation. Normally achieved by the central bank buying government bonds in exchange for newly created money.
Registered Provider of Social Housing (RP)	An organisation that is registered to provide social housing, such as a housing association.
Refinancing risk	The risk that maturing loans cannot, be refinanced, or only at higher than expected interest rates leading to an unplanned loss. Managed by maintaining a smooth maturity profile
REIT	Real estate investment trust – a company whose main activity is owning investment property and is therefore similar to a property fund in many ways
Revolving credit facility (RCF)	A loan facility that can be drawn, repaid and (usually) re-drawn at the borrower's discretion. Interest is payable on drawn amounts, and a commitment fee is often payable in undrawn amounts.
Secured investment	An investment that is backed by collateral and is therefore normally lower credit risk and lower yielding than an equivalent unsecured investment
Share	An equity investment, which usually also confers ownership and voting rights
Short-term	Usually means less than one year
SONIA	Based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors. Replaced LIBOR from the end of January 2022
Strategic funds	Collective investment schemes that are designed to be held for the long-term, comprising strategic bond funds, diversified income funds, equity funds and property funds
T-bill	Treasury bill - a bill issued by a government
Total return	The overall return on an investment, including interest, dividends, rent, fees and capital gains and losses.
Weighted average life (WAL)	The average time to maturity of an investment portfolio, weighted by the size of the investment and normally expressed in days
Weighted average maturity (WAM)	the average time to the next interest rate reset on an investment portfolio, weighted by the size of the investment and normally expressed in days. A portfolio of fixed rate investments will have a WAM identical to its WAL.
Yield	A measure of the return on an investment, especially a bond. The yield on a fixed rate bond moves inversely with its price

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From: Benjamin Watts – General Counsel

To: County Council – 15 September 2022

Subject: Review of Decision 22/00052 - KCC Supported Bus Funding Review

Classification: Unrestricted

Past Pathway: Cabinet – 6 September 2022
Scrutiny Committee – 18 August 2022

Electoral Division: All

Summary:

Full Council is required, in accordance with the call-in arrangements detailed in section 17.79 of the Constitution, to review or scrutinise Executive Decision 22/00052 (KCC Supported Bus Funding Review).

In considering the Executive decision, in response to the referral of the decision by the Scrutiny Committee on 18 August 2022, the Council may:

- (a) Agree that the decision be implemented
- (b) express comments but not require reconsideration of the decision, or
- (c) require implementation of the decision to be postponed pending reconsideration of the matter by the Cabinet, taking into account the Council's comments

A Introduction

- 1) Decision 22/00052 – KCC Supported Bus Funding Review was taken on 19 July 2022. The proposals were considered at various stages of development at the Environment & Transport Cabinet Committee on 18 February 2022 and 19 May 2022, culminating in the final proposed decision being debated at the 6 July 2022 Cabinet Committee meeting. At this final pre-decision meeting, the Committee debated the issue extensively, including consideration and voting on various specific recommendations to amend the final arrangements. Subject to a minor correction of listed routes proposed for withdrawal, the Committee ultimately resolved to endorse the decision.
- 2) A call in request was submitted by Mr Lehmann (Green and Independents Group) and Mr Sole (Liberal Democrats Group) prior to the call-in deadline. It is understood that the Labour Group had been involved in the call-in request scoping and development and it was noted at Scrutiny Committee on 18 August that the Labour Group fully supported the call-in.
- 3) The reasons for the call-in were duly assessed by Democratic Services, including an investigation into whether any issues raised in the call-in were adequately addressed by the decision paperwork, committee reports, responses to written questions or committee debate. The results of this review

were considered by the Democratic Services Manager and the call-in was determined to be valid under the arrangements set out in the Constitution. Call-in reasons must be clear, correct and align to one or more of the following criteria under s17.73 of the Constitution:

Members can call-in a decision for one or more of the following reasons:

- (a) The decision is not in line with the Council's Policy Framework,
 - (b) The decision is not in accordance with the Council's Budget,
 - (c) The decision was not taken in accordance with the principles of decision making set out in 8.5, and/or
 - (d) The decision was not taken in accordance with the arrangements set out in Section 12.
- 4) The reasons submitted for the call-in are set out in appendix 1, including a brief note indicating which reasons were assessed as valid. Where any reasons submitted as part of a call-in request are deemed valid, the full call-in process is triggered.
- 5) In determining the validity of any call-in, no judgment is made by Democratic Services as to whether the decision itself is flawed, inappropriate or invalid. Where some individual reasons submitted for an overall valid call-in are not assessed as valid, this does not mean they merit no consideration as part of any subsequent call-in meeting. Call-in is a procedural tool to safeguard against the implementation of decisions which meet the criteria in section 17.73 and where further discussion by Members to clarify the decision is required. The call-in reasons were assessed as valid on the basis that further information was required, pursuant to section 17.73, to evidence compliance.
- 6) In accordance with the requirements for progressing a valid call-in, a meeting of the Scrutiny Committee was convened to consider the matter within 10 working days of the confirmation of validity provided by Democratic Services.
- 7) The General Counsel would like to record his thanks to all of the cross-party Members who helped to ensure that the necessary Scrutiny and Cabinet meetings could be arranged within the necessary timeframes. Similarly, thanks are offered to the officers who supported those meetings and helped in the preparation of documents and this paper.

B Scrutiny Committee consideration of the call-in

- 8) On 18 August 2022, the Scrutiny Committee met to consider the call-in. The Scrutiny Committee was advised in the papers that they should consider the reasons set out by the Members calling-in the decision, the documentation already available (including the Strategic Statement and Community Strategy which are referenced in the call-in submission) and the response from the Executive given at the meeting, giving due regard to the information made available during questioning and discussion on this item.
- 9) Pursuant to the constitution, the options open to the Scrutiny Committee at their 18 August 2022 meeting were as follows:

- Make no comments
- Express comments but not require reconsideration of the decision
- Require implementation to be postponed pending reconsideration of the matter by the decision-maker in light of the Committee's comments
- Require implementation of the decision be postponed pending review or scrutiny of the matter by Full Council.

10) The Scrutiny Committee considered the call-in reasoning, with explanations provided by both Members responsible for the call-in. Members debated the issues, including wider considerations related to the commercial bus network. It was highlighted by the Executive that the commercial withdrawals which had caused significant concern to Members and residents, were outside of the scope of the Key Decision being scrutinised as part of the call-in. Following the debate, the Scrutiny Committee agreed the following motion:

- *That implementation of Decision 22/00052 be postponed pending review by the Full Council.*

Comments from the Scrutiny Committee:

11) Comments expressed during the debate and in the process of proposing and agreeing the recommendation are summarised below:

- It was put forward that the environmental impact had not been fully taken into account. Concerns were raised in relation to the impact of the decision on traffic congestion. Further information was sought as to the environmental impact countywide and how many additional car journeys there would be countywide as a result of the decision. There had been reference to the additional car journeys anticipated in relation to one school in the decision making but countywide data was sought.
- Members sought further clarification on the full funding options available to support services, such as those used to mitigate the retention of the Kent Karrier Service and a few specific bus routes.
- Concerns were raised about health outcomes for those affected by the decision - as well as environmental considerations, further information was sought regarding residents seeking to access hospitals by bus.
- Concerns were raised regarding the social impact of the decision and further information was sought on the impact on villages with no other public transport options. Members raised concerns regarding social isolation and loneliness for young people, people with disabilities and the elderly, with specific reference to the Social Isolation Select Committee.
- Points were made regarding the rapidly changing situation since KCC's Budget was agreed in February. Since then, there had been war in Ukraine, inflation, the energy crisis and the cost of living crisis. The view was put forward that the decision would need to be reconsidered in light of these pressures.

- It was suggested that the DfT were changing their views about how the BSIP could be used and that new funding streams could come forward with the new government in September.
 - It was queried whether there were legal repercussions to the decision being implemented when certain Members argued that there had been insufficient regard given to equality impact identified in the reports.
 - It was questioned whether an appropriate audit of school transport needs had been undertaken prior to the decision, in relation to the 1985 Transport Act.
 - In setting out the motion to refer the matter to Full Council, a Member stated that the Department for Transport (DfT) in a 16 August letter, outlined a softening of the government's position on use of Bus Service Improvement Plan (BSIP) funding. The Member added that DfT had also recognised that local baselines for bus services may have changed.
 - The motion was proposed with the explanation that the decision had a substantial impact on families, within a wider context of KCC's acceptance of BSIP funding and the decision of operators to close a significant number of commercial bus routes, many in rural areas. The Member stated that the issues were moving rapidly, with it clear that DfT were changing their view on how BSIP could be spent.
 - The Member highlighted that County Council was not due to meet until mid-September and noted that there would be a new government from the first week of September, which may impact government policy on funding. He asserted that officers needed to be given the opportunity to explore what additional options are available now that the impact of the decision was known, as expressed by the operators, in addition to their own commercial service withdrawals. He then added that the Decision had a significant impact on rural areas and deserved a fresh look since more was known of the consequences of that decision compared to when it was first taken.
- 12) After the debate, the Committee resolved through majority vote to refer the matter to Full Council for review.

C Review by Cabinet

- 13) As a consequence of the Scrutiny Committee's decision, section 17.79 of the Constitution applies:

"If the Scrutiny Committee refers a decision to the full Council, it shall be considered at the next meeting of the Council when the Council may either:

(a) agree the decision be implemented

(b) express comments but not require reconsideration of the decision, or

(c) require implementation of the decision to be postponed pending reconsideration of the matter by the Cabinet, taking into account the Council's comments."

