

ADULT SOCIAL CARE CABINET COMMITTEE

Thursday, 18th January, 2024

2.00 pm

**Council Chamber, Sessions House, County Hall,
Maidstone.**



AGENDA

ADULT SOCIAL CARE CABINET COMMITTEE

Thursday, 18 January 2024 at 2.00 pm
Council Chamber, Sessions House, County Hall,
Maidstone.

Ask for: **Dominic Westhoff**
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Membership (17)

Conservative (12): Mr A M Ridgers (Chairman), Mrs P T Cole, Mr N J Collor, Ms S Hamilton, Mr J Meade, Mr D Ross, Mrs L Game, Mrs L Parfitt-Reid, Mr A Kennedy and Vacancy

Labour (2): Ms J Meade and Mr A Brady

Liberal Democrat (1): Mr R G Streatfeild, MBE

Green and Independent (2): Mr S R Campkin and Jenni Hawkins

UNRESTRICTED ITEMS

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

- 1 Introduction/Webcasting Announcement
- 2 Apologies and Substitutes
- 3 Election of Vice-Chair
- 4 Declarations of Interest by Members in items on the agenda
- 5 Minutes of the meeting held on 23 November 2023 (Pages 1 - 8)
- 6 Revised Draft Revenue Budget 2024-25 and 2024-27 MTFP, Draft Capital Programme 2024-34 and Treasury Management Strategy (Pages 9 - 148)
- 7 Verbal Updates by Cabinet Member and Corporate Director
- 8 24/00002 - SS14142 Older Persons Residential and Nursing Contract Extension (Pages 149 - 178)
- 9 24/00003 - Care and Support in the Home Contract Extension (Pages 179 - 194)
- 10 24/00004 - Learning Disability, Physical Disability and Mental Health Residential Care Home Services - Contract Extension (Pages 195 - 212)

- 11 24/00005 - Supported Living - Contract Extension (Pages 213 - 230)
- 12 24/00006 - Expansion of Kent Enablement at Home Service (Pages 231 - 252)
- 13 Social Prescribing Update (Pages 253 - 286)
- 14 Decisions taken outside of committee cycle (Pages 287 - 288)
- 15 Work Programme (Pages 289 - 292)

EXEMPT ITEMS

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

Benjamin Watts
General Counsel
03000 416814

Wednesday, 10 January 2024

Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.

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KENT COUNTY COUNCIL

ADULT SOCIAL CARE CABINET COMMITTEE

MINUTES of a meeting of the Adult Social Care Cabinet Committee held at Council Chamber, Sessions House, County Hall, Maidstone. on Thursday, 23rd November, 2023.

PRESENT: Mr S R Campkin, Mrs P T Cole, Mr N J Collor, Ms S Hamilton, Ms J Meade, Mr J Meade, Mr R G Streatfeild, MBE, Mrs L Game, Jenni Hawkins, Mr D L Brazier and Mr B H Lewis

ALSO PRESENT: Mr D Watkins and Mr P Oakford

IN ATTENDANCE: Richard Smith (Corporate Director of Adult Social Care and Health), Michael Thomas-Sam (Strategic Business Adviser, Social Care), Simon Mitchell (Senior Commissioner) and Dominic Westhoff (Democratic Services Officer)

UNRESTRICTED ITEMS

160. Apologies and Substitutes
(Item. 2)

Apologies were received from Mr Ridgers, Mr Kennedy, Mr Ross and Mr Brady. Mr Lewis and Mr Brazier were in attendance as substitutes for Mr Brady and Mr Ross respectively.

161. Election of Chair
(Item.)

1. Mr Collor proposed, and Mr Meade seconded that Mrs Cole be elected to Chair the meeting. No other nominations were received.
2. RESOLVED Mrs Cole was duly elected by the committee to Chair the meeting.

162. Declarations of Interest by Members in items on the agenda
(Item. 3)

Ms Meade noted that she was a carer.

163. Minutes of the meeting held on 13 September 2023
(Item. 4)

RESOLVED that the minutes of the meeting held on 13 September 2023 were a correct record.

164. Initial Draft Budget 2024-25 and Medium Term Financial Plan 2024-27
(Item. 5)

Zena Cooke, Corporate Director Finance, and Dave Shipton, Head of Finance (Policy, Planning & Strategy) were in attendance for this item.

1. Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, Mr Oakford, provided the committee with a high-level overview of the current financial position of the Council and the process of the budget between now and March 2024. Mr Oakford noted the current deficit for this year was around £30 million with a budget gap of £20 million. The current projected overspend for Adult Social Care and Health was at £30.4 million, but the Corporate Director and other directors had identified management action to bring this number down. It was said that spending controls had been put in place with a note sent around to all employees of the Council. For next year the budget gap was at £100 million, with around £50 million of savings identified. Mr Oakford thanked Mr Smith and his staff for finding savings of £50 million which could be made over the next few years. A gap of £50 million remained which would have to be identified through savings or increased revenue by January 2024.
2. Mr Watkins made some further comments on the impact on the directorate to identify savings. He thanked the corporate director and his team for their work to find savings while maintaining and improving care for residents through the redesign of services. It was noted that solid plans were in place to deliver savings going forward.
3. Mr Richard Smith noted that it was a very difficult year and that the next few years would also be very difficult. It was said that there was a need to reduce the overall ongoing demand for Social Care services. Going forward prevention would be key and they were working closely with Public Health colleagues on this with a digital prevention offer commissioned as part of the move away from the traditional offer. The creation of community teams would support people in their communities and help prevent people from entering residential care. Mr Smith noted that they would still support those with eligible needs, and it was up to the Council how best to do this. Mr Smith thanked his team, and finance, for their work.
4. A Member asked the Cabinet Member what the section 'Adult Social Care service redesign phase 2 of the ASCH restructure' on page 59 under 'Transformation & Efficiency' savings meant for Kent residents. Mr Watkins said it relates to the shifting of care support from a county-wide offer to a community-level offer. There were now 24 community teams that enabled local expertise and it was noted that the wider service redesign includes technology and enablement. Mr Watkins said that Technology Enhanced Lives would launch this week where residents could be supported at home through technology and equipment rather than in residential care homes. Mark Albiston said this was part of the approach to reshape the front door of care with an early intervention and preventative offer as the new model for social care going forward. Mr Smith noted that it was hard to cover all the details in a summary document. Mr Smith reiterated the ongoing work to change from a traditional care model to a robust community-facing preventative offer. To do this the team were looking to implement Joint Community Teams with NHS partners to support people in the community before they reach the eligibility standard for Social Care. It was said that these teams were not in place yet but the foundations had been put in place over the past 12 months. Mr Smith noted that new models of care featured highly in Securing Kent's Future.

5. In response to the previous answers, a Member raised a concern that not enough information or detail had been provided to the committee to allow them to make an informed decision. It was said that the next time the report comes to the committee, further information on the impact of savings on the services provided and Kent residents would be required.
6. A Member asked the following questions about the impact of the proposed budget on the provision of Adult Social Care services.
 - a. It was asked how the budget aim to negotiate a 5% reduction in expenditure for the Older People's Residential & Nursing contract and the Care & Support in the Home contract was feasible without negatively affecting the delivery of these statutory services given the context of the cost-of-living crisis and the need for staff to get a pay rise.
 - b. A concern was raised about cuts to the expenditure for voluntary services, which provided vital support for numerous residents and held up statutory services, it was asked how the Council planning was on supporting those who may struggle to access services that they were entitled to.
 - c. It was said that numerous suppliers were unaware if their contracts with the Council would be extended beyond the current end date of March 2024. This undermined the ability of these services to forward plans and were losing staff as a result. The situation would negatively impact their future ability to provide services for the local communities they support.

Mr Watkins said that they were working closely with suppliers and partners, which was key to achieving their transformation and efficiency aims. It was noted that the negotiation on the two contracts mentioned would be achieved through a new approach delivered under the recently appointed Director of Strategic Commissioning, Richard Ellis, to support a strategic approach to residential care, service commissioning and stakeholder engagement. The aim would be to achieve a win-win for both the Council and its partners. Mr Watkins also said that there had been reductions in the grant for voluntary sector services but there was also an effort to reconfigure the services to meet obligations efficiently and effectively for service users. Mr Mitchell said that they were engaging with voluntary sector organisations about the approach from April 2024, this was currently going through internal governance and the outcome would be shared with those organisations soon.

7. A Member said that adequate information had not been provided to Members before today's discussion. It was also noted that making these budget decisions before engaging with partners and service providers, such as care homes, was of concern as any reduction in contract values could have negative knock-on impacts on staff, service users and the overall quality of support. The Chair noted that at this time no final decisions would be made more information could be provided between now and the Budget County Council in February 2024. Mr Smith said that there would be now system-wide reduction in contract values, going forward some might constrict and others expand to strategically meet the needs of residents. Mr Smith noted that this was about moving from a contract and procurement relationship with the sector to one focused on partnerships.

8. A Member said that the move to an increasingly digital offer would potentially leave some people behind who lacked digital skills or an internet connection. It was said that this could lead to an increased risk of social isolation for vulnerable people. It was also asked if there was a plan b if the assumed reduction in costs was not achieved when negotiating contracts.

In response to this question, it was said:

(a) Mr Watkins said that the document would be too long if all the details were included but there would be more information provided in January and at the February full Council meeting, an additional meeting could be arranged to discuss this further if Members requested to. Mr Watkins noted that the Member was referring to the 'Making a Difference Every Day Strategy' which was coproduced with residents who wanted to limit the amount of time spent in a care home. The use of technology would help residents live independent lives for longer, support care workers and would not reduce the level of care residents received. The technology covered a range of devices, such as sensors, several of these would not require the residents themselves to have digital skills but social workers would be trained to be more digitally adept to understand the data provided by these devices. Mr Watkins said that any reductions in contract values would reshape how services were delivered but would not reduce the standard of care. The Council would meet its statutory obligation to meet the care needs of eligible adults. Mr Watkins also noted that the financial plans had been rigorously assessed before being brought to the committee.

(b) Mark Albiston said that no one answer would fit all the 16,000 people who currently receive a funded care package in Kent but that all decisions on support would follow a lawful assessment and no decisions would be made to bring the Social Care team or the Council into disrepute. The redesign focused on reducing reliance on residential care homes and providing support to residents within their own homes, which people in Kent and nationally have said they want. Technology would support the achievement of this aim and reduce barriers to the provision of at-home care.