- 14) Section 17.80 of the Constitution requires that before a decision is reviewed by Full Council, the Cabinet shall first reconsider it, in light of the comments made by the Scrutiny Committee.
- 15) An extraordinary meeting of the Cabinet was therefore held on 6 September where the decision was formally reconsidered on the basis of a report which set out the comments expressed by the Scrutiny Committee (as per paragraphs 11 above).
- 16) Cabinet resolved to confirm the decision pending the discussion at the County Council meeting on September 15th 2022.
- 17) Key points from the Cabinet discussion are summarised below:
 - The General Counsel set out the procedural position, the role of his service in assessing call-in requests and he summarised the background detailed earlier in this report. It was confirmed that Cabinet could rescind, amend or confirm the decision and that if not rescinded, the decision would be subject to review by Full Council on 15 September.
 - It was clarified that should the Full Council be required to review the decision, then the County Council has the constitutional authority to either agree:
 - implementation with no comments;
 - express comments but not require reconsideration of the decision; or
 - require implementation to be postponed pending review of the matter by Cabinet.
 - Members sought clarification regarding the BSIP funding and how this could be spent. Officers advised that whilst the DfT had recognised that recent communication could have given the impression of a change to the potential BSIP funding arrangements, the DfT had confirmed that it was not to be used for existing services or for those services being withdrawn. The BSIP could only be used for new initiatives and new services. It was also highlighted that acceptance and deployment of any BSIP funding made available to Kent would be subject to separate Executive decision-making and that prior to that decision-making, any reliance on BSIP funding to influence other decisions was problematic.
 - Points were raised around the importance of drawing a clear distinction between the Executive decision taken in relation to KCC subsidised bus services and the unrelated commercial service withdrawals being determined by the commercial bus operators. As had been clarified at the Scrutiny Committee meeting, Decision 22/00052 did not authorise the commercial bus service withdrawals.
 - It was put forward by the Cabinet Member for Highways and Transport that County Council agreed at its meeting in February that the supported bus

portfolio should yield a saving of £2.2m in order to achieve a balanced budget for the year 2022-2023. Following a public consultation carried out from 4 February to 20 April 2022, a modified proposal was then developed and presented to the Environment and Transport Cabinet Committee on 6 July 2022 where Members endorsed the decision to reduce the portfolio of supported buses by 37 and so deliver a budget saving of £2.2m.

- It was recognised that the withdrawal of support of 37 buses would have serious consequences for many Kent residents but there was a need to make associated savings of £2.2m. The Cabinet Member commented that the Executive would rather not have to make such decisions, recognising the impact the changes would have on some service users, but he emphasised that the decision was necessary from a financial and service sustainability perspective.
- Concerns were raised regarding the budget position and ongoing concerns around inflationary pressures. It was highlighted that the impact of not making the proposed savings would have a detrimental impact on the Councils ability to balance the budget.

18) The Cabinet expressed a view that given the resolution by Scrutiny, further debate and discussion should be reserved for the County Council meeting. As such, at the conclusion of the discussion, Cabinet resolved to confirm the decision without amendment.

D County Council review or scrutiny

19) Full Council has been provided with the confirmed Executive decision via an updated Record of Decision – the only change is the addition of a note confirming the procedural step taken by Cabinet at its meeting on 6 September.

20) The associated decision documents, such as the Decision Report and Equality Impact Assessment, are provided as appendices to support due consideration of the matter.

21) The call-in request is provided in full as an appendix to ensure Members have clear sight of the formal reasons this matter was progressed to the Scrutiny Committee via the official call-in process.

22) Members are invited to debate the matter, giving due consideration to the specific issues raised in the call-in, the points raised by the Scrutiny Committee as part of their debate and the comments made by Cabinet as part of its reconsideration of the decision.

E Recommendation:

The Council may, having reviewed Executive Decision 22/00052, resolve one of the following:

- (a) Agree that the decision be implemented
- (b) express comments but not require reconsideration of the decision, or
- (c) require implementation of the decision to be postponed pending reconsideration of the matter by the Cabinet, taking into account the Council's comments

F Appendices

Decision 22/00052 – KCC Supported Bus Funding Review

- [22-00052 - Record of Decision – as confirmed by Cabinet on 6 September 2022](#)
- [22-00052 - Decision Report](#)
- [22-00052 - Appendix C - Service Summary](#)
- [22-00052 - Appendix D - EqlA](#)
- Call-in request

G Background Documents

Decision 22/00052 – KCC Supported Bus Funding Review:

- [22-00052 - Appendix B - Consultation Report](#)

Agenda, Scrutiny Committee, 18 August 2022: [Agenda for Scrutiny Committee on Thursday, 18th August, 2022, 10.00 am \(kent.gov.uk\)](#)

Agenda for Cabinet, 6 September 2022: [Cabinet - Tuesday, 6th September, 2022 10.00 am](#)

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KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TAKEN BY:

David Brazier, Cabinet Member for Highways and Transport

DECISION NO:

22/00052

For publication

Key decision: YES

Subject Matter / Title of Decision: KCC Supported Bus Funding Review

Decision:

As Cabinet Member for Highways and Transport, I agree to withdraw funding support from 38 supported bus services.

Reason(s) for decision:

Local Transport Authorities have an obligation to provide such public transport services as they consider appropriate to meet public needs which would not otherwise be met. It is for Authorities to consider what services are “appropriate” to meet those needs. From April 2022, the net budget for supported bus services has reduced from £6m to £3.8m to support the Council achieve a balanced budget in 2022/23.

Cabinet Committee recommendations and other consultation:

The issue has been discussed by Environment and Transport Cabinet Committee (ETCC) Members on:

- 18 February 2022
- 19 May 2022

A public consultation ran for eight weeks from 24 February to 20 April 2022 and was supported by a comprehensive communications campaign. 2,562 responses were received along with 55 letters and emails sent to the Public Transport team. In addition, the Council has also received three petitions, focussed surveys conducted by Kent Karrier operators and a Parish Council, four MPs letters and a focussed report by Compaid the operator of west Kent Karrier schemes regarding the impacts of the withdrawal of these services.

The proposed decision was discussed on 6 July 2022 by ETCC Members.

Issues raised during the discussion included:

- Cost increases to other services as a consequence of making the savings
- Impact on air quality and commitment to net zero targets
- Support for the retention of the Kent Karrier and commitment to work with Local Transport Groups
- Impact on rural communities’ access to services and social isolation
- Legality of process
- Whether race equality impacts had been fully considered

Members agreed to endorse the proposed decision, subject to the correction of information relating to the S4 bus service, by majority vote.

Any alternatives considered and rejected:

To use funding from the Bus Service Improvement Funding however the funding conditions preclude

KCC from using the revenue funding element to support existing commercial / supported services; its focus is on future developments.

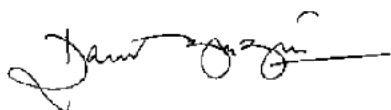
Frequency reductions and sharing resource however the opportunities for these types of savings have largely been previously deployed with limited scope for further adjustments and maintain a service; also, the cost of the driver/vehicle, cannot be reduced and the saving required was too great as a proportion of the overall budget to allow for this approach.

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

None

Signed

Date: 19 July 2022

A handwritten signature in black ink, appearing to read 'James ...', written over a horizontal line.

This decision was considered and confirmed by Cabinet on 6th September 2022.

From: Simon Jones, Corporate Director, Growth, Environment and Transport
Phil Lightowler, Interim Director of Highways and Transportation

To: David Brazier, Cabinet Member for Highways and Transport

Subject: **KCC Supported Bus Funding Review**

Key decision 22/00052

Classification: **Unrestricted**

Past Pathway of Paper: 18 February 2022 and 19 May 2022

Future Pathway of Paper: for Cabinet Member Decision

Electoral Division: Countywide

Summary: The budget for supported bus services in 2021/22 was £6m net. For the financial year 2022/23 and to support the Council achieve a balanced budget, the net budget for supported bus services is proposed to decrease by £2.2m.

In order to retain spend within the reduced budget available, 48 bus subsidy contracts, with a value of £3M, have been identified for potential withdrawal from end of October 2022.

To inform the final decisions, an eight-week public consultation was conducted from 24th February until 20th April attracting over 2,562 responses.

This report summarises the outcomes of the consultation, the themes and the user impacts and outlines a revised service proposal.

Recommendation:

The Cabinet Member for Highways and Transport is asked to agree to withdraw funding support from 38 supported bus services as shown at Appendix A.

1. Introduction

1.1 Local Transport Authorities have an obligation to provide such public transport services as they consider appropriate to meet public needs which would not otherwise be met. It is for Authorities to consider what services are “appropriate” to meet those needs. In response to austerity and reduced funding from the Government, a number of Authorities have reduced or completely ceased to fund public bus services.

1.2 The pandemic has had a profound impact on the use of buses in Kent and across the UK. Government advice to avoid the use of Public Transport during the pandemic plus changes to lifestyle and working patterns have contributed to a sharp decline in the use of services, particularly at off-peak times. In 2019/20 over 3.7m journeys were completed on KCC subsidised bus services. In

2021/22, this figure was 2.3m, so increasing the £ per passenger journey subsidy provided to all services supported by KCC.

- 1.3 From April 2022, the net budget for supported bus services has reduced from £6m to £3.8m to support the Council in achieving a balanced budget in 2022/23. In order to retain spend within the reduced budget available, 48 bus subsidy contracts with a NET cost of £3m were identified for potential withdrawal from end of October 2022.
- 1.4 This paper summarises the outcomes from the associated public consultation, highlighting impacts and considerations to inform final decisions.