(c) Mr Smith said that the proposals made in the budget and ongoing plans for the future of Adult Social Care in Kent followed tried and tested methods. Mr Smith noted that due to demographic changes and more complex health challenges adult social care provision would be very difficult without a long-term funded solution for adult social care and children's services.

9. A Member asked if the Council were of the assumption that care homes were inefficient by running with spare capacity and if these proposals were proved effective why were they not implemented in the years previously. Mr Watkins said all organisations were more innovative when under the most amount of pressure. Mr Watkins noted that not all care homes had spare capacity and that some care homes outside the current framework could join to increase overall capacity.

10. It was said by a Member that if residents were to stay in their home longer they required support from the local community services. It was noted that Community Hubs were uncertain about the future funding to be received from Kent County Council (KCC) and that without such services home care would be more difficult. Mr Watkins invited Members to share concerns if a

Community Hub in their division was in trouble and his team would reach out to them to help resolve any difficulties.

11. A Member said that the highest risk identified in the risk register was an unsustainable market and that entering into a negotiation to achieve a 5% cut was unwise. The Member requested further information on this at the next meeting. Mr Watkins said that this was noted and would put together a briefing note on this area for the January committee meeting.

12. A Member asked how quickly they could be expected to see any of the results or financial benefits of the changes proposed for Adult Social Care services going forward Mr Smith noted that due to the current financial climate, this year and the next would be very difficult. Mr Smith said that the Adult Social Care Awards had recently recognised some of the great work by frontline staff. It was said the new strategic commissioning strategy would be about working in partnership with businesses and in-house services to discuss how best to deliver the new model of care.

13. RESOLVED the Adult Social Care Cabinet Committee agreed to:
- i. Note the initial draft capital and revenue budgets including responses to consultation.
 - ii. Suggest any changes which should be made to the section of the budget related to the Cabinet Committee's portfolio area before the draft is considered by the Cabinet on 25th January 2024 and presented to the Full County Council on 19th February 2024.

165. Verbal Updates by Cabinet Member and Corporate Director
(Item. 6)

RESOLVED the Work Programme 2023/24 was noted.

166. 23/00098 - Adult Social Care Pressures Plan 2023/2024 including Urgent and Emergency Care Grant Funding
(Item. 7)

Sydney Hill, Assistant Director of North Kent, was in attendance for this item.

1. Sydney Hill introduced and gave an overview of the report. It was noted that a review of this year's plan would occur in spring 2024 and the findings would be brought to the committee at an appropriate time. A summary of the six key areas of the Pressures Plan was provided. It was said that the Council was successful in its application to the Department for Health and Social Care for Urgent and Emergency Care Grant funding of £2.9 million. The funding would help strengthen the resilience of urgent and emergency care services and support hospital discharge pathways during the winter period.

2. In response to comments and questions, it was said.

(a) That the figures on the update on the flu vaccines and the Covid-19 boosters would be shared after the meeting.

(b) That the paper be shared with all Council Members, to further the understanding of the pressures that Kent's health and social care services were under.

3. RESOLVED The Adult Social Care Cabinet Committee noted the content of the Adult Social Care Pressures Plan 2023 2024 and endorsed the proposed decision attached as Appendix 1 to:
 - a) Accept the Urgent and Emergency Care Funding under the terms set out by the Department of Health and Social Care; and
 - b) Delegate authority to the Corporate Director Adult Social Care and Health to develop plans and deploy the grant funding and take relevant actions, including but not limited to entering into and finalising the terms of relevant contracts or other legal agreements, as necessary to implement the decision.

167. 23/00091 - Kent and Medway Integrated Care Strategy
(Item. 8)

Mike Gogarty, Strategic Lead Public Health Consultant, and Jenny Dixon-Sherreard, Policy Officer, were in attendance for this item.

1. Mike Gogarty introduced the report. An overview was provided of why a new approach to public health was required and how the Integrated Care Strategy would support the strategic approach to prevention, the wider determinants of health, lifestyle factors and access to quality health care services. The paper set out how the system as a whole would coordinate actions to support the health and well-being of the population. It was noted that the strategy would be delivered through detailed action plans.
2. Jenny Dixon-Sherreard noted that the strategy was owned by the Integrated Care Partnership (ICP). In December the ICP would recommend the document for approval by the three statutory bodies, KCC, NHS Kent and Medway and Medway Council. Cabinet would consider the comments made at the four Cabinet Committees that the strategy had been to and whether any changes should be made to the draft strategy, before being asked to approve the final version at Cabinet in January
3. In response to comments and questions, it was said.

(a) A Member asked how the strategy would support the more deprived areas of the county, as they would require extra help. Mike Gogarty agreed that such areas would need to be targeted. It was said that the approach would adopt proportionate universalism which would ensure that areas of greater need would get greater support and that if required bespoke services would be delivered. There would be close working with district colleagues and health services to support those who required additional help.

(b) Mike Gogarty said that work on the action plans was ongoing and being developed in partnership with NHS and district colleagues, it was expected most plans would be in action or well developed by the beginning of the new financial year 2024/2025.

(c) Mike Gogarty confirmed that music would be included in the strategy going forward following a Member's suggestion.

(d) A question was asked if there was going to be any working with partners at the district level to make available affordable housing options for key healthcare professionals. Jenny Dixon-Sherreard said that the issue had been discussed at the ICP and work was ongoing to ensure that the workforce leaders across Kent and Medway worked together when developing workforce plans. It was noted that more information on housing for health and care workers would be shared after the meeting.

(e) It was noted that difficulties with reduced funding for voluntary services and lack of affordable houses meant staff were attracted to higher wages offered in London.

4. RESOLVED the Adult Social Care Cabinet Committee considered and endorsed the proposed decision to approve the Kent and Medway Integrated Care Strategy on behalf of Kent County Council.

168. Adult Social Care and Health Performance Q2 2023/2024
(Item. 9)

Helen Groombridge, Adult Social Care and Health Performance Manager, was in attendance for this item.

1. Mark Albiston introduced and gave an overview of the Q2 performance report. It was said that the trend of increasing demand for Adult Social Care services had continued. It was noted that there was a significant workforce challenge that affected Kent which was also the case nationally, certain areas of Kent, particularly the East Kent coastal areas, experienced a very significant challenge.
2. In response to comments and questions, it was said.

(a) It was confirmed that the statistics on Deprivation of Liberty Safeguards (DOLS) were only of those completed under the framework, others completed under the Mental Health Act would not be included in these figures. Ms Groombridge said that figures on all DOLS were available but not released publicly. The Member asked if these could be shared with the committee to discuss.

(b) A Member said that absolute reporting was preferred to relative performing. A comparison may not fully explain how well a service is performing for Kent residents. Mark Albiston said that comparisons were presented to provide context for the performance figures.

(c) It was asked what plans were in place to meet the target for care needs assessments. How was demand going to be forecasted to ensure that going forward adequate resources were in place to meet the level of demand and meet the targets. Mark Albiston said that planning was constantly ongoing and the Recovery Plan would have more detail on this and would be brought to the committee with the Q3 performance report. Mr Smith said that there was a challenge to recruit staff qualified to complete these assessments and the vacancy levels across the county varied significantly. Mr Smith noted that there were several

plans in place to help reduce demand going forward. Mr Watkins said that prevention would be key to creating savings in the budget going forward while maintaining frontline staff numbers, it was noted that the number of social workers was anticipated to increase but more work was needed as they were still behind where they wanted to be. Mark Albiston and Jim Beale gave examples of recent successful recruitment campaigns and the plans going forward to engage on social media and sell Kent as a place to live and work.

(d) Asked by a Member if a net £46 million increase to the budget was at a scale to meet the demand and if the authority was adequately prepared for the level of demand going forward and would not be caught out. Mr Watkins said the increase to the budget should meet the net increase in the number of people entering care services. It was noted that the challenge was from the increase of instances of people with multiple and complex care needs who took greater resources to treat. The recommissioning of large contracts would help ensure that people's needs are met in the right way and in a way that is financially sustainable for the Council.

3. RESOLVED the Adult Social Care Cabinet Committee noted the performance of adult social care services in Quarter 2 2023/2024.

169. Adult Social Care and Health Annual Complaint's Report 2022/2023
(Item. 10)

Debra Davidson, Customer Care and Complaints Manager for Adult Social Care, and Pascale Blackburn-Clarke, Delivery Manager Engagement and Consultation, were in attendance for this item.

1. Debra Davidson introduced and gave an overview of the report. It was noted that there had been an increase in all areas of activity during 2022/23.
2. In response to comments and questions, it was said:

(a) The Chair expressed thanks on behalf of the committee to the staff for their work.

(b) It was said that people approach Members of Parliament and Council members in relation to complaints and enquiries for a variety of reasons, not solely or especially because their complaints are not resolved within the time specified.

3. RESOLVED the Adult Social Care Cabinet Committee considered and commented on the content of the report.

170. Work Programme
(Item. 11)

RESOLVED the Work Programme 2023/24 was noted.

From: Dan Watkins, Cabinet Member for Adult Social Care and Public Health
Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate & Traded Services

To: Adult Social Care Cabinet Committee – 18 January 2024

Subject: **Revised Draft Revenue Budget 2024-25 and 2024-27 MTFP, Draft Capital Programme 2024-34 and Treasury Management Strategy**

Classification: Unrestricted

Summary:

The attached report sets out the updated and balanced draft revenue budget 2024-25 and MTFP 2024-27, proposed capital programme 2024-34, and draft Treasury Management Strategy, for further Member consideration ahead of Cabinet on 25th January 2024 and full Council on 19th February. The purpose of the report is to enable the Scrutiny and Cabinet Committees to focus on the proposed changes from the initial draft revenue budget 2024-25 and 2024-27 MTFP published on 1st November for the November Scrutiny and Cabinet Committee meetings, and new additions in relation to the Capital Strategy and 10 year capital programme and the Treasury Management Strategy. The report includes fuller details of funding, spending, savings, income and reserves estimates that were set out in the initial draft revenue budget together with an analysis of risks.

The same budget report is being presented to each Cabinet Committee as it is a standard report for the whole council, focussing on the key strategic considerations underpinning the decisions necessary for County Council to agree the budget at the Budget Meeting in February.