2. Background and approach to identifying services for consultation

- 2.1 Since 2014/15 Public Transport have been working to reduce the cost of supported services, with the least impact on service users. Costs have been reduced through a range of measures including; commercialisation of previously tendered services, the re-planning and rationalisation of tendered services and a flexible approach to the use of Bus Service Operator Grant Funding received from the Government.
- 2.2 The reduced use of buses during and since the pandemic coupled with the rising costs of fuel and driver salaries has seen a partial reversal of this trend and additional cost commitments were absorbed by KCC during 2021/22 relating to commercial bus withdrawals and the increased costs of some existing contracts. Hence the additional £800k, required on top of the £2.2m to bring the supported bus budget in line with the set budget.
- 2.3 There are currently 129 contracts supported by the Council, including those for the Kent Karrier Dial-a-Ride services. These contracts cover a range of service types including support for specific journeys, journeys on specific days i.e., Sundays, funding for whole services and journeys to and from school.
- 2.4 In response to previous needs to reduce the spend on public bus services but where the saving required has been smaller, the approach adopted has been to focus resulting changes on frequency reductions, sharing resource and other solutions designed to limit the impacts on passengers.
- 2.5 The saving required in this instance is too great as a proportion of the overall budget to allow for this approach and the opportunities for savings have largely been deployed and are now extremely limited.
- 2.6 For this reason, the approach to identifying the potential saving required has been to apply KCC's Criteria for the Support of Public Bus Services to identify contracts for potential withdrawal. The Criteria prioritises services taking account of the days and times of use and the performance of the contract in value for money terms, calculated as a £ per passenger journey figure. **

** Calculated as the annual cost of the contract divided by the number of journeys made on it. 2019/20 journey numbers have been used in order to consider pre-pandemic / steady state usage.

2.7 The criteria for prioritising services is shown below and a full list of the services identified for consultation is attached as Appendix C of this report.

Priority	DAYS OF OPERATION	£ Per Passenger Journey
1	Any day of the week	Less than £3
2	Monday to Friday	£3 to £5
3	Monday to Friday	Over £5
4	Saturday	£3 to £5
5	Sunday and evening	£3 to £5
6	Saturday, Sunday & evening	£5 to £7
7	Any day	Over £7
8	Poorly performing contracts with very limited implications	Regardless of cost

2.8 By applying the Criteria, 49 contracts up to the total value of £3m were identified for potential withdrawal. It should be noted that these include all contracts in categories 8 through to 2 and some of the more poorly performing contracts in Category 1.

2.9 As a consequence, the contracts identified include services and journeys of all types including those used by school children, services which represent the only public transport for some rural communities and all of KCC’s Kent Karrier Dial-a-Ride services.

3. Consultation

3.1 In order to fully understand equality and other impacts and to inform final decisions a public consultation ran for eight weeks from 24 February to 20 April 2022. The consultation asked for a range of feedback to understand user characteristics, journey purposes, user impacts and equalities implications.

3.2 To support the consultation a comprehensive communications campaign was undertaken, including; a mailshot to Kent Karrier Members, emails to Kent Travel Saver card holders and stakeholder organisations, organic social media, paid Facebook and Kent Messenger adverts, media release with coverage on BBC Politics Southeast and BBC Radio Kent, Kent Online, Kent Live and Kent Messenger newspapers, Member briefing, posters displayed on buses and material in Kent Libraries and Gateways and through Community Wardens. Over 5,700 invitations were sent to Let’s talk Kent registered users who had expressed an interest in transport and roads and general interest

3.3 2,562 responses were received along with 55 letters and emails sent to the Public Transport team. In addition, the Council has also received three petitions, focussed surveys conducted by Kent Karrier operators and a Parish Council, four MPs letters and a focussed report by Compaid the operator of west Kent Karrier schemes regarding the impacts of the withdrawal of these services.

3.4 A copy of the full consultation report is provided as Appendix B to this report. Specific comment regarding the equalities’ impacts are made in section 7 of this report. The key findings are summarised below:

- 3.5 The majority of those responding to the consultation are Kent residents (93%). Whilst the consultation was open to all Kent residents to participate, the majority of residents responding indicated they are current users of the proposed services for withdrawal (78%).
- 3.6 Services are currently used for a variety of purposes with leisure (58% of service users), essential food shopping (57%), healthcare (54%) and education (52%) the most common. There are significant differences in use by age with a higher proportion of residents aged 65 & over using them for essential food shopping and healthcare.
- 3.7 When asked openly, the main areas of impact are children accessing school / college (30% of consultees) and groups of the population not being able to access transport alternatives (21%) for reasons such as shopping (16%), healthcare (15%) and social contact (14%).
- 3.8 Equality Impact Assessment feedback focuses on how proposals adversely affect specific demographic groups - the elderly, those with disabilities, children, and young people, those who do not drive and low-income households.
- 3.9 Saving suggestions put forward vary. However, the most common are prioritising scale backs instead of full withdrawal of specific services and, using smaller buses as alternatives. These were reviewed, as set out below.
- 3.10 **Use of smaller vehicles.** For supported bus services, operating between school times, it is not cost realistic to provide a large conventional bus, for school times and then a smaller one for non-school times; it is in fact doubling cost. For supported bus services, not linked with school journeys, smaller vehicles have a lower cost, but this is not a substantially lower cost, as many would still be required to be low floor fully DDA compliant and the driver would need to be PCV licensed.
- 3.11 **Reduce frequency of some supported services.** As a significant number of supported services are already on reduced frequency there is limited opportunity for further reductions and maintain a service; also, the cost of the driver/vehicle, cannot be reduced.
- 3.12. Consultees also suggested making savings from elsewhere in the budget, however these savings have not solely or disproportionately focused on the Local Bus Budget or the Public Transport Department but have also included other areas for example reducing spend on the Kent Travel Saver Bus Pass and more widely savings are also being sought from other areas and budgets across the Council as part of this year's financial settlement.
- 3.13 A high proportion of responders indicated that they do not have an alternative option for at least one of the services they use (41%). The proportion of respondents unable to identify an alternative travel is notable and this increases amongst the elderly and disabled. 27% state they have no alternative across any services they use.

- 3.14 20% of consultees consider the service a lifeline but the proportion of responses to this effect increases significantly in the most elderly age group, for those with a disability and for Kent Karrier users 40% of which state to relying entirely on the service and being unable to survive without it. Consideration of services as a lifeline and a route to independence is higher than average for service users aged 75 & over (36%) and residents with a disability (37%).
- 3.15 Fears of isolation and impact on mental wellbeing are key concerns.
- 3.16 Whilst in many instances, the number of residents using these services are quite limited and have fallen during and since the pandemic, it is clear that the KCC supported bus network fulfils a genuine need for users and the impacts of withdrawal are therefore significant.
- 3.17 Significant response from district / borough / parish council representatives, councillors, and MPs; emphasising service users concerns for specific population groups and requests for engagement at a local level to discuss possible solutions / alternatives to the proposed service withdrawals. As part of the on-going commitment to Community Transport, KCC will work with community stakeholders to identify potential for alternative solutions.

4. Other Considerations

- 4.1 It is important to consider these savings in the context of the wider (commercially provided) bus network which faces its own challenges. Use of buses across the County is struggling to recover from the impacts of the pandemic and when coupled with rising costs, this is already leading to the withdrawal of services by bus operators. This will make the likelihood of providing alternative solutions more limited and there is a concern that the withdrawal of significant funding from the network could prompt further commercial service cancellations and may jeopardise the viability of some smaller transport businesses.
- 4.2 17 contracts included for consideration are identified as meeting a school transport need. 50 children using these services have a legal entitlement to free transport to school and will need to be provided with an alternative solution. This alternative transport will be funded from the CYPE budget, as are season tickets now on supported bus services, therefore the additional cost to the CYPE budget is anticipated in the £150k range. However, for those children, not entitled to free home to school transport, there will be no alternative public transport.
- 4.3 It is important to note that children currently travelling will have predicated their choice of school on the presence of a bus service and whilst no service is “guaranteed” it is clear from the consultation responses that users and their parents will have organised domestic arrangements around the current network and alternative travel options are identified as limited amongst this group.
- 4.4 Related to the above, the impacts on traffic congestion at peak times and air quality should also be considered. Contracts with a school journey element are not concentrated in one area of the county but do include services in Tonbridge, Tunbridge Wells and Sittingbourne all of which have existing issues with

congestion on certain corridors. Although it is not possible to reliably quantify the air quality implications, assessment of the carbon impact relating to one of the school-day only services has estimated that 21 tonnes of carbon per annum would be generated should all bus journeys be made by car compared to 2.7 tonnes on the current bus service.

- 4.5 Although many of the bus services operating at off peak times will cater for the same group of users and carry many of the same impacts, because of it being more focussed on elderly and disabled members and those living in the most rural areas, the impacts on Kent Karrier members should be given particular consideration.
- 4.6 Kent Karrier is a demand responsive transport scheme with eligibility for membership orientated towards those who cannot use or do not have access to conventional public transport. It is therefore important to consider the presence of Kent Karrier as a form of “safety net” offering limited access to essential services for anyone meeting the criteria. Therefore, whilst the nature of these services means that these contracts perform poorly in value for money terms, they offer a different value to the user as is identified in the consultation outputs.
- 4.7 Through the conducting of their own survey and the submission of a more focussed report, the operators of the Kent Karrier service have highlighted their concern about the impacts on services users whilst also raising the risk of knock-on impacts on other Council services in respect of SEN Transport costs and on Adult Social Care.

5. Revised service proposal – post consultation

- 5.1 The results of the consultation have been carefully considered and the EqlA (as shown in Appendix D) has been updated.
- 5.2 It is clear from the consultation that in proposing to withdraw 48 supported bus services, including the Kent Karriers, that the impact on the most vulnerable users is significant and, in some areas, there would be no provision of any form of public transport.
- 5.3 Taking account of need to achieve the Council’s budget for supported buses, but at the same time having regard to the consultation responses and the identified equalities impacts and therefore ensuring that there is still some form of public transport provision in selected areas, it is proposed that the 8 Kent Karrier services will be retained. They will continue to provide a bookable bus service for those most in need and particularly in areas where conventional bus services are not available. In retaining the Kent Karriers, they will be removed from the supported bus budget and sit as a defined line within the Public Transport budget. These will be funded, in future years, from a number of external sources including BSOG surplus, DfT funding already held, DfT LTF, and increased passenger revenue.
- 5.4 In the consultation document we identified that the 208 service would be withdrawn but it would be replaced by a parallel commercial service. Since the consultation was undertaken, it has become clear that the parallel commercial service would not replace the 208, in fact it is to be withdrawn. Had the

information been known at the time, the consultation response in respect to service 208 may have been different and as such it would not be appropriate to move forward with this withdrawal. Funding for service 208 will be provided through other public transport efficiencies, so that there is no impact to the saving.

- 5.5 The revised proposal identifies 38 supported bus services, as shown in Appendix C where funding will be withdrawn as of the end of October 2022. The Kent Karriers and service 208 will be retained. The reduction in the supported bus budget would remain as is-£2.2m, with funding for the Kent Karriers and the service 208, found from elsewhere as identified in paragraph 5.3.
- 5.6 Students entitled to free home to school transport, will be provided with alternative transport.
- 5.7 Any person / family who has purchased a Kent Travel Saver, for any service that is withdrawn, will be provided with a pro-rata refund, based on the date of withdrawal.
- 5.8 KCC Public Transport will continue to provide grants for Community Transport groups, focusing on those areas where conventional bus services have been withdrawn. Grants will be for the establishment of new schemes or expansion to current schemes. This could potentially be funded from the BSIP or Local Transport Fund.

6. Financial implications

- 6.1 From April 2022, the budget for socially necessary bus services has been reduced from £6m to £3.8m. Not withdrawing service/and funding from other sources, to the value of £3m, would see the budget overspent.
- 6.2 As noted, in retaining the Kent Karriers, these will be funded from external sources.
- 6.3 KCC has been provisionally awarded £35m funding from the Government to support delivery of Kent's Bus Service Improvement Plan (BSIP). The BSIP funding conditions preclude us from using the revenue funding element to support existing commercial / supported services, its focus is on future developments. However, we will review the potential to use BSIP funding to provide areas, which have seen service withdrawals, with new services, tailored to the changed travel market and which would be sustainable.
- 6.4 A condition of the BSIP funding is to "lock in" spend on bus services at 2022/23 levels for three years and so the decision in this instance will inform funding levels over this period.

7. Legal implications

- 7.1 The proposal, consultation process and EqlA have been reviewed by an external legal firm.

- 7.2 KCC's Public Transport and the Cabinet Member for Highways and Transport have paid close consideration to consultation feedback and the equalities implications of the proposals, including how the adverse impacts might be mitigated. As a result, the proposals have been revised to lessen the impact.
- 7.3 In considering the consultation, updating the EqIA and revising the proposal, the advice of the legal representative has been followed.
- 7.4 In particular, section of 63 of the Transport Act 1985 that requires that Local Transport Authorities are required "*to secure the provision of such public passenger transport services as the council considers it appropriate to secure to meet any public transport requirements within the county which would not in their view be met apart from any action taken by them for that purpose*". To ensure KCC complies with this requirement, the proposals have been revised to retain the Kent Karrier services and service 208, where it was shown a commercial alternative was not appropriate.
- 7.5 As set out in 5.8, KCC Public Transport will continue to work with the Community Transport sector in Kent, to provide additional / alternative services supporting conventional bus services.
- 7.6 Services carrying children with a statutory entitlement to free transport to school under the Education Act are unaffected by these proposals, as where required alternative provision will be provided through dedicated contracted provision not open to the public.

8. Equalities implications

- 8.1 An Equalities Impact Assessment (EqIA) was completed prior to the consultation which identified more significant and adverse impacts for users with the protected characteristics of; Age (the elderly), Sex (females), Disability and those with carer responsibilities.
- 8.2 The outcomes of the consultation re-enforced this understanding in identifying that these groups are more likely to be reliant on these services for their journey purpose and less likely to have access to alternative transport solutions. In addition, Age in respect of Younger Persons has also been identified as being more adversely impacted for the same reason and notably that these users are unable to legally drive as an alternative.
- 8.3 The retention of the Kent Karrier dial-a-ride services seek to mitigate the most acute impacts of service withdrawals and ensure some level of provision for all residents including those from protected groups.
- 8.4 As set out in 5.8, KCC Public Transport will continue to work with the Community Transport sector in Kent, to provide additional/alternative services supporting conventional bus service.

9. Other corporate implications

- 9.1 None.

10. Timetable

10.1 The proposed timetable for this proposal is;

- End July 2022 Contractual notice to be given to bus operators
- End Oct 2022 Services stop

11. Recommendation(s):

11.1 The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Highways and Transport on the proposed decision to withdraw funding support from 38 supported bus services as shown at Appendix A.

12. Background documents

- Appendix A – Proposed Record of Decision
- Appendix B - Bus Funding Consultation Report:
<https://democracy.kent.gov.uk/documents/s112583/AppendixBBusFundingConsultationReport.pdf>
- Appendix C – Full list of services consulted on for withdrawal
- Appendix D – Updated Equality Impact Assessment

13. Contact details

Report Author: Phil Lightowler Interim Director of Highways and Transportation	Relevant Director: Simon Jones, Director of Highways Transportation and Waste
Telephone number: 03000 414073 Email: philip.ligtowler@kent.gov.uk	Telephone number: 03000 413479 Email: simon.jones@kent.gov.uk

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Summary of services proposed to be withdrawn

Timetables for the journeys that are affected, and a full list of all subsidised services are available from the consultation webpage or on request.

Service No.	Operator	Route	Summary of contract / service and impact of withdrawing subsidy	Estimated saving
5	Arriva	Maidstone to Sandhurst	Withdrawal of Monday to Saturday evening service between Maidstone and Sandhurst. The 18:44 from Sandhurst and all later journeys would be cancelled. Day time services are not covered by this contract.	£59,601
6	Arriva	East Peckham to Tunbridge Wells	This contract provides for the diversion of the Sunday 6 service through Pembury, the remainder of the service operates on a commercial basis.	£11,700
6/645	Stagecoach	Herne and Broomfield in to Hillborough School	The 08:19 journey from Herne to Hillborough School via Broomfield and the return journey in the afternoon would be withdrawn.	£27,659
8	Chalkwell	Sittingbourne to Kenilworth Court / Conyer	Withdrawal of six off peak journeys, Monday to Friday operating between Sittingbourne, Borden, Kenilworth Court, Bapchild and Teynham plus the 15:20 from Sittingbourne Community College to Teynham.	£313,698
9	Chalkwell	Sittingbourne Town service	Withdrawal of the whole service, which operates on Mondays to Saturdays for Kenilworth Court, Bell Road and Northwood Avenue.	Included above

343/344/345	Chalkwell	Newnham, Doddington, Lynsted, Teynham, Bapchild and Conyer to Sittingbourne	Withdrawal of all three services in their entirety. The service operates Monday to Saturday providing the only public transport for rural parts of Sittingbourne including journeys for schoolchildren.	Included above
13	Nu-Venture	Hollingbourne to Maidstone	Withdrawal of the current Saturday service operating between Hollingbourne and Park Wood (for connections to Maidstone) via Leeds and Langley. Monday to Friday service continues unchanged.	£25,391
17	Stagecoach	Folkestone to Canterbury	Withdrawal of four journeys operating Monday to Saturday evening between Folkestone and Canterbury starting with the 19:40 from Folkestone. Daytime services not covered by this contract.	£46,613
24	Autocar	Sandhurst to Maidstone	Withdrawal of Tuesday only 09:30 journey from Sandhurst to Maidstone and the return journey at 13:20 from Maidstone.	£15,469
58	Nu-Venture	Addington, Ryarsh, Trottiscliffe, Birling to Maidstone (Mondays to Saturdays)	Withdrawal of the whole Monday to Saturday service which provides the only public transport for villages to the west of West Malling, including journeys for schoolchildren.	£84,915
59	Nu-Venture	Grafty Green, Ulcombe, Kingswood, Chart Sutton to Maidstone	Withdrawal of the whole service which operates Monday to Saturday between Grafty Green and Park Wood (for connections to Maidstone). Service 89 School journeys from the same area are not covered by this contract.	£126,000

61/61A	Stagecoach	Aycliffe, Dover Town Centre, River to Whitfield	Withdrawal of three Monday to Saturday evening journeys starting with the 18:18 from Whitfield. Daytime service not included as part of this contract.	£33,477
70	Nu-Venture	Borough Green, Platt, Offham to Larkfield	Withdrawal of all journeys on service 70 which provides eight off peak journeys for Borough Green, Platt and Offham.	£61,851
502	Nu-Venture	West Malling to Wrotham School	Withdrawal of the 502 service from West Malling to Wrotham School.	Included above
88	Nu-Venture	Maidstone to Kings Hill	Withdrawal of the commuter service operating Monday to Friday from Maidstone to Kings Hill via Barming and Watlingbury providing one journey in the morning and two journeys in the afternoon.	£30,444
90/61/61A	Stagecoach	Aycliffe, Dover Town Centre, River to Whitfield	Withdrawal of Sunday evening service including the 18:28 journey from Aycliffe and all later journeys. The rest of this service before this time and other days of the week is not covered by this contract.	£10,296
111	Stagecoach	Ashford to Folkestone	Withdrawal of Thursday only service also operating via Mersham, Aldington, Lympne, West Hythe and Burmarsh.	£13,007
123	Stagecoach	Biddenden to Ashford	Withdrawal of the whole service operating Monday to Friday to Ashford from Smarden, Pluckley, Egerton and Hothfield, including journeys to and from Ashford schools.	£85,627
222	Autocar	Wrotham, Ightham, Borough	Withdrawal of four journeys Monday to Friday and all	£40,500