The relevant Cabinet Member(s) will outline the key 2024-25 revenue budget changes from the initial draft, the further detail included in this draft for 2025-26 and 2026-27 plans, and capital programme proposals, relating to their portfolio as part of the Cabinet Committee consideration. This is to clarify the budget areas within the scope of the Committee and to seek feedback on the relevant proposals, following on from the November 2023 considerations and note the Member engagement and committee contributions to the budget development process so far.

To support ongoing budget consideration by Members, in addition to the Cabinet Committee stages of the budget development process, a separate interrogatable dashboard has been made available to Members, setting out key information about individual elements of the draft revenue budget and now incorporating medium term revenue plans.

Recommendations

The Adult Social Care Cabinet Committee is asked to:

- a) NOTE the updated revenue budget and MTFP, draft capital strategy and programme, and draft Treasury Management Strategy

- b) PROPOSE, to the Executive, any changes which should be made to the relevant sections of the budget related to the Committee's portfolio area before the draft is finalised by Cabinet on 25th January 2024 and presented to Full County Council on 19th February 2024 for decision.

Contact details

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Revised Draft Revenue Budget 2024-25 and 2024-27 MTFP, Draft Capital Programme 2024-34 and Treasury Management Strategy

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From Leader of the Council; Roger Gough
Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services; Peter Oakford
Cabinet Members

Relevant Director(s) Corporate Director Finance; Zena Cooke
Chief Executive,
Corporate Directors, ASCH, CYPE and GET

Report author Head of Finance Policy, Planning and Strategy; Dave Shipton

Circulated to Cabinet Committees and Scrutiny Committee

Classification Unrestricted

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Directorates – abbreviations in this report

ASCH - Adult Social Care and Health	CYPE - Children, Young People and Education
GET - Growth, Environment & Transport	CED - Chief Executive's Department
DCED – Deputy Chief Executive's Department	NAC - Non-Attributable Costs

1.1 This report updates the initial draft revenue budget 2024-25 and three-year medium term financial plan (MTFP) 2024-27 following its publication on 1st November 2023 and subsequent scrutiny during November, setting out the administration's strategy and proposals to close the budget gap and balance the budget. It sets out the draft 10-year capital programme 2024-25 to 2033-34 and the draft Treasury Management Strategy. The report and appendices provide the key information for the scrutiny process in advance of full Council approval on 19th February 2024.

1.2 The budget gaps of £48.8m for 2024-25 and £13.9m for later years in the initial draft budget report have been balanced through a mix of recurring and one-off measures, including the use of reserves. The measures that have a recurring impact include increased funding assumptions (higher inflation flowing into retained business rates and grant settlement), reductions in spending growth from the initial draft, and further areas for savings and increased income (including bringing forward savings and income from later years). The savings and income arise largely from a review of policy-based service changes and reductions, and the scope of the Council's ambitions and further transformation of the Council's operating model as set out in Securing Kent's Future (SKF). The one-off measures that are replaced in the subsequent years of the MTFP include the use of the final year of New Homes Bonus grant to fund revenue pressures, flexible use of capital receipts to fund revenue spending, and use of reserves.

1.3 The amount of one-off actions and use of reserves, particularly in the first year, is significant and will reduce the Council's financial resilience to absorb any future financial shocks, with the need to make recurring savings and cost reductions in the following two years as these one-off measures are not a sustainable solution to increased recurring costs. The late and unexpected reduction of the Services Grant and other changes in the Provisional Local Government Finance Settlement for 2024-25 published on the 18th December 2023 have increased the gap by £5.4m. Given the lateness in the budget setting process of this funding reduction, it has been addressed by increasing the level of one-off measures in 2024-25.

1.4 The one-off measures used to balance the budget for 2024-25 will need to be replaced by an equivalent level of savings in 2025-26 and 2026-27. As highlighted above, these will be from further proposals under the SKF objectives on policy choices and transformation of the Council's operating model. At this stage all that is required is an agreement that all one-off actions to balance 2024-25 will be replaced by matched savings in 2025-26 and 2026-27 and that the detail of these savings proposals will be developed, consulted on as required and agreed during the first half of 2024-25 for implementation in 2025-26 wherever possible, although the full financial effect may not impact until 2026-27 where there is a part-year effect in 2025-26.

1.5 The spending growth pressures impacting the Council are being experienced by most other councils and the financial sustainability of councils in general is a concern. Whilst the Council will seek to take all the necessary steps to manage future spending within resources available through savings, income and future cost avoidance this will not necessarily fully secure the Council's financial resilience and sustainability if future spending growth continues at unsustainable levels. If the structural deficits in key spending areas in adults and children's services are not addressed there will come a point within the medium-term plan period where the Council is unable to balance the budget on a sustainable basis from savings in other spending areas.

1.6 The draft capital programme for 2024-25 to 2033-34 is based on the principle of rolling forward the previous programme, avoiding the need for any additional borrowing over and above that already identified in the existing programme and reducing wherever possible the need to borrow in the existing programme. Any new schemes must be funded from sources other than borrowing, including government departmental grants, other external funding, developer contributions and capital receipts. The draft capital programme includes the recently announced additional highways capital grants from the Department for Transport for 2023-24 and 2024-25 following the cancellation of the HS2 project, estimated grants from the Department for Education for schools' modernisation and basic need, and the proposed use of capital receipts to cover some current overspends and the modernisation of assets programme for two years. The capital programme also includes the use of £8m capital receipts (under the Government direction that allows revenue costs of projects that will reduce costs, increase revenue or support a more efficient provision of services to be funded from asset sale proceeds) as a one-off measure to balance the 2024-25 revenue budget. This reduces the level of receipts available to fund capital expenditure.

1.7 The Treasury Management Strategy for 2024-25 is included as an appendix to this report and requires approval by full Council in accordance with the CIPFA Treasury Management Code of Practice. The strategy sets out the Council's approach to borrowing to finance capital expenditure and investment of cash balances, including the associated monitoring arrangements. The Council's prime objective when borrowing money is to strike an appropriately balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The prime objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and low investment returns, and ensuring sufficient liquidity to manage cashflows.

1.8 The administration's draft budget includes a 4.992% assumed increase in Council Tax. This would increase the County Council share of the bill for a typical band D household by £1.47 per week (£76.59 per year). Council Tax is the Council's most significant source of income to fund essential services, and whilst the administration seeks to keep increases to a minimum, the assumed amount is in line with the government's Council Tax referendum principles for 2024-25 (confirmed in the 2024-25 Provisional Local Government Finance Settlement) of a 3% referendum limit and 2% adult social care precept. The tax base (the number of dwellings liable for council tax after discounts, exemptions and assumed collection rates) is assumed to increase by 1.7%, which is around the normal level the Council would expect from growth in the number of households and anticipated changes to discounts. The council tax precept is based on a combination of the council tax band D charge and the estimate of the net number of band D equivalent properties in the tax base for 2024-25. The tax base estimate is ultimately determined by collection authorities (district and borough councils) for the final draft budget and council tax precept for full Council approval on 19th February.

1.9 The usable revenue reserves at the start of 2023-24 were £355.1m, comprising of £37.6m general reserve, £300.6m earmarked reserves and £16.9m public health reserve, this represents a reduction of £53m (13%) on the previous year. A further net drawdown from usable reserves is forecast in 2023-24 (including the transfer to the Dedicated Schools Grant (DSG) reserve for the 2023-24 local authority contribution to the Safety Valve programme). The use of usable reserves to support revenue spending significantly reduces the council's ability to withstand unexpected circumstances and costs and reduces the scope to smooth timing differences between spending and savings plans. The levels of reserves now pose a more significant risk to the council's financial resilience than levels of debt. Reserves will need to be replenished at the earliest opportunity and will need to be factored into future revenue budget plans.

2.1 The background and context set out in the initial draft budget report published at the end of October are largely unchanged. The following paragraphs set out the main updates to the draft budget since the publication date.

2.2 This revised draft revenue budget and MTFP are based on the latest estimates from the actions in Securing Kent's Future, which recognises that changing the spending patterns on adult social care, children in care and home to school transport in a sustainable way will take time. The draft budget includes some reductions in future cost increases in adult social care and home to school transport. For transparency and on-going monitoring, the spending growth is shown as a gross amount in the cost forecasts before any corrective action, and the reductions in planned spending from these actions are shown as savings. Even with these actions the net spending in these three key service areas is still forecast to grow faster than the funding available in the 2024-25 settlement and future government spending plans, and further work will be needed over the coming months to set out the detail how spending on these services will be reduced.

2.3 As well as the impacts of current year overspends and future forecast costs and demand, inflation is still forecast to remain at historically high levels during 2023-24 and into 2024-25. Inflation impacts on the costs of goods and services in revenue budgets and costs of labour, fees and materials on capital projects. The impact of inflation built into the draft budget is based on the November 2023 forecasts from the Office of Budget responsibility (OBR). The November 2023 OBR forecasts were for Consumer Price Index (CPI) inflation to peak at 10.7% in quarter 4 2022, thereafter reducing to:

- 10.2% in quarter 1 2023
- 8.4% in quarter 2 2023
- 6.7% in quarter 3 2023
- 4.8% in quarter 4 2023
- 4.6% in quarter 1 2024
- 3.7% in quarter 2 2024
- 3.3% in quarter 3 2024
- 2.8% in quarter 4 2024
- 2.3% in quarter 1 2025

2.4 Inflationary uplifts are applied according to the terms of individual contracts including timing. This means that in many cases mid-year uplifts have a part year impact in 2023-24 and full year impact in 2024-25. The rate of inflation in 2023 has not reduced as quickly as the March 2023 OBR forecast, with reported CPI from Office for National Statistics (ONS) of 10.2% quarter 1, 8.4% quarter 2 and 6.7% quarter 3 2023. The rate of inflation for the year to November 2023 fell unexpectedly to 3.9% from 4.6% in October. Revenue spending subject to inflation is around £1.4bn, so each 1% adds £14m to council costs.

3.1 The Provisional Local Government Finance Settlement for 2024-25 was published on 18th December 2023. A policy statement on the settlement was published on 5th December 2023 which was intended to give an early indication of what was to be included in the settlement. The settlement largely confirms amounts announced in principle in the 2023-24 settlement last year for 2024-25. This included confirmation of council tax referendum limits for 2024-25 and further increases in the additional social care grants. As in previous years the settlement is based on a core spending power from council tax and the main departmental grants for local government from the Department for Levelling Up Housing and Communities (DLHUC) within the government's overall spending plans. The settlement does not include specific grants from other government departments, retained growth from business rates or collection fund balances.

3.2 The headline from the settlement is an overall £3.9bn (6.5%) increase in spending power between 2023-24 and 2024-25. The increase for the Council is £86.3m (6.7%). The majority of the increase £2.1bn (3.5%) nationally and £54.3m (4.2%) for the Council comes from council tax. The council tax referendum principles allow for up to but not exceeding 3% increase in the general precept with a further 2% for adult social care levy for upper tier and single tier authorities. Lower tier authorities can increase council tax by the greater of up to but not exceeding 3% or £5 for band D. Police and crime commissioners can increase band D by up to £13. There are additional flexibilities allowing larger increases for specific named authorities - Slough Council, Thurrock Council and Woking Borough Council. The core spending power assumes every authority increases council tax up to maximum allowed and is based on DLHUC's autumn tax base information. The Council's budget and council tax precept is based on the council tax increase proposed to be agreed by full council, and council tax base estimates for 2024-25 provided by district and borough councils as required for the precept notification.

3.3 The previously announced additional grants for social care include:

- Social Care Grant an extra £612m nationally for adults and children's social care. The grant also includes a further additional £80m recycled from Services Grant. The total grant nationally for 2024-25 is £4,544m. £3,852m is rolled forward as the same amounts as for 2023-24, £532m is allocated according to adult social care relative needs formula (ASC RNF) and £160m (including the £80m recycled from Services Grant)_equalising the amount that can be raised through the 2% ASC council tax levy. The Council's allocation is £104.2m comprising £88.8m rolled forward from 2023-24, £13.7m from the ASC RNF and £1.8m from council tax equalisation, an overall expected increase of £15.4m on 2023-24.
- Market Sustainability and Improvement Fund an extra £283m nationally as previously announced in Autumn Budget 2022 plus further £205m nationally from the announcement of a further tranche for workforce fund in July 2023. These increase the total from £562m to £1,050m. The entire grant is allocated according to ASC RNF, the Council's share for 2024-25 is £27.0m, an expected increase of £12.5m.
- Discharge Fund an extra £200m nationally in the local authority 50% (increasing the total grant from £300m to £500m). The grant is allocated on the same basis as Improved Better Care Fund and managed in accordance with the requirements of the Better Care fund. The Council's share for 2024-25 is £11.7m, an expected increase of £4.7m

3.4 The increased social care grants in the provisional settlement have been included in the revised draft budget. The additional social care grants and increase in the adult social care council tax precept must be passported into social care budgets (with an allowable share of the social care grant for children's). This effectively sets a minimum increase in net spending on social care services between 2023-24 and 2024-25 and therefore caps the amount that can be delivered from efficiency, service reductions and transformation programmes in social care services to offset increasing costs.

3.5 The Services Grant has been unexpectedly reduced by approx. 84%. This reduces the national amount by £406.4m from £483.3m to £76.9m. This grant was introduced in the 2022-23 settlement as an un-ringfenced grant in recognition of additional spending pressures across the whole range of local services in advance of the significantly delayed Fair Funding reforms for local government that were intended to address the current outdated local government finance system. The grant was initially £822m in 2022-23. This was reduced to £483.3m in 2023-24 largely to reflect the cancellation of the employer's national insurance increase to fund social care reforms. The unexpected reduction in 2024-25 has been recycled elsewhere within the settlement including the increases in social care grant, revenue support grant, and minimum 3% funding guarantee. At this stage this still leaves a balance of £140m available, but it is not clear what this balance is for. The grant is allocated on the same basis as the Settlement Funding Assessment (SFA). The Council's provisional allocation for 2024-25 is £1.2m, which represents a 84% reduction of £6.4m on 2023-24, not including any share of the unallocated £140m. The reduced grant is reflected in the revised draft budget and due to the lateness of the announcement, has increased the amount required to be found from one-off measures in 2024-25 which will need to be replaced by additional savings in 2025-26 and 2026-27.

3.6 One final year of the New Homes Bonus (NHB) grant will be paid to authorities based upon the previous year's taxbase growth. As in recent year's this will no longer generate legacy payments in future years. 80% of NHB is paid to lower tier councils and 20% to upper tier. The Council's allocation for 2024-25 is £2.1m. This is assumed to be a one-off for 2024-25 and is included as part of the one-off solutions to balancing 2024-25 which will need to be replaced by additional recurring savings in 2025-26 and 2026-27.

3.7 The Non-Domestic Rating Act has received Royal Assent and will be implemented from April 2024. The Act confirms that the annual indexation of business rates (BR) will be based on Consumer Price Index (CPI) rather than Retail Price Index (RPI) and the increase in the small business and standard multipliers are decoupled. This makes the arrangement for the retained business rate baseline in the Settlement Funding Assessment (SFA) more complex. The SFA comprises revenue support grant (RSG) and business rates baseline. RSG will continue to be uplifted each year in line with CPI uplift to the business rate multiplier (6.6% for 2024-25). The business rate baseline will be uplifted by separate amounts for small business rate multiplier uplift and the uplift to the standard multiplier. This results in a separate and unique weighted % uplift for each council based on the mix of standard rated and small businesses in the local area.

3.8 For 2024-25 the uplift in standard BR multiplier is the same September CPI as RSG, raising the multiplier from 51.2p to 54.6p. The small business rate multiplier has been frozen at 49.9p. This results in a weighted uplift of approx. 4.6% for the Council. The highest weighted uplift is Westminster (6.09%) and the lowest Cornwall (4.01%). Councils are to be fully compensated for the freezing of the business rate multiplier through Business Rate Compensation Grant. This should mean in theory every Council has the same uplift when SFA and the compensation grant are taken into account. At this stage there is not sufficient detail within the BR compensation grant included in the core spending power to confirm this and the allocation in the spending power is assumed to be indicative at this stage (as it has been in previous years).

3.9 The SFA for the Council has increased by £9.8m (4.7%) to £215.8m, a common 6.6% uplift would have resulted in an SFA of £219.6m, an estimated reduction of £3.9m due to freezing the small business rate multiplier. The BR compensation grant for 2023-24 was £44.2m for previous freezes in BR multipliers and additional discounts. We would normally expect these previous freezes and discounts to increase by annual uplift i.e. £2.9m based on 6.6%. The BR compensation grant in the provisional settlement has increased by £5.6m i.e. an estimated £2.7m in additional grant for the small business freeze for 2024-25, a shortfall of £1.2m when compared the assumed standard uplift through in SFA. In the draft budget we have assumed this shortfall will eventually come through in the BR compensation grant along with other changes when the grant is updated for the full impact of previous freezes and discounts. This is line with the principle that the combination of SFA and compensation for small business rate freeze result in the same % uplift for all councils. Should the final calculation not result in a combined 6.6% for every council then the draft budget will need to be updated either for County Council or Cabinet (as has been the case in recent years where the final business rate retention impact has not been available in time for the budget County Council publication date).

3.10 The Provisional Local Government Finance Settlement includes a number of other announcements including an extension to March 2030 on the flexibility for revenue costs to be funded from capital receipts (under the direction that allows revenue costs of projects that will reduce costs, increase revenue or support a more efficient provision of services to be funded from capital receipts). The settlement also includes a consultation that would introduce “financial levers” to disincentivise councils from operating part-time working week arrangements for full time pay. The Exceptional Financial Support framework has also been announced and provides support where a council has specific and evidenced concerns about its ability to set or maintain a balanced budget.

3.11 The overall increase in the core spending power (and therefore assumed funding for the 2024-25 draft budget) is significantly less than the forecast spending demands. This leaves a substantial gap which needs to be closed from savings, income and one-off measures such as reserves. There is no indicative settlement for 2025-26 or later years. At this stage the MTFP assumes existing grants will roll forward along with inflationary uplifts to the SFA and further permitted council tax increases.

3.12 A summary of the change in core spending power between the restated 2023-24 position and the provisional 2024-25 position is set out in table 1 below:

Table 1 – Core Spending Power

	KCC			England		
	2024-25 £'m	2023-24 £'m	Change £'m	2024-25 £'m	2023-24 £'m	Change £'m
Council Tax	931.0	876.8	54.3	36,062.2	33,984.3	2,077.9
Settlement Funding Assessment	215.8	206.0	9.8	16,562.7	15,671.1	891.5
Business Rate Compensation	38.8	33.2	5.6	2,581.3	2,204.6	376.7
Social Care Grant	104.2	88.8	15.4	4,544.0	3,852.0	692.0
MSIF/Hospital Discharge	38.7	21.4	17.2	1,550.0	862.0	688.0
iBCF	50.0	50.0	0.0	2,139.8	2,139.8	0.0
Services Grant	1.2	7.6	-6.4	76.9	483.3	-406.4
New Homes Bonus	2.1	2.3	-0.2	291.4	291.3	0.1
Rural Services	0.0	0.0	0.0	95.0	95.0	0.0
Funding Guarantee	0.0	0.0	0.0	196.5	133.3	63.2
Rolled in Grants	0.0	9.4	-9.4	0.0	480.0	-480.0
Totals	1,381.8	1,295.5	86.3	64,099.8	60,196.7	3,903.0
			6.7%			6.5%

4.1 Council Tax income is a key source of funding for council services. The amount generated through Council Tax is based on a precept on collection authorities derived from the estimated band D equivalent Council Tax Base (the number of weighted properties in each band adjusted for exemptions, discounts and assumed collection rates) and the County Council share of the band D household charge.

4.2 A significant proportion of the funding towards the revenue budget is derived from the County Council’s share of council tax. The County Council share of council tax typically amounts to around 70% of a household council tax bill. The County Council charge is the same for all households in the county (as is the share for Police & Crime Commissioner and Fire and Rescue authority), the amount for district/borough and town/parish councils will vary depending on the local area and the individual decisions of these councils.

4.3 The Council currently can, subject to legislative constraints, increase its Council Tax rate through two mechanisms, the Adult Social Care (ASC) precept and general tax rate increases. Each 1% increase in the Council Tax rate generates circa £8.9m per annum in 2024-25, which equates to an extra 29.5 pence per week for a band D property.