		Green, Shipbourne to Tonbridge	Saturday journeys. Other Monday to Friday journeys, including those at school times will continue.	
255	Autocar	Benenden to Tunbridge Wells	Withdrawal of three day a week (Wednesday, Friday and Saturday) service between Benenden and Tunbridge Wells via Hawkhurst, Flimwell and Lamberhurst.	£23,034
266	Autocar	Kilndown to Maidstone	Withdrawal of Tuesday only service between Kilndown and Maidstone via Horsemonden, Claygate, Laddingford and Nettlestead.	£11,115
277	Arriva	Henwood Green to Tunbridge Wells	Withdrawal of one early morning journey operating Monday to Friday leaving Stone Court Lane at 06:37.	£6,281
292/299	Autocar	Tenterden to Sandhurst and Tonbridge to Tenterden	Withdrawal of the 292 Tenterden to Sandhurst and 299 Tonbridge to Tenterden services which provide one return journey each operating on Fridays only.	£14,498
293	Autocar	Tunbridge Wells to Rye	Withdrawal of Thursday only bus service to Rye operating via; Lamberhurst, Kilndown, Flimwell, Hawkhurst, Benenden, Rolvenden and Appledore.	£15,498
296	Autocar	Paddock Wood to Tunbridge Wells	Withdrawal of the 296 service which operates on Monday, Thursday and Saturday between Paddock Wood and Tunbridge Wells via Horsmonden, Brenchley and Kippings Cross.	£25,720
332	Chalkwell	Stockbury, Yelsted to Sittingbourne schools	Withdrawal of school day only service to Sittingbourne schools.	£43,055

360	Chalkwell	Leysdown to Sheerness and Queenborough	Withdrawal of the whole Sunday service operating between Leysdown and Sheerness. The Monday to Saturday service is not covered by this contract.	£31,779
433	Arriva	Bluewater, Longfield, Hartley to New Ash Green	Withdrawal of the whole Sunday service. The Monday to Saturday service is not covered by this contract.	£34,005
489	Arriva	New Ash Green, Southfleet, Longfield, Gravesend	Withdrawal of the whole Sunday service. The Monday to Saturday service is not covered by this contract.	Included above
474/5	Go Coach	Bluewater to Longfield	Withdrawal of the whole service which runs Monday to Saturday, operating a circular service between Bluewater and Longfield via Bean, Betsham, Southfleet and New Barn.	£114,847
541/542/544	Regent's Coaches	Dover, Deal, Sandwich to Canterbury	Withdrawal of all 541, 542 and 544 journeys which operate on different days from Monday to Saturday for these rural parts of Dover. This includes the cancellation of the 541 journey to Adisham Primary School.	£81,270

662	Chalkwell	Teynham to Faversham schools	Withdrawal of school day only service.	£62,069
664	Chalkwell	Conyer to Lynstead Primary School	Withdrawal of school day only service.	Included above
666	Chalkwell	Faversham to Sheldwich School	Withdrawal of school day only service.	Included above

634	Regents Coaches	Studd Hill to Beltinge	Withdrawal of shopper service which operates between Studd Hill and Beltinge on a Thursday only.	£14,281
954	Regents Coaches	Birchington to Sandwich schools	Withdrawal of school day only service.	£47,500
Detling Shopper	Compaid	Detling to Maidstone	Withdrawal of Monday to Friday shopper bus from Detling Village to Maidstone.	£37,469
E1	Go Coach	Edenbridge Town Service	Withdrawal of the whole Monday to Friday circular service around Edenbridge.	£141,363
HC3	Clarks Minibuses	Dunton Green to Hugh Christie	Withdrawal of school day only service.	£43,700
HS7/HS8	Chalkwell	Charing to Homewood School	Withdrawal of school services from Charing, Pluckley, Smarden and Biddenden into Homewood School.	£121,450

Sandwich Connect	Britannia	Staple, Sandwich, Northbourne	Withdrawal of the Sandwich Connect service which operates Monday to Friday to Sandwich from Northbourne, Staple and Ash.	£51,657
Tenterden Hopper Service	Tenterden Social Hub	Tenterden Village service	Withdrawal of the Tenterden Hopper Service which operates Monday to Friday and on four different routes to various villages just outside of Tenterden.	£50,934

TW9	Go Coach	Langton Green to Tunbridge Wells	Withdrawal of school day only service.	£38,170
X1/X2	Arriva	Kings Hill to Maidstone	Withdrawal of the whole Monday to Friday service linking Kings Hill with Maidstone and West Malling Station including an express link for students attending Maidstone schools.	£207,721
Total				£2,203,664

EQIA Submission – ID Number

Section A

EQIA Title	Kent County Council Bus Service Funding Reduction 2022-2023
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Responsible Officer	Steven Benjamin - GT TRA
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Type of Activity

Service Change	No
Service Redesign	No
Project/Programme	No
Commissioning/Procurement	No
Strategy/Policy	No
Details of other Service Activity	Reduction of funding of £2.2m for supported local bus services and withdrawal of journeys impacting 52 bus services (48 contracts)

Accountability and Responsibility

Directorate	Growth Environment and Transport
Responsible Service	Highways and Transportation (Public Transport Department)
Responsible Head of Service	Philip Lightowler - GT TRA
Responsible Director	Philip Lightowler - GT TRA

Aims and Objectives

Context

Bus services in Kent fall into two categories:

- commercially (profit-making) operated services
- subsidised (part-Kent County Council funded) services which includes our Kent Karrier (Dial-a-Ride) services.

Since bus privatisation in 1985, operators in Kent run routes on a commercial basis, where there are enough passengers to fund the service. Around 90% of journeys in Kent run in this way – with around 40 operators providing over 500 services – without any funding from Kent County Council (KCC). On these services, we have no say over routes, timetables, or fares.

But not all of Kent's bus services are run on a purely commercial basis. For the last 30 years, KCC has funded some routes which, while not cost effective (commercially viable), have been considered important to the needs of the communities and passengers they serve.

KCC currently spends about £6m per year to contract services which are not profitable for transport companies but which the Council thinks are important. These are often the services running in more rural areas, in the evenings and at weekends and includes our Kent Karrier (Dial-a-Ride) services and the Gravesend to Tilbury Ferry.

We have worked hard to protect this funding, but the financial pressures placed on KCC's budget mean that the Council faces an intensely challenging period ahead, where tough decisions will need to be taken. The impact of this does unfortunately mean that the Council is having to consider savings measures across a whole range of services.

Aims and Objectives

To meet the financial challenge being posed by this year's budget, KCC's Public Transport team has been asked to reduce planned spending on this funding by £2.2m from 2022/23. To achieve this reduction, we would need to end 48 contracts with a total value of £3m which would affect around 52 supported bus services from Summer 2022.

The Council is committed to doing so in the fairest way possible taking account of all legislation and its own criteria for the support of public bus services that governs activity in this area. Around 52 contracts / services are likely to be affected subject to the outcome of the consultation and these have been included as an appendix A and B to this EqIA.

This Equality Impact Assessment (EQIA) assesses the impact and considers the implications of this funding reduction for current passengers, particularly those who are part of a protected group within the Equality Act. Information on each service/contract identified will be included in an appendix to this EqIA along with individual assessments of the impact that may result from withdrawal of each contract/service.

The EQIA will be updated on an ongoing basis during and following completion of public consultation and more detailed analysis at individual service level of the implications for all bus passengers but particularly those protected under EQIA legislation.

Section B – Evidence

Do you have data related to the protected groups of the people impacted by this activity?	Yes
It is possible to get the data in a timely and cost effective way?	Yes
Is there national evidence/data that you can use?	Yes
Have you consulted with stakeholders?	Yes
Who have you involved, consulted and engaged with?	
<ul style="list-style-type: none"> • Bus operators • Bus Users and Kent Karrier members • Parish Councils • Neighbouring local authorities & MPs • Schools and Student Groups • Specialist Groups (Aged UK, Kent Association for the Blind, Mobility and Access Groups etc.) • Passenger Groups (Bus Users UK, Passenger Focus etc) • Wider Public (through full public consultation) • KCC elected members 	
Has there been a previous Equality Analysis (EQIA) in the last 3 years?	No
Do you have evidence that can help you understand the potential impact of your activity?	Yes

Section C – Impact

Who may be impacted by the activity?

Service Users/clients	Service users/clients
Staff	No

Residents/Communities/Citizens	Residents/communities/citizens
Are there any positive impacts for all or any of the protected groups as a result of the activity that you are doing?	No
Details of Positive Impacts	
Not Applicable	
Negative impacts and Mitigating Actions	
19.Negative Impacts and Mitigating actions for Age	
Are there negative impacts for age?	Yes
Details of negative impacts for Age	
<p>Initial Assessment:</p> <p>Greater reliance on bus services due to availability of other transport modes heightens the impact of any service withdrawal or reduction on this user group.</p> <p>However, the precise extent of this impact will remain unknown until completion of a full public consultation, detailed service analysis and identification of any mitigation measures and approval of final decisions.</p> <p>Update post consultation:</p> <p>The updated EQIA cannot record every relevant issue raised in the consultation but takes a general view on impacts to protected groups. The consultation as a whole has been carefully considered and the main themes recorded.</p> <p>The consultation highlighted that most respondents fell into the 65+ category (41%). While in contrast a much lower proportion fell in to the under 34's (9%) and the 35–64 year olds (26%).</p> <p>Overall, the consultation attracted a greater response from more senior age groups suggesting that these proposals will have a greater impact on the elderly. 29% of over 65's suggested they would have no alternative means of travel, while the main impacts were access to essential food shopping (78%) and access to medical services (65%).</p> <p>It is worth noting that a high percentage (40%) of Kent Karrier members, who may be eligible for the service based on age, indicated that the Kent Karrier was a lifeline, with 19% indicating that they would be unable to go anywhere and would lose their independence.</p> <p>It is acknowledged that there needs to be a more balance consideration with respect to Age and that the withdrawal of these services will also impact other age groups. For instance, young people who fall into the under 15 category are unable to drive and are dependent on parents/guardians who may work or are not able to provide alternative transport. We should clarify that this is not restricted to under 15's and that young people aged 16 and above will also be less likely to drive or have access to a car. It was noted in the consultation responses that as children reach the age of independence the withdrawal of services will impact on their ability to participate in wider society independently.</p> <p>The vast majority of respondents in the 0-15 year old category (87%) said that they could not access education and the majority of respondents in the 35 – 49 year category (70%) also said this would impact on their children's ability to get to school. Overall, 52% of respondents use these services to get to a place of education.</p> <p>It is important to recognise that there is also an impact on the 35-49 year old category in this regard as</p>	

there may be an impact on their ability to work or look for work or means that they have to pay for more costly transport provision for their children.