4.4 The council tax referendum principles for 2024-25 allow for up to but not exceeding 3% general tax rate increases without a referendum plus an additional Adult Social Care levy of up to 2%. These increases are based on the total county council share of the household charge for 2023-24 (£1,534.23 for band D household). The administration’s draft budget 2024-25 includes a proposed 2.998% increase for the general precept (up to but not exceeding the referendum level) and a further 1.994% increase for the adult social care levy (ASCL). The proposed council tax increases and overall charge by individual bands are shown in tables 2 and 3.

Table 2 – Proposed Council Tax Increases by Band

Band	Proportion of Band D Tax Rate	2023-24 (incl. ASCL) £p	2024-25 (incl. increase in ASCL) £p	Increase £p
A	6/9	1,022.82	1,073.88	51.06
B	7/9	1,193.29	1,252.86	59.57
C	8/9	1,363.76	1,431.84	68.08
D	9/9	1,534.23	1,610.82	76.59
E	11/9	1,875.17	1,968.78	93.61
F	13/9	2,216.11	2,326.74	110.63
G	15/9	2,557.05	2,684.70	127.65
H	18/9	3,068.46	3,221.64	153.18

Table 3 – Proposed Council Tax Charges by Band

Band	Proportion of Band D Tax Rate	2023-24 (incl. ASCL) £p	2024-25 (excl. increase in ASCL) £p	2024-25 (incl. increase in ASCL) £p
A	6/9	1,022.82	1,053.48	1,073.88
B	7/9	1,193.29	1,229.06	1,252.86
C	8/9	1,363.76	1,404.64	1,431.84
D	9/9	1,534.23	1,580.22	1,610.82
E	11/9	1,875.17	1,931.38	1,968.78
F	13/9	2,216.11	2,282.54	2,326.74
G	15/9	2,557.05	2,633.70	2,684.70
H	18/9	3,068.46	3,160.44	3,221.64

4.5 The County Council's 2023-24 council tax charge (including Fire and Rescue Authority to ensure valid like for like comparison) is currently mid-range at 10th highest of the 21 counties in England and 4th of the 7 south east counties. We will not know the Council's relative position on Council Tax for 2024-25 until all county councils have agreed their precept and Council Tax charge for 2024-25.

4.6 The initial draft budget assumed a tax base increase of 1.7%, based on previous patterns of housing growth and changes in discounts, exemptions and collection rates including assumption for the removal of remaining empty property discounts. The provisional estimated tax base from the 12 district and borough councils (collection authorities) is 580,886.03 band D equivalent properties compared to the final estimated tax base for 2023-24 of 571,478.39 band D equivalents, an increase of 1.65%. The change in the tax base includes increases in the number of dwellings, changes in discounts, exemptions and assumed collection rates. Most districts have removed the remaining discounts on empty dwellings contributing to the increase in tax base.

4.7 The final council tax precept and council tax funding levels will have to be based on tax base estimates notified by the 12 district and borough councils. We have received provisional estimates of tax base increases from all 12 and these are shown in table 3 below. The total estimated tax base increase of 1.65% is very close to our initial estimate of 1.7%. We are due to receive final tax base estimate figures from the 12 district and borough councils on 15th January and we have therefore left the tax base increase at 1.7% for this revised draft, and we will reflect any changes in the final draft budget papers for County Council on 19th February.

Table 4 – Provisional estimates of tax base increases from the 12 collection authorities

Collection Authority	Final 2023-24 taxbase £p	Estimated 2024-25 taxbase £p	Change £p	Change %
Ashford	48,906.00	49,832.00	926.00	1.89%
Canterbury	52,372.76	53,370.27	997.51	1.90%
Dartford	40,288.37	41,029.46	741.09	1.84%
Dover	39,974.37	40,874.50	900.13	2.25%
Folkestone & Hythe	39,977.09	40,466.09	489.00	1.22%
Gravesham	35,266.50	35,994.62	728.12	2.06%
Maidstone	67,161.69	68,263.60	1,101.91	1.64%
Sevenoaks	51,990.30	52,394.75	404.45	0.78%
Swale	49,673.46	50,367.85	694.39	1.40%
Thanet	45,759.46	46,454.06	694.60	1.52%
Tonbridge & Malling	52,706.29	53,477.93	771.64	1.46%
Tunbridge Wells	47,402.10	48,360.90	958.80	2.02%
Total	571,478.39	580,886.03	9,407.64	1.65%

4.8 The district and borough councils also have to notify us of their estimated collection fund balance for over/under collection by 24th January 2024. This must also be reflected in the final draft budget as over/under collection has to be taken into account as part of the final decision on the council tax charge for 2024-25. The revised draft budget includes an assumed £7m collection fund balance. Any variation in the assumed balance will be reflected through the local taxation equalisation reserve, which avoids any impact on the revenue budget.

5.1 The administration's initial draft revenue budget report published on 1st November was subject to the budget scrutiny process during November. This revised draft budget sets out the proposals to close the budget gap in 2024-25 and over the MTFP and the proposals to minimise the level of borrowing on the capital programme and is therefore subject to further scrutiny during January. The administration's final draft budget will take account of any feedback from the scrutiny process and will be recommended by Cabinet to County Council. The final draft budget will be published by 9th February 2024 for consideration and approval by County Council at its meeting on 19th February 2024. As required by the Council's Constitution and Financial Regulations, the final draft budget for County Council approval will be proposed by the Leader and published in a format recommended by the Corporate Director, Finance and agreed by the Leader.

5.2 The presentation of the administration's revised draft revenue budget 2024-25 and 2024-27 MTFP focuses on the key policy and strategic implications of the proposals. The revenue proposals are summarised in appendices D to G of this report. These appendices show the spending, income and savings changes from the current year's approved budget (2023-24) and the financing requirements. Appendix D provides a high-level summary of the proposed three-year plan for the whole council, showing separately the spending growth, savings & income, changes in reserves for core Council funded activity (funding from the local government settlement and local taxation) from changes in externally funded activities (largely specific grant funded).

5.3 As set out in section 3 above, the provisional local government settlement included an unexpected net reduction in grants of £5.4m for 2024-25 through the changes in Social Care Grant and Services Grant increasing the £48.8m budget gap published on the 1st November to £54.2m. The 2024-25 gap has been closed by £13.9m from increased funding through the increased indexation of SFA and business rate compensation grant and revised spending forecasts and savings plans, and further recurring savings of £16.3m from removing the risk contingency included in the initial draft and further progress on the SKF objective 2 for further savings to set a sustainable 2024-25 budget and MTFP. The remaining £23.9m has been balanced through one-off measures. These one-off measures will be replaced in 2025-26 and 2026-27 through further policy savings under SKF objective 3 (scope of Council's ambitions) and objective 4 (operating model of the Council). The revised draft budget includes as a minimum requirement the principle of replacing one-off measures with sustainable recurring savings and cost reductions, although the detail of the proposals will need to be developed and agreed over the coming months to ensure they are implemented to impact the 2025-26 budget.

5.4 Table 5 summarises the change to achieve a balanced budget for 2024-25 and MTFP.

Table 5 – Summary of Changes from Initial Draft Budget 1st November 2023

	2024-25	2025-26 & 2026-27
	£'m	£'m
Initial draft budget gap as at 1 st November 2023	48.8	13.9
Funding increase from higher inflation forecast	-3.5	-11.2
Revised spending and income forecasts	-9.2	+14.8
Further policy savings including staffing considerations	-1.2	-5.9
Provisional Local Government Finance Settlement	+5.4	
One-off solutions 2024-25	-23.9	+23.9
Remove Risk Contingency	-14.0	-1.0
Recurring savings from Securing Kent's Future	-2.3	-10.6
Policy savings to replace one-off solutions used in 2024-25		-23.9
Revised draft budget gap	0.0	0.0

5.5 Appendix E provides a directorate high level summary of the proposed plan for 2024-25, separately showing spending growth, savings & income, changes in reserves and funding for core council funded activity (funding from the local government settlement and local taxation) from changes in externally funded activities (largely specific grant funded). Throughout this report the focus is on core funded spending, savings, income and reserves as changes on externally funded spend are financially neutral.

5.6 Appendix F illustrates examples of the more detailed information available through dashboards that have been created to support the scrutiny process and for future in-year monitoring and reporting. Appendix G provides a full list of individual spending, savings & income, and reserves items including full details of the changes from the initial draft published on 1st November 2023. This appendix shows the spending forecasts, savings and income proposals, and changes in reserves for all the three years 2024-27. New savings and income for later years are included to highlight the areas that will need to deliver the required level of recurring savings in 2025-26 and 2026-27 although inevitably these savings proposals will need to be developed in more detail and subject to consultation and scrutiny in the coming months as the full detail for the subsequent years is not essential for the approval of 2024-25 budget and the MTFP at this stage. The changes between the initial draft and revised draft budget for 2024-25 are summarised in table 6.

Table 6 – Main Changes between Initial and Revised Draft Budget 2024-25

	Core Funded £'m	Externally Funded £'m	Total £'m
Planned Spending Changes	-17.0	+1.0	-16.0
Remove risk contingency (base budget) *	-14.0		-14.0
Review of provision for debt charges (base budget)	-7.0		-7.0
Energy price revisions (base budget)	-2.3		-2.3
Highway investment	-2.2		-2.2
Adult Social Care (demand & cost drivers)	+3.4		+3.4
Home to School Transport (demand & cost drivers)	+1.0		+1.0
Higher inflation forecasts (prices)	+3.3		+3.3
Other changes	+0.8	+1.0	+1.8
Savings & Income	-18.3		-18.3
One-off use of Capital Receipts	-8.0		-8.0
Policy	-4.0		-4.0
Company Dividends (income)	-3.0		-3.0
Other Income	-2.3		-2.3
Transformation & Efficiency	-0.9		-0.9
Change in Reserves	-13.4	-1.0	-14.4
Net Change in Funding	-0.2		-0.2
Total (Gap Resolved)	-48.8		-48.8

* The £14m risk contingency represents 1% of the net revenue budget. The removal of the risk contingency weakens the Council's resilience and ability to manage financial risk and it is therefore important that the recurring savings identified for 2025-26 and 2026-27 provide the ability to restore as much of the risk contingency as possible.

5.7 The final draft budget presented to County Council will include the key service analysis for 2024-25 which sets out the spending in the main service areas by directorate (at director level) as used for budget monitoring reports. The original planned spending on key services is set out in appendix E of the final approved Budget Book for 2023-24 (published in March) and is available on KCC website at [2023-24 Budget Book](#). It is not feasible or appropriate to produce a key service presentation in the revised draft budget for scrutiny as the scrutiny process needs to focus on the proposed changes to the approved budgets for 2023-24 before more detailed delivery plans are completed and these plans will inform the key service budgets for 2024-25.

5.8 The final draft budget presented to County Council on 19th February will include the impact of the Personnel Committee recommendations on Kent Scheme pay for 2024-25. The County Council agreed the Members' Allowances Scheme for 2021-2025 on 4th November 2021. This included agreement to an annual indexation formula. The annual increase under this formula is the average of two figures. The first is the average of the increases arising in sectors covered by 8 national public sector pay review bodies. The second is the percentage awarded to staff awarded 'Successful' in the Total Contribution Pay scheme based on the proposals from Personnel Committee for 2024-25. The revised draft budget includes provisional figures for both Kent Scheme pay and member allowances.

5.9 Additional proposed spending growth includes the impact of decisions and activities already being delivered in the current year not included in the current base budget and known future contractual obligations. It also includes forecasts for future cost or activity changes for the forthcoming year, or changes in Council policy. These are set out in fuller detail in dashboards including an explanation of the reasons for the change, key impacts and risks, dependencies and sensitivities. The dashboards have been introduced this year so will inevitably need further development.

5.10 The savings and income options in the dashboards follow a similar pattern with proposed savings amounts derived from the full year effect of 2023-24 plans already agreed; savings and income for 2024-25 in the original 2023-26 MTFP (albeit updated); savings/income from the application of existing policies; savings/income that do not require any changes in policy; and those that require policy changes presented as policy savings, efficiency/transformation savings, income or financing savings. Given the scale of the savings, detailed delivery plans will need to be prepared and monitoring arrangements will be put in place in addition to the arrangements already embedded through the monthly monitoring with budget managers and regular budget monitoring reports to Cabinet.

5.11 The high-level equation for changes in planned revenue spending for 2024-25 (growth and savings), income and net budget, together with the balancing changes in funding is shown in table 5 below. This summarises how the requirement to set a balanced budget will be met once the outstanding actions for 2024-25 outlined in Securing Kent's Future have been finalised and confirmed. To improve transparency the spending, savings and reserves from core Council funds are shown separately from externally funded changes (consistent with the revised presentation of appendices D and E).

5.12 The Council continues to operate its policy of full cost recovery through fees and charges that can be determined locally other than where Cabinet/County Council has agreed to provide services at a subsidy or concession e.g. Kent Travel Saver. Under this policy fees and charges are subject to an annual uplift with periodic review to ensure that uplifts ensure full cost recovery continues to apply. The uplifts and full cost reviews are reflected in the 2024-25 budget proposals and form part of the budget recovery plan within Securing Kent's Future.

Table 7 – Net Change in Spending and Funding

Change in Net Spending	Core Funded £'m	External Funded £'m	Change in Net Funding	Core Funded £'m
Estimated additional spending	184.5	-23.1	Increase in Social Care grants	32.6
Proposed savings from spending reductions and future cost avoidance	-72.2*		Net Increase in other government grants	7.5
Proposed changes in income	-15.4*	-0.3	Change in council tax base	14.9
Assumed changes in specific government grants		20.9	Assumed increase in council tax charge	44.5
Proposed net change in reserves	3.1	2.5	Change in retained business rates	2.6
			Change in net collection fund balances/S31 compensation	-2.1
Total Change in Net Spending	100.0	0.0	Total Change in Net Funding	100.0

*Net figures from original 2023-26 plan updated and new proposals

5.13 In addition to the spending pressures in core Council services, pressures arising from Special Education Needs & Disabilities (SEND) impact upon both the ring-fenced Dedicated Schools Grant (DSG) and the General Fund revenue budget. Pressures on DSG are being addressed primarily through the Safety Valve mechanism, whereby the Department for Education provides a substantial contribution (up to £140m), in return for improvements to the SEND system and a contribution (£82.3m) from the Council. SEND pressures on the General Fund are reflected primarily through the number of requests to assess, produce and then annually review Education & Health Care Plans (EHCP) and the associated increased SEND home to school transport costs.

5.14 There is already substantial work being undertaken to manage down this financial pressure and additional work will focus on identifying and reviewing changes to existing policy and practice so that we are meeting statutory minimum requirements, but ceasing discretionary services where they are not cost effective and only issuing EHCPs where they are necessary, and needs cannot be reasonably met by other means.

5.15 Consultation and Equality Impact Assessments (EQIA) will need to be undertaken on individual new savings and income proposals where required. The final planned amounts can only be confirmed following consideration of consultation responses and EQIAs. Any variances between the approved budget and final planned amounts will be included in the budget monitoring reports to Cabinet, together with progress on delivery and any additional measures that may be required.

5.16 The administration's draft ten-year capital programme is set out in appendices A and B of this report. Appendix A provides a high level summary of the proposed capital programme and financing requirements. The spending plans in appendix B set out proposed spending on individual projects and rolling programmes by directorate. The financing is a combination of government departmental capital grants, forecast developer contributions, external funding, capital receipts and borrowing. Inflationary and other cost pressures have significantly impacted the capital programme on both rolling programmes and individual schemes. In recognition of the financial challenge facing the Council the additional unfunded cost estimates have been absorbed within the existing programme. No new schemes with prudential borrowing have been added to the programme to avoid increasing the revenue burden of borrowing to fund capital expenditure. As a result, planned maintenance will only be carried out on the highest priority sites (those dealing with safeguarding issues and highways/waste operations) and the modernisation of assets work will need to be prioritised which is likely to result in the closure of non-priority sites. There will be consequential impact on risks and maintenance backlogs, but these will continue to be managed to mitigate risks as far as possible. This is a necessary short-term measure while the Council reviews and reduces its estate over the medium term to an affordable level which in turn should reduce future maintenance and modernisation requirements. The additional funding provided by Department for Transport for highway maintenance programmes has been included in spending plans for 2024-25. Some additional spending for 2024-25 and 2025-26 has been funded from capital receipts to maintain the policy of keeping council buildings safe, warm and dry.

5.17 Appendix C of this report provides an indication of new potential capital projects which could come forward within the next 10 years. These are identified as future proposals but have not been formally included in the administration's draft capital programme and will only be added in later years subject to business cases being completed and reviewed and affordable funding solutions being identified. Indicative costings have been provided as a guide, however, no funding or budget is being set aside for these projects at this time.

5.18 The capital strategy recognises that the capital programme must align with the Council's strategic priorities and support the priorities and principles in other key strategies such as Kent and Medway Growth and Infrastructure Framework, Local Transport Plan, Commissioning Plan for Education Provision, Asset Management Strategy etc. It is equally important that these key strategies are regularly reviewed and updated to take into account legislative requirements and the financial operating environment including both capital and revenue funding settlements. The review and updating of these strategies also needs to reflect the objectives set out in Securing Kent's Future and contribute to the delivery of the budget recovery plan.

Proposed Revised Draft 2024-25 Revenue Budget – key numbers

£1,415.7m	Assumed net revenue budget for 2024-25. This represents a £100.0m increase on the final approved budget for 2023-24 of £1,315.6m.
£184.5m	Additional estimated core funded spending growth – see paragraph 7.1 for more detail.
-£87.6m	Assumed savings, income and future cost increase avoidance. Of this £41.9m relates to proposed savings, £15.4m additional income generation (mainly fees and charges), and £30.3m reductions in the amount assumed for future demand and cost increases in adult social care and home to school transport – see paragraph 6.2 for more detail.
£3.1m	Estimated net impact on the budget of changes in the use of reserves including new contributions and removing previous years drawdown and contributions – see section 8 for more detail.
£936.2m	Estimated to be raised from Council Tax precept. An increase of £59.4m on 2023-24. £14.9m is due to a 1.7% estimated increase in the tax base due to additional dwellings, changes in discounts and exemptions and assumed collection rates. £44.5m is from the estimated increase in the household charge up to but not exceeding 5% (including £17.8m from the adult social care levy).
£40.6m	Net increases as announced in the Provisional Local Government Finance Settlement. This comprises of the following changes: <ul style="list-style-type: none"> • £15.4m expected increase in Social Care Grant announced in the 2023-24 settlement from repurposed funding from social care charging reforms • £12.5m expected increase in Market Sustainability and Improvement Fund to support capacity and discharge (including £7.3m announced in 2023-24 settlement and £5.2m further announcement in summer 2023) • £4.7m expected increase in the Adult Social Care Discharge Fund • -£6.4m unexpected reduction in the Services Grant • £14.1m indexed linked uplifts in business rate top-up, business rate compensation (including estimated amount not yet announced) and Revenue Support Grant • -£0.2m continuation of New Homes Bonus Grant but at a lower value than 2023-24 • £0.5m expected net increase in local share of retained business rates and removal of S31 compensation for local taxation losses during Covid

Revenue spending: a reminder of what it is

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

6.1 The additional estimated core funded spending growth (i.e. excluding changes arising from external funding changes) of £184.5m for 2024-25 is summarised in appendices D and E and set out in more detail in appendix G together with more detail in the dashboard. It has been subdivided into the following categories:

Net base budget changes £22.1m	Changes to reflect full year effect of variations in the current year's monitoring forecast compared to approved budget. These adjustments are necessary to ensure the draft budget is based on a robust and sustainable basis.
Demand and future cost increase drivers £85.3m	Forecast estimates for future non-inflationary cost and demand increases such as additional care hours, increased journey lengths, etc. across a range of services including adult social care, integrated children's services, home to school transport and waste tonnage.
Price uplifts £49.6m	Contractual and negotiated price increases on contracted services, including full year effect of planned mid-year uplifts in current year and forecast future price uplifts.
Pay £14.3m	Additional net cost of estimated pay award and progression after savings from appointing new staff lower in pay ranges.
Service Strategies & Improvements £11.9m	Other estimated spending increases to deliver strategic priorities and/or service improvements and outcomes including financing the capital programme.
Government & Legislative £1.3m	Additional spending to meet compliance with legislative and regulatory changes.