Looking at responses of those commenting on the Equality Impact Assessment 38% believed it disproportionately impacted the elderly while 25% believed it disproportionately impacted children/young people and those accessing education. We therefore conclude that while impacts vary across all age groups these two age groups will in particular likely be more adversely impacted by these proposals and that the effects of not being able to access transport and or lack of an alternative may be more acutely felt by the elderly and children than for other groups.

Mitigating Actions for Age

Initial Assessment:

Approach identified will seek to work with community transport providers to develop local schemes.

Implementation of Kent Bus Service Improvement Plan (subject to funding from Government) giving particularly priority to developing the network to fill any gaps or areas left unserved and to recovery post pandemic.

Utilising Local Transport Fund over the next 6 months to help support and develop the network to achieve a sustainable post covid level of service.

Update post consultation:

In order to respond to the financial pressure and meet the current 2022/23 budget gap the Public Transport Department has had to identify a range of cost saving measures focused on discretionary spend areas. Consultees suggested reducing spend in other areas, however these savings have not solely or disproportionately focused on the Local Bus Budget or the Public Transport Department but have also included other areas for example reducing spend on the Kent Travel Saver Bus Pass and more widely savings are also being sought from other areas and budgets across the Council as part of this year's financial settlement.

Consultees suggested making reductions in frequency and scale backs rather than withdrawing services outright. However, the nature of services that are provided on a subsidised basis mean that often it is not possible to scale back provision or provide a reduced timetable where for example we may only provide funding for a single vehicle paid for at a daily or annual rate. In recent years the Council has been able to realise and meet smaller scale reductions to the budget through service redesign and working with operators to push some services commercial, however the opportunities for this and the size of the saving as well as the current climate within the industry has meant these opportunities are limited.

The following provides further detail on mitigating actions identified as part of the initial assessment in addition to any further actions we propose to take to address impacts that may resulting from withdrawal of the identified services.

1.) KCC's Community Transport Grant enables communities in Kent to develop their own community transport schemes. KCC allocates funding for this each year and each year KCC invites bids from community groups and provides grants to organisations whose goals and purpose align with our strategic aims and priorities. This means that any award could take into consideration gaps in the network resulting from these service withdrawals.

Grants are awarded for wide ranging projects from booking software systems and new office equipment to vehicles or retro fitting vehicles with accessible ramps etc. KCC provides a Toolkit to guide organisations through this process and while we do not get directly involved with the running of the schemes, the Council does offer its expertise in helping to facilitate and enable organisations to run these schemes by themselves. The team who look after this area are also looking to increase this funding in this area over the next few years as part of Kent's Bus Service Improvement Plan (BSIP) giving a greater ability to mitigate against any service withdrawals.

2.) The Department for Transport (DFT) has provided an indicative settlement of £35.1 million towards our Bus Service Improvement Plan (BSIP), which the Council is in the process of confirming. This funding comes with a set of requirements and caveats stipulating that it cannot be put towards maintaining existing services; however, a small portion of this funding can be used to provide new services to help fill gaps in the network.

£7.5m may be available for this purpose up to March 2025 and KCC will consider means of using this funding to fill gaps in the network. This could be used to fill gaps in the network by introducing new services. A network review is currently being carried out as part of the Local Transport Fund to understand where funding can be targeted as part of a re based network post October 2022 and will inform any year 1 initiatives as part of the Bus Service Improvement Plan (BSIP). KCC are also looking to procure a network planning tool to inform further enhancements to the network for years 2 and 3 initiatives. This could focus on areas impacted by both commercial and subsidised bus withdrawals

3.) The Council has received just over £1.5m as part of the Local Transport Fund which will be used to support the network over the next 6 months as the Council works with operators to develop a based and sustainable network post covid. This will take account of gaps left in the network and the Council will be working with operators through its county wide network review to identify opportunities where adaptations to the network can be made.

4.) In consideration of the consultation response and the impacts identified on protected groups, the Council will consider retaining its Kent Karrier services, where we see a particular impact given the criteria for joining the scheme includes age and disability. The consultation shows that these services were particularly important to the elderly and disabled with 40% of respondents saying they were a lifeline.

Retention of the Kent Karrier services will also mitigate against impacts of this protected group resulting from withdrawal of other services as it will ensure that no resident of Kent is left entirely without a public transport option or is left isolated. The Kent Karrier Dial a Ride scheme is open to anyone who is more than 500m from their nearest service and as such any area that has lost a service would have the Kent Karrier as an alternative to access essential amenities.

5.) The EQIA notes that some groups maybe at a disadvantage when accessing information as such the measures below were carried out to make sure the consultation was accessible to all.

Hard copies available in Libraries, Gateways on request and posted to Kent Karrier members

Easy Read and Large Print versions

KCC's Community Warden service asked to engage on behalf of the service with their communities, raising awareness and supporting participation (hard copies provided)

Letters or emails providing feedback analysed and considered alongside the questionnaire responses

Freepost address for hard copy returns

Phone numbers and email addresses for queries and requests for hard copies and alternative formats on consultation and promotional material

Mix of comms activity carried out to ensure that individuals who do not have access to online channels would hear about the consultation and be able to take part (see summary of activity below).

Promotional activities included:

Letter to Kent Karrier members with hard copy of doc and questionnaire

Emails to Kent Travel Saver and English National Concessionary Travel Scheme passholders and stakeholder list (including Kent MPs, Healthwatch Kent and equality organisations)

Media release – coverage included Cabinet Member interviews on BBC Politics Southeast programme and BBC Radio Kent (at start and towards end of consultation), KentOnline, Kent Live and KM newspapers

KM newspaper adverts – 10 appearances between 9 and 10 March and 23 and 24 March

Posters displayed on buses/stations

Postcards and posters displayed in libraries and gateways and a feature on library computer welcome screens

Invite sent to 5,759 Let's talk Kent registered users who have expressed an interest in transport and roads and general interest

Organic social media posts on KCC Facebook, Twitter, and Nextdoor accounts and two weeks of paid Facebook adverts

Promoted on Kent.gov homepage and service pages and through KNet and KMail

Briefing provided to all KCC Members and promotional material left in pigeonholes.

Articles in KCC e-residents' newsletter, Kelsi Schools e-bulletin and KALC newsletter

Responsible Officer for Mitigating Actions – Age	Steve Pay, Public Transport Planning and Operations Manager
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20. Negative impacts and Mitigating actions for Disability

Are there negative impacts for Disability?	Yes
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Details of Negative Impacts for Disability

Initial Assessment:

Greater reliance on bus services due to availability of other transport modes heightens the impact of any service withdrawal or reduction on this user group.

Access to information about the consultation and any subsequent service changes which could be compromised by disability, most notably visual impairment.

However, the precise extent of this impact will remain unknown until completion of a full public consultation, detailed service analysis and identification of any mitigation measures and approval of final

decisions.

Update post consultation:

The updated EQIA cannot record every relevant issue raised in the consultation but takes a general view on impacts to protected groups. The consultation as a whole has been carefully considered and the main themes recorded.

18% of respondents to the consultation indicated that they have a disability. 44% of respondents did not consider themselves to have a disability and 38% preferred not to say. Further analysis suggested that this spanned all age groups.

Of those who indicated they had a disability, 37% indicated that their service was a lifeline, and they would not be able to survive without it, with 24% saying they did not have access to a car/train or it was too far to walk. The main impacts being access to shops for food/banks/post offices (36%) and access to health care (27%). The consultation indicated that these impacts were of greater concern to those with a disability.

A higher proportion of users of the Kent Karrier service than other services are disabled, which is to be expected because one of the criteria for membership is disability. Removal of the Kent Karrier service would therefore likely have a particularly significant impact on disabled people as compared to other services. The main impacts of access to shops for food, banks and post offices was much higher (39%) than non-Kent Karrier users. This is to be expected given the nature of the Kent Karrier service which membership criteria focuses on the elderly and disabled.

The above reinforces our initial assessment that those with a disability will be impacted by these proposals with a particularly high percentage indicating it was a lifeline and that they would not be able to survive without it compared to other groups. We therefore conclude that this group will likely be more adversely impacted by these proposals and that the effects of not being able to access transport and or lack of an alternative may be more acutely felt by the disabled than for other groups

Mitigating actions for Disability

Initial Assessment:

Approach identified will seek to work with community transport providers to develop local schemes.

Implementation of Kent Bus Service Improvement Plan (subject to funding from Government) giving particularly priority to developing the network to fill any gaps or areas left unserved and to recovery post pandemic.

Utilising Local Transport Fund over the next 6 months to help support and develop the network to achieve a sustainable post covid level of service.

Update post consultation:

In order to respond to the financial pressure and meet the current 2022/23 budget gap the Public Transport Department has had to identify a range of cost saving measures focused on discretionary spend areas. Consultees suggested reducing spend in other areas, however these savings have not solely or disproportionately focused on the Local Bus Budget or the Public Transport Department but have also included other areas for example reducing spend on the Kent Travel Saver Bus Pass and more widely savings are also being sought from other areas and budgets across the Council as part of this year's financial

settlement.

Consultees suggested making reductions in frequency and scale backs rather than withdrawing services outright. However, the nature of services that are provided on a subsidised basis mean that often it is not possible to scale back provision or provide a reduced timetable where for example we may only provide funding for a single vehicle paid for at a daily or annual rate. In recent years the Council has been able to realise and meet smaller scale reductions to the budget through service redesign and working with operators to push some services commercial, however the opportunities for this and the size of the saving as well as the current climate within the industry has meant these opportunities are limited.

The following provides further detail on mitigating actions identified as part of the initial assessment in addition to any further actions we propose to take to address impacts that may resulting from withdrawal of the identified services.