6.2 The proposed savings, income and future cost increase avoidance of £87.6m for 2024-25 are summarised in appendices D and E and set out in more detail in appendix G together with more detail in the dashboards. They have been subdivided into the following categories:

Policy Savings £10.6m	Savings arising from proposed changes in Council policies including full year effect of 2023-24 savings and new proposals for 2024-25 (full year effect in later years shown in summary and will be shown in more detail in the final draft). Savings in this category are changes to charging policies and changes in the service offer.
Transformation & Efficiency Savings £50.3m	Savings aimed at achieving improved or the same outcomes at less cost including full year effect of 2023-24 savings and new proposals for 2024-25 (full year effect in later years shown in summary and will be shown in more detail in the final draft) shown in summary and will be shown in more detail in the final draft). Savings in this category include future cost increase avoidance as well as reductions to existing recurring spend. Transformation and efficiency savings include contracted spending as well as in-house spending on staffing and premises.
Financing Savings £11.3m	Review of amounts set aside for debt repayment (MRP) based on asset life and increased investment income returns.
Income Generation £15.4m	Increases in fees and charges for council services from applying existing policies on fee uplifts (including contributions from other bodies) and new income generation proposals. Existing policies include increases in client contributions in line with estimated 2024-25 benefits and other personal income increases and increases in contributions to Kent Travel Saver and 16+ pass linked to fare increases.

Proposed Draft 2024-34 Capital Programme – key numbers

£1,646m	Total planned capital spending over the ten years 2024-25 to 2033-34
£992m	Confirmed or indicative government grants to fund capital expenditure
£376m	Total proposed borrowing to fund the programme
£278m	Funding from other sources (capital receipts, developer contributions, external funding and revenue)

7.1 The ten-year Capital Programme 2023-34 was approved by County Council in February 2023. This took into account the need to set a realistic and deliverable programme and avoid the significant over-programming and subsequent underspending against capital that has been a feature for several years. The ten-year horizon allows for a longer-term plan for capital investment, taking into consideration an updated assessment of the capital financing requirements and the consequent impact on the revenue budget and borrowing strategy.

7.2 The capital programme is under pressure from inflation in the same way as revenue spending, if anything these consequences are more significant due to the longer-term nature of capital plans. Inflationary pressures and overspends on existing schemes have been absorbed within the existing programme. The capital programme is also under significant pressure due to the backlog of maintenance on highways and buildings. These backlogs cannot be addressed within the current financial constraints and the need to avoid additional borrowing that would add pressure on the revenue budget through increased financing costs. This approach does not come without increased risks.

7.3 The increased risks which include danger to life and limb if repair works are not completed, an increase in maintenance backlogs which in turn could lead to additional revenue costs for reactive works, increased future costs of works due to inflation, and costs relating to climate change resilience/adaptation will be mitigated as far as possible. For example prioritising emergency works that would avoid risk of death or serious harm, prioritising maintenance on essential assets (although this means non-essential assets would not be maintained leading to possible closures on safety grounds) and doing the minimum to meet statutory requirements at lowest cost. This is only a short term necessity while the Council reviews and reduces its estate over the medium term which in turn will reduce future maintenance and modernisation requirements. The programme will continue to be regularly reviewed and re-prioritised within the funding available.

7.4 Appendix A of this report sets out a summary of the administration's proposed 2024-34 programme and associated financing requirements for each year. The summary provides a high-level overview for the whole council. The individual directorate pages in appendix B provide more detail of rolling programmes and individual projects.

Capital spending: a reminder of what it is

Capital spending is expenditure on the purchase or enhancement of physical assets where the benefit will last longer than the year in which it is incurred e.g. school buildings, roads, economic development schemes, IT systems, etc. It includes the cost of purchasing land, construction costs, professional fees, plant and equipment and grants for capital expenditure to third parties. Capital spending plans are determined according to the Council's statutory responsibilities and local priorities as set out in the MTFP, with the aim of delivering the vision set out in the Strategic Plan.

Capital spending is funded via a variety of sources including government grants, capital receipts, external contributions and borrowing. Borrowing has to be affordable as the cost of interest and setting aside sufficient provision to cover the loan repayments are borne by the revenue budget each year based on the life of the asset.

8.1 The proposed treasury management strategy for next year is largely unchanged from the current strategy for 2023-24. This is not necessarily unexpected: the Council's strategy is designed to provide ongoing effective risk control and not to be overfitted to a particular stage of the economic cycle. That being said, the current economic outlook is an important building block of the Council's treasury strategy (as well as the overall budget strategy) and, in particular, officers have taken account of the medium term interest rate forecasts from Link Group, the Council's appointed treasury advisors. Link estimate that Bank Rate (currently at 5.25%) has likely peaked and expect both short term and long term rates to decline over the medium term.

8.2 The most pertinent internal factor, and the key driver of the treasury strategy, is the Council's capital expenditure and financing plans, which determines the Council's borrowing requirement. As set out in paragraph 22 of the strategy, the capital financing requirement, is forecast to rise marginally over 2024-25 before declining gradually in the following two years. Most of this borrowing requirement has already been met through external borrowing, and debt balances themselves are expected to decline over the medium term as existing loans mature and are not replaced. Notwithstanding this the Council is expected to have ample capacity to continue supporting internal borrowing over the medium term to meet the residual borrowing requirement not fulfilled by external debt. This is demonstrated most clearly in the liability benchmark graphic, at paragraph 32. Therefore, given that interest rates are forecast to decline and that the Council does not necessarily require new external debt at this stage, officers are not recommending that new external borrowing is undertaken in 2024/25. The proposed strategy retains the flexibility to depart from this central expectation should circumstances change during the next financial year.

8.3

The investment strategy has been reviewed and is judged to remain fit for purpose. The Council will keep the current split between internally managed, highly liquid and high-quality cash instruments (approximately two thirds of overall cash under management) and the strategic pooled funds portfolio (circa one third). One technical change proposed in the new strategy is to reduce the minimum average credit quality for the portfolio to AA- (one notch down from the current limit of AA). This has not been proposed in order to increase credit risk, but simply for consistency with the UK sovereign rating (which itself is AA-). Officers do not expect the overall credit quality of the actual investment portfolio to be reduced. All other limits and indicators have been reviewed to ensure their continued appropriateness.

9.1 Reserves are an important part of the Council's financial strategy and are held to create long-term financial stability. They enable the Council to manage change without undue impact on the Council Tax and are a key element of its financial standing and resilience.

9.2 The Council's key sources of funding face an uncertain future and the Council therefore holds earmarked reserves and a working balance to mitigate future financial risks.

9.3 There are two main types of reserves:

- Earmarked Reserves – held for identified purposes and are used to maintain a resource in order to provide for expenditure in a future year(s).
- General Reserves – these are held for 'unforeseen' events.

9.4 The Council maintains reserves both for its General Fund activities and it accounts for the reserves of its maintained schools. Schools are funded by a 100% government grant, Dedicated Schools Grant (DSG). Local authorities cannot fund DSG activities from the general fund without express approval from the Secretary of State. Under the Safety Valve agreement with the DfE KCC is required to make a contribution totalling £82.3m between 2022-23 to 2027-28. The contributions for 2022-23 and 2023-24 are reflected through transfers from the Council's reserves into the DSG reserve. The contributions into the DSG reserve from 2024-25 onwards are reflected in the changes to reserves in the 2024-25 revised draft revenue budget and 2024-27 MTFP. The Safety Valve agreement does not fully eliminate the risk of DSG overspends until the plan has been fully delivered and high needs spending is contained within the block of funding available within DSG.

9.5 There remains a significant risk to reserves if the forecast overspend for 2023-24 is not balanced through the further management action that is being put in place for the remainder of the current financial year. The level of reserves held is a matter of judgment which takes into account the reasons why reserves are maintained and the Council's potential financial exposure to risks. A Reserves Policy is included as Appendix H to this report. An analysis of budget risks and adequacy of reserves is included as Appendix I, and a budget risk register at Appendix J.

9.6 The Council holds reserves in order to mitigate future risks, such as increased demand and costs; to help absorb the costs of future liabilities; and to enable the Council to initially resource policy developments and initiatives without a disruptive impact on Council Tax. Capital reserves play a similar role in funding the Council's capital investment strategy.

9.7 The Council also relies on interest earned through holding cash and investment balances to support its general spending plans.

9.8 Reserves are one-off monies and, therefore, the Council generally aims to avoid using reserves to meet on-going financial commitments other than as part of a sustainable budget plan. The Council has to balance the opportunity cost of holding reserves in terms of Council Tax against the importance of interest earning and long-term future planning.

9.9 Reserves are therefore held for the following purposes:

- Providing a working balance
- Smoothing the impact of uneven expenditure profiles between years e.g. collection fund surpluses or deficits, local elections, structural building maintenance and carrying forward expenditure between years.
- Holding funds for future spending plans e.g. capital expenditure plans, and for the renewal of operational assets e.g. information technology renewal.
- Meeting future costs and liabilities where an accounting 'provision' cannot be justified.
- Meeting future costs and liabilities so as to cushion the effect on services e.g. the Insurance Reserve for self-funded liabilities arising from insurance claims.
- To provide resilience against future risks.
- To create policy capacity in the context of forecast declining future external resources.

9.10 All earmarked reserves are held for a specific purpose. A summary of the movement on each category of reserves is published annually, to accompany the annual Statement of Accounts.