1.) KCC's Community Transport Grant enables communities in Kent to develop their own community transport schemes. KCC allocates funding for this each year and each year KCC invites bids from community groups and provides grants to organisations whose goals and purpose align with our strategic aims and priorities. This means that any award could take into consideration gaps in the network resulting from these service withdrawals.

Grants are awarded for wide ranging projects from booking software systems and new office equipment to vehicles or retro fitting vehicles with accessible ramps etc. KCC provides a Toolkit to guide organisations through this process and while we do not get directly involved with the running of the schemes, the Council does offer its expertise in helping to facilitate and enable organisations to run these schemes by themselves. The team who look after this area are also looking to increase this funding in this area over the next few years as part of Kent's Bus Service Improvement Plan (BSIP) giving a greater ability to mitigate against any service withdrawals.

2.) The Department for Transport (DFT) has provided an indicative settlement of £35.1 million towards our Bus Service Improvement Plan (BSIP), which the Council is in the process of confirming. This funding comes with a set of requirements and caveats stipulating that it cannot be put towards maintaining existing services; however, a small portion of this funding can be used to provide new services to help fill gaps in the network.

£7.5m may be available for this purpose up to March 2025 and KCC will consider means of using this funding to fill gaps in the network. This could be used to fill gaps in the network by introducing new services. A network review is currently being carried out as part of the Local Transport Fund to understand where funding can be targeted as part of a re based network post October 2022 and will inform any year 1 initiatives as part of the Bus Service Improvement Plan (BSIP). KCC are also looking to procure a network planning toll to inform further enhancements to the network for years 2 and 3 initiatives. This could focus on areas impacted by both commercial and subsidised bus withdrawals

3.) The Council has received just over £1.5m as part of the Local Transport Fund which will be used to support the network over the next 6 months as the Council works with operators to develop are based and sustainable network post covid. This will take account of gaps left in the network and the Council will be working with operators through its county wide network review to identify opportunities were adaptations to the network can be made.

4.) In consideration of the consultation response and the impacts identified on protected groups, the Council will consider retaining its Kent Karrier services, where we see a particular impact given the criteria for joining the scheme includes age and disability. The consultation shows that these services were particularly important to the elderly and disabled with 40% of respondents saying they were a lifeline.

Retention of the Kent Karrier services will also mitigate against impacts of this protected group resulting from withdrawal of other services as it will ensure that no resident of Kent is left entirely without a public transport option or is left isolated. The Kent Karrier Dial a Ride scheme is open to anyone who is more than 500m from their nearest service and as such any area that has lost a service would have the Kent Karrier as an alternative to access essential amenities.

5.) The EQIA notes that some groups maybe at a disadvantage when accessing information as such the measures below were carried out to make sure the consultation was accessible to all.

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Responsible Officer for Disability	Steve Pay, Public Transport Planning and Operations Manager
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21. Negative Impacts and Mitigating actions for Sex

Are there negative impacts for Sex	Yes
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Details of negative impacts for Sex

Initial Assessment:

Greater barriers to the use of alternative transport solutions heightens the impact of any service withdrawal or reduction on this user group.

However, the precise extent of this impact will remain unknown until completion of a full public consultation, detailed service analysis and identification of any mitigation measures and approval of final decisions.

Update post consultation:

The updated EQIA cannot record every relevant issue raised in the consultation but takes a general view on impacts to protected groups. The consultation as a whole has been carefully considered and the main themes recorded.

The consultation received a greater response from females (45%) to Males (20%) although 35% preferred not to say.

When looking at responses of those commenting on the Equality Impact Assessment 5% believed it disproportionately impacted women and mothers. It is noted that there is a certain amount of interplay between sex and maternity with specific references in the consultation to parents with babies and that this is more likely to be women.

Given the profile of responses to the consultation, it should be concluded that the impact of these proposals will be felt more acutely by females, as such this confirms our original assessment that there would be an impact on this group specifically women.

Mitigating actions for Sex

Initial Assessment:

Approach identified will seek to work with community transport providers to develop local schemes.

Implementation of Kent Bus Service Improvement Plan (subject to funding from Government) giving particularly priority to developing the network to fill any gaps or areas left unserved and to recovery post pandemic.

Utilising Local Transport Fund over the next 6 months to help support and develop the network to achieve a sustainable post covid level of service.

Update post consultation:

In order to respond to the financial pressure and meet the current 2022/23 budget gap the Public Transport

Department has had to identify a range of cost saving measures focused on discretionary spend areas. Consultees suggested reducing spend in other areas, however these savings have not solely or disproportionately focused on the Local Bus Budget or the Public Transport Department but have also included other areas for example reducing spend on the Kent Travel Saver Bus Pass and more widely savings are also being sought from other areas and budgets across the Council as part of this year's financial settlement.

Consultees suggested making reductions in frequency and scale backs rather than withdrawing services outright. However, the nature of services that are provided on a subsidised basis mean that often it is not possible to scale back provision or provide a reduced timetable where for example we may only provide funding for a single vehicle paid for at a daily or annual rate. In recent years the Council has been able to realise and meet smaller scale reductions to the budget through service redesign and working with operators to push some services commercial, however the opportunities for this and the size of the saving as well as the current climate within the industry has meant these opportunities are limited.

The following provides further detail on mitigating actions identified as part of the initial assessment in addition to any further actions we propose to take to address impacts that may resulting from withdrawal of the identified services.

1.) KCC's Community Transport Grant enables communities in Kent to develop their own community transport schemes. KCC allocates funding for this each year and each year KCC invites bids from community groups and provides grants to organisations whose goals and purpose align with our strategic aims and priorities. This means that any award could take into consideration gaps in the network resulting from these service withdrawals.

Grants are awarded for wide ranging projects from booking software systems and new office equipment to vehicles or retro fitting vehicles with accessible ramps etc. KCC provides a Toolkit to guide organisations through this process and while we do not get directly involved with the running of the schemes, the Council does offer its expertise in helping to facilitate and enable organisations to run these schemes by themselves. The team who look after this area are also looking to increase this funding in this area over the next few years as part of Kent's Bus Service Improvement Plan (BSIP) giving a greater ability to mitigate against any service withdrawals.

2.) The Department for Transport (DFT) has provided an indicative settlement of £35.1 million towards our Bus Service Improvement Plan (BSIP), which the Council is in the process of confirming. This funding comes with a set of requirements and caveats stipulating that it cannot be put towards maintaining existing services; however, a small portion of this funding can be used to provide new services to help fill gaps in the network.

£7.5m may be available for this purpose up to March 2025 and KCC will consider means of using this funding to fill gaps in the network. This could be used to fill gaps in the network by introducing new services. A network review is currently being carried out as part of the Local Transport Fund to understand where funding can be targeted as part of a re based network post October 2022 and will inform any year 1 initiatives as part of the Bus Service Improvement Plan (BSIP). KCC are also looking to procure a network planning toll to inform further enhancements to the network for years 2 and 3 initiatives. This could focus on areas impacted by both commercial and subsidised bus withdrawals

3.) The Council has received just over £1.5m as part of the Local Transport Fund which will be used to support the network over the next 6 months as the Council works with operators to develop are based and sustainable network post covid. This will take account of gaps left in the network and the Council will be working with operators through its county wide network review to identify opportunities were adaptations to the network can be made.

4.) In consideration of the consultation response and the impacts identified on protected groups, the Council will consider retaining its Kent Karrier services, where we see a particular impact given the criteria for joining the scheme includes age and disability. The consultation shows that these services were particularly important to the elderly and disabled with 40% of respondents saying they were a lifeline.

Retention of the Kent Karrier services will also mitigate against impacts of this protected group resulting from withdrawal of other services as it will ensure that no resident of Kent is left entirely without a public transport option or is left isolated. The Kent Karrier Dial a Ride scheme is open to anyone who is more than 500m from their nearest service and as such any area that has lost a service would have the Kent Karrier as an alternative to access essential amenities.

5.) The EQIA notes that some groups maybe at a disadvantage when accessing information as such the measures below were carried out to make sure the consultation was accessible to all.

Hard copies available in Libraries, Gateways on request and posted to Kent Karrier members

Easy Read and Large Print versions

KCC's Community Warden service asked to engage on behalf of the service with their communities, raising awareness and supporting participation (hard copies provided)

Letters or emails providing feedback analysed and considered alongside the questionnaire responses

Freepost address for hard copy returns

Phone numbers and email addresses for queries and requests for hard copies and alternative formats on consultation and promotional material

Mix of comms activity carried out to ensure that individuals who do not have access to online channels would hear about the consultation and be able to take part (see summary of activity below).

Promotional activities included:

Letter to Kent Karrier members with hard copy of doc and questionnaire

Emails to Kent Travel Saver and English National Concessionary Travel Scheme passholders and stakeholder list (including Kent MPs, Healthwatch Kent and equality organisations)

Media release – coverage included Cabinet Member interviews on BBC Politics Southeast programme and BBC Radio Kent (at start and towards end of consultation), KentOnline, Kent Live and KM newspapers

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Briefing provided to all KCC Members and promotional material left in pigeonholes.

Articles in KCC e-residents' newsletter, Kelsi Schools e-bulletin and KALC newsletter

Responsible Officer for Sex	Steve Pay, Public Transport Planning and Operations Manager
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22. Negative Impacts and Mitigating actions for Gender identity/transgender

Are there negative impacts for Gender identity/transgender	No
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Negative impacts for Gender identity/transgender

Not Applicable

Mitigating actions for Gender identity/transgender

Not Applicable

Responsible Officer for mitigating actions for Gender identity/transgender	Not Applicable
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23. Negative impacts and Mitigating actions for Race

Are there negative impacts for Race	No
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Negative impacts for Race

Not Applicable

Mitigating actions for Race

Not Applicable

Responsible Officer for mitigating actions for Race	Not Applicable
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24. Negative impacts and Mitigating actions for Religion and belief

Are there negative impacts for Religion and belief	No
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Negative impacts for Religion and belief

Not Applicable

Mitigating actions for Religion and belief

Not Applicable

Responsible Officer for mitigating actions for Religion and Belief	Not Applicable
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25. Negative impacts and Mitigating actions for Sexual Orientation

Are there negative impacts for Sexual Orientation	No
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Negative impacts for Sexual Orientation

Not Applicable

Mitigating actions for Sexual Orientation

Not Applicable

Responsible Officer for mitigating actions for Sexual Orientation	Not Applicable
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26. Negative impacts and Mitigating actions for Pregnancy and Maternity

Are there negative impacts for Pregnancy and Maternity	No
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Negative impacts for Pregnancy and Maternity

Update Post Consultation:

Consultation responses note that there may be an interaction between sex and maternity. This has been dealt with above under Sex.

Mitigating actions for Pregnancy and Maternity

Not Applicable

Responsible Officer for mitigating actions for Pregnancy and Maternity	Not Applicable
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27. Negative impacts and Mitigating actions for Marriage and Civil Partnerships

Are there negative impacts for Marriage and Civil Partnerships	No
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Negative impacts for Marriage and Civil Partnerships

Not Applicable

Mitigating actions for Marriage and Civil Partnerships

Not Applicable

Responsible Officer for Marriage and Civil Partnerships	Not Applicable
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28. Negative impacts and Mitigating actions for Carer's responsibilities

Are there negative impacts for Carer's responsibilities	Yes
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Negative impacts for Carer's responsibilities

Initial Assessment:

Greater reliance on bus services due to availability of alternatives heightens the impact of any service withdrawal or reduction on this user group.

However, the precise extent of this impact will remain unknown until completion of a full public consultation, detailed service analysis and identification of any mitigation measures and approval of final decisions.

Update post consultation:

The updated EQIA cannot record every relevant issue raised in the consultation but takes a general view on impacts to protected groups. The consultation as a whole has been carefully considered and the main themes recorded.

The consultation identified that 10% of those responding considered identified as carers. While 53% were not and 37% preferred not to say. However, 24% of consultees indicated that they used one or more of these services to care for a friend or relative.

When looking at responses of those commenting on the Equality Impact Assessment 2% believed that these proposals disproportionately impacted on carers.

The above supports our initial assessment that carers will be impacted by these proposals.

Mitigating actions for Carer's responsibilities

Initial Assessment:

Approach identified will seek to work with community transport providers to develop local schemes.

Implementation of Kent Bus Service Improvement Plan (subject to funding from Government) giving particularly priority to developing the network to fill any gaps or areas left unserved and to recovery post pandemic.

Utilising Local Transport Fund over the next 6 months to help support and develop the network to achieve a sustainable post covid level of service.

Update post consultation:

In order to respond to the financial pressure and meet the current 2022/23 budget gap the Public Transport Department has had to identify a range of cost saving measures focused on discretionary spend areas. Consultees suggested reducing spend in other areas, however these savings have not solely or disproportionately focused on the Local Bus Budget or the Public Transport Department but have also included other areas for example reducing spend on the Kent Travel Saver Bus Pass and more widely savings are also being sought from other areas and budgets across the Council as part of this year's financial settlement.

Consultees suggested making reductions in frequency and scale backs rather than withdrawing services outright. However, the nature of services that are provided on a subsidised basis mean that often it is not possible to scale back provision or provide a reduced timetable where for example we may only provide funding for a single vehicle paid for at a daily or annual rate. In recent years the Council has been able to realise and meet smaller scale reductions to the budget through service redesign and working with operators to push some services commercial, however the opportunities for this and the size of the saving as well as the current climate within the industry has meant these opportunities are limited.

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network.

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3.) The Council has received just over £1.5m as part of the Local Transport Fund which will be used to support the network over the next 6 months as the Council works with operators to develop a based and sustainable network post covid. This will take account of gaps left in the network and the Council will be working with operators through its county wide network review to identify opportunities where adaptations to the network can be made.

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Responsible Officer for Carer's responsibilities

Steve Pay, Public Transport Planning and Operations Manager

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Decision – 22/00052 – Bus Subsidy Withdrawal

Call-in requested by Mr Rich Lehmann (Green & Independent Group) and Mr Mike Sole (Liberal Democrats)

Reasons supplied by the calling-in Members detailed below and a summary of the Call-in validity assessment by Democratic Services is appended.

Reasons submitted for call-in:

REASON 1

17.73c – The decision was not taken in accordance with the principles of decision making set out in 8.5.

8.5(a) Action proportionate to the desired outcome.

The impact these subsidy cuts will have to communities across Kent - particularly the rural communities affected, and the elderly, disabled and low-income members of those communities – is too great a cost for the savings these measures will bring. This is not necessarily apparent looking at the published decision, but becomes so when taking into account the additional costs which will be borne by the council to provide bespoke replacement services to mitigate the damage of the decision.

Replacement services includes new routes designed to fill the network gaps arising from the decision or other network changes made as a result of the decision including the BSIP mitigation funding. Maintained services, post consultation, (Kent Karrier and 208 Service) do not have clear funding arrangements and it is not made clear whether this funding could have been used for other routes, whether the funding is sustainable and what criteria have been applied to determine these routes should have been retained.

£150k cost shunt to CYPE is based on current eligibility but does not take into account potential wider impact of increased demand because of other network reductions / route loss through this decision.

REASON 2

8.5(d) A presumption in favour of openness.

When opposition councillors requested to call the decision to cut £2.2m from supported bus services from the council's budget earlier in the year, they were told that this was not possible as no decision had been made. Yet at the Environment and Transport Cabinet Committee meeting in July, Mr Brazier stated that "the £2.2m saving is immutable" and "that money is no longer in my budget and I cannot spend money that I do not have". Both statements suggest that the key decision was taken back in February, rather than in July, prior to the consultation and prior to the creation of a meaningful EqIA.

REASON 3

17.73a – The decision is not in line with the council's policy framework.

Community Strategy – Vision for Kent 2012-2022

Ambition 2 – Tackle disadvantage. And specifically, 2.3 – “Ensure there is a choice of high quality and accessible services that will tackle disadvantage”

Although the buses are a privately run service which KCC provides subsidy for, rather than a function of KCC, this decision will disproportionately impact elderly and disabled residents and those without access to private transport. This impact will be felt both directly, in the removal of people's access to transport; and indirectly, as the removal of mobility will reduce or remove resident's opportunities to access health services, and services for which KCC is directly responsible, such as schools and libraries.

REASON 4

*Ambition 3 – To put citizens in control. And specifically, 3.2 – “To encourage a more resilient society, where communities have more **influence and involvement in the shape and delivery of services** which overcomes the need for remote and one size fits all solutions from public agencies”*

Referring back to the earlier point about the saving being 'immutable' by July as that decision was made at the budget setting meeting in February. It feels, and certainly looks to residents, as though the public consultation had little chance of preventing the proposed cuts. Over 2,500 responses to the consultation and a variety of petitions with many thousands of signatories were calling for these services to be saved, but it seems that none were saveable as the budget had to be met. In addition to this, the method of 'pounds per journey' used to determine which services were considered for removal is a fairly 'one size fits all' solution. Would it not have been possible to include all of the supported bus contracts in the consultation to gauge the potential impacts of cuts to all of them? Or at least chosen a selection based on a wider set of parameters, such as the fact that cuts to bus services in rural areas with no access to other public transport options will have greater costs in terms of the disruption of communities, and greater carbon footprints for replacement journeys made by car or taxi?

REASON 5

Framing Kent's Future – page 37, point 6 – Incentivise people to choose alternative travel options to the car by prioritising the maintenance and creation of safe and accessible walking routes and cycle lanes, and providing bus priority where appropriate.

This decision will increase reliance on cars rather than reduce it.

REASON 6

Framing Kent's Future – page 37, point 8 – Work with our partners through the Kent Enhanced Bus Partnership and with Government to explore sustainable and commercially viable options for providing bus transport to meet people's needs, making the best use of Bus Service Improvement Plan funding.

As has been noted a number of times across many meetings. Although all members are aware that the BSIP funding cannot be used as a subsidy for the services we currently support, the aims of the Bus Service Improvement Plans and the Bus Back Better strategy are to provide a wide-ranging series of improvements and incentives to encourage residents to use public transport. Cutting services across the county before those incentives have been actioned means we will not be making the best use of BSIP funding.

The decision also does not make clear what consideration has been given to the impact of this decision on the wider network. It is not clear whether the decision puts other bus services at risk by removing the funding from bus operators and whether this can definitely be addressed by BSIP funding.

REASON 7

Framing Kent's Future – page 39, point 7 – Create the right conditions to ensure there is a community-based offer of activities for young people that is led by the community and meets the needs of a diverse population

The removal of bus services from rural areas will lead to many young people not being able to access any youth provision.

REASON 8

Framing Kent's Future – page 45, point 8 – Turn the curve on transport emissions and road pollution by developing approaches to road space, parking, public transport and electric vehicle infrastructure with a presumption towards more sustainable and low carbon travel modes.

This decision will increase emissions and road pollution by putting additional cars on Kent's roads. If bus services are reintroduced to any of the areas which are about to lose them entirely, it will be harder for those services to be commercially sustainable as some of the residents that currently use the services will have made alternative arrangements and created new habits which don't make use of public transport.

The full emissions and carbon impact of the decision is not explained in the paperwork, no specific mitigations are suggested and no explanation as to how this squares with the low carbon ambitions is set out.

Reason 9

In addition to the above, I am unaware as to whether one of the questions asked by Mr Baldock at the July Environment and Transport Cabinet Committee meeting has been answered. He noted that the EqlA said that the decision would not have an impact on Race and questioned whether any attempts had been made during the consultation to contact and hear from members of the Gypsy and Roma traveller community.

Democratic Services Review

Summary of Call-in assessment:

Call-in deemed valid under Reasons 1, 6 and 8 – Proportionality of decision, working with partners to explore commercially viable and sustainable options for bus transport and reducing emissions.

CALL-IN to be progressed to Scrutiny Committee consideration – all implementation postponed pending Scrutiny Committee review.