9.11 The administration's revised draft budget 2024-25 includes an assumed net £3.1m increase in reserves in 2024-25 and a net reduction of £3.9m over the medium term 2024-25 to 2026-27 on the core funded budget. The externally funded element includes a net contribution of £2.5m in 2024-27 and net contribution of £3.8m over the medium term. The movement in reserves includes new contributions and removing previous years drawdown and contributions. These changes include the following main changes:

Increased/new contributions (core budget) £36.7m

- £16.2m general reserves including £11.1m repayment of 50% of the amount drawn down to balance the 2022-23 budget and £5.1m for the additional annual contribution to reflect the increase in net revenue budget to maintain general reserves at 5%. The phased repayment of 2022-23 drawdown means general reserves are not planned to be returned to the agreed 5% of the net revenue budget until 2025-26
- £15.1m DSG reserve for the planned 2024-25 Council contribution to the safety valve programme
- £4.3m repayment to smoothing reserves for planned drawdowns to support the 2023-24 budget
- £1.0m annual contribution to establish new Emergency Capital Events Reserve for emergency capital works and revenue costs related to capital spend such as temporary accommodation, and condition surveys which don't result in capital works

Drawdowns and Removal of Prior Year Drawdown and Contributions -£33.6m

- -£12.9m drawdown from reserves/reduced contributions to reserves to balance the budget as part of the package of £23.9m one-off solutions for 2024-25. These one-off solutions will need to be replaced through further savings in 2025-26 and 2026-27
- -£1.3m for funding of specific projects within the 2024-25 revenue budget proposals
- -£5.8m removal of 2023-24 contribution to general reserve for increase in net budget
- -£12m removal of the contribution to the risk reserve (now treated as contingent spend rather than reserve)
- -£5.6m removal of 2023-24 contribution to Local Taxation Equalisation reserve
- -£1.2m removal of the annual contribution for the phased repayment of long term reserves borrowed to fund grant reductions in 2011-12 as these are now fully repaid
- +£4.3m to replace the drawdown from reserves to support the 2023-24 budget
- +£1.0m to replace the drawdown from reserves for specific projects in the 2023-24 budget

Net changes in externally funded reserves £2.5m

- -£1.3m from Public Health reserves including the planned drawdown of £0.3m for one-off investments in the future of Public Health and £1.0m one-off support to safe-guard services under the Live Well Kent Mental Health contract
- +£3.8m removal of drawdowns for Public Health in the 2023-24 budget

Appendices and background documents

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Background documents

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

KCC's Budget webpage	1
KCC's Corporate Risk Register (item 8)	2
KCC's Risk Management Strategy, Policy and Programme (item 11)	3
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APPENDIX A - CAPITAL INVESTMENT SUMMARY 2024-25 TO 2033-34

Capital Investment Plans:

ROW REF	Directorate		Total Cost £000s	Prior Years Spend £000s	Cash Limits			
					2024-25	2025-26	2026-27	2027-28
					Year 1 £000s	Year 2 £000s	Year 3 £000s	Year 4 £000s
1	Adult Social Care & Health	ASCH	6,157	3,308	599	250	250	250
2	Children, Young People & Education	CYPE	637,685	237,001	131,048	85,725	32,739	33,922
3	Growth, Environment & Transport	GET	1,471,674	334,767	182,036	142,561	159,160	185,206
4	Chief Executive's Department	CED	3,510	2,069	-255	1,696	0	0
5	Deputy Chief Executive's Department	DCED	127,531	23,522	31,546	25,992	3,421	6,150
6	Total Cash Limit		2,246,557	600,667	344,974	256,224	195,570	225,528

Funded By:

7	Borrowing	474,064	98,170	102,989	48,217	27,269	32,419
8	Property Enterprise Fund (PEF) 2	369	369				
9	Grants	1,326,633	334,235	168,016	129,192	125,164	165,609
10	Developer Contributions	186,924	67,286	38,520	40,654	20,946	9,586
11	Other External Funding e.g. Arts Council, District Contributions etc.	25,390	14,759	5,422	3,846	1,363	
12	Revenue Contributions to Capital	73,272	11,195	6,265	6,002	6,041	6,441
13	Capital Receipts	48,832	16,296	9,324	18,197	558	557
14	Recycled Loan Repayments	111,073	58,357	14,438	10,116	14,229	10,916
16	Total Finance	2,246,557	600,667	344,974	256,224	195,570	225,528

APPENDIX A - CAPITAL INVESTMENT SUMMARY 2024-25 TO 2033-34

Capital Investment Plans:

ROW REF	Directorate	Cash Limits						
		2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	
		Year 5 £000s	Year 6 £000s	Year 7 £000s	Year 8 £000s	Year 9 £000s	Year 10 £000s	
1	Adult Social Care & Health	ASCH	250	250	250	250	250	250
2	Children, Young People & Education	CYPE	19,750	19,500	19,500	19,500	19,500	19,500
3	Growth, Environment & Transport	GET	142,886	67,016	65,209	63,348	63,335	66,150
4	Chief Executive's Department	CED	0	0	0	0	0	0
5	Deputy Chief Executive's Department	DCED	6,150	6,150	6,150	6,150	6,150	6,150
6	Total Cash Limit		169,036	92,916	91,109	89,248	89,235	92,050

Funded By:

7	Borrowing	25,000	28,000	28,000	28,000	28,000	28,000
8	Property Enterprise Fund (PEF) 2		0				
9	Grants	125,778	56,350	56,251	54,393	54,415	57,230
10	Developer Contributions	8,239	1,693				
11	Other External Funding e.g. Arts Council, District Contributions etc.						
12	Revenue Contributions to Capital	6,352	6,223	6,208	6,205	6,170	6,170
13	Capital Receipts	650	650	650	650	650	650
14	Recycled Loan Repayments	3,017					
16	Total Finance	169,036	92,916	91,109	89,248	89,235	92,050

Adult Social Care & Health (ASCH)

ROW REF	Project	Description of Project	Total Cost of Scheme	Prior Years Spend	Cash Limits			
					2024-25	2025-26	2026-27	2027-28
					Year 1	Year 2	Year 3	Year 4
			£000s	£000s	£000s	£000s	£000s	
1	Home Support Fund & Equipment [2]	Provision of equipment and/or alterations to individuals' homes	2,500		250	250	250	250
2	Total Rolling Programmes [3]		2,500		250	250	250	250
Kent Strategy for Services for Learning Disability (LD):								
3	Learning Disability Good Day Programme	To provide dedicated space, accessible equipment and facilities for people with a learning disability within inclusive community settings across the county	3,657	3,308	349	0	0	0
4	Total Individual Projects		3,657	3,308	349	0	0	0
5	Total - Adult Social Care & Health		6,157	3,308	599	250	250	250

[1] These are projects that are relying on significant elements of unsecured funding and will only go ahead if the funding is achieved

[2] Estimated allocations have been included for 2024-25 to 2033-34

[3] Rolling programmes have been included for 10 year capital programme

Adult Social Care & Health (ASCH)

ROW REF	Project	Description of Project	Cash Limits					
			2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
			Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
			£000s	£000s	£000s	£000s	£000s	£000s
1	Home Support Fund & Equipment [2]	Provision of equipment and/or alterations to individuals' homes	250	250	250	250	250	250
2	Total Rolling Programmes [3]		250	250	250	250	250	250
Kent Strategy for Services for Learning Disability (LD):								
3	Learning Disability Good Day Programme	To provide dedicated space, accessible equipment and facilities for people with a learning disability within inclusive community settings across the county	0	0	0	0	0	0
4	Total Individual Projects		0	0	0	0	0	0
5	Total - Adult Social Care & Health		250	250	250	250	250	250

[1] These are projects that are relying on significant elements of unsecured funding and will only go ahead if the funding is achieved

[2] Estimated allocations have been included for 2024-25 to 2033-34

[3] Rolling programmes have been included for 10 year capital programme

APPENDIX B - CAPITAL INVESTMENT SUMMARY 2024-25 TO 2033-34

Children, Young People & Education (CYPE)

ROW REF	Project	Description of Project	Total Cost of Scheme	Prior Years Spend	Cash Limits			
					2024-25	2025-26	2026-27	2027-28
					Year 1	Year 2	Year 3	Year 4
					£000s	£000s	£000s	£000s
1	Annual Planned Enhancement Programme [2]	Planned and reactive capital projects to keep schools open and operational	87,571		13,871	9,700	8,000	8,000
2	Schools Capital Expenditure funded from Devolved Formula Capital Grants for Individual Schools	Enhancement of schools	45,000		4,500	4,500	4,500	4,500
3	Schools Capital Expenditure funded from Revenue	Expenditure on capital projects by individual schools	50,000		5,000	5,000	5,000	5,000
4	Schools' Modernisation Programme [2]	Improving and upgrading school buildings including removal of temporary classrooms	31,208		9,956	5,252	2,000	2,000
5	Total Rolling Programmes [3]		213,779		33,327	24,452	19,500	19,500
Basic Need Schemes - to provide additional pupil places:								
6	Basic Need KCP 2017	Increasing the capacity of Kent's schools	116,518	115,334	1,184	0	0	0
7	Basic Need KCP 2018 [1]	Increasing the capacity of Kent's schools	49,283	41,539	1,666	0	400	5,428
8	Basic Need KCP 2019 [1]	Increasing the capacity of Kent's schools	101,247	51,198	47,164	2,885	0	0
9	Basic Need KCP 2021-25 [1]	Increasing the capacity of Kent's schools	11,225	2,272	500	8,453	0	0
10	Basic Need KCP 2022-26 [1]	Increasing the capacity of Kent's schools	13,833	5,522	8,311	0	0	0
11	Basic Need KCP 2023-27 [1]	Increasing the capacity of Kent's schools	66,945	1,810	15,118	30,704	11,319	7,994
12	Basic Need KCP 2024-28 [1]	Increasing the capacity of Kent's schools	6,894	187	0	6,707	0	0
Other Projects								
13	High Needs Provision 22-24	Specific projects relating to high needs provision	44,168	13,019	20,125	11,024	0	0
14	High Needs Provision 24-25	Specific projects relating to high needs provision	7,166	0	3,146	1,500	1,520	1,000
15	School Roofs	Structural repairs to school roofs	6,627	6,120	507	0	0	0
16	Total Individual Projects		423,906	237,001	97,721	61,273	13,239	14,422
17	Total - Children, Young People & Education		637,685	237,001	131,048	85,725	32,739	33,922

[1] These are projects that are relying on significant elements of unsecured funding and will only go ahead if the funding is achieved

[2] Estimated allocations have been included for 2024-25 to 2033-34

[3] Rolling programmes have been included for 10 year capital programme

APPENDIX B - CAPITAL INVESTMENT SUMMARY 2024-25 TO 2033-34

Children, Young People & Education (CYPE)

ROW REF	Project	Description of Project	Cash Limits					
			2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
			Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
			£000s	£000s	£000s	£000s	£000s	£000s
1	Annual Planned Enhancement Programme [2]	Planned and reactive capital projects to keep schools open and operational	8,000	8,000	8,000	8,000	8,000	8,000
2	Schools Capital Expenditure funded from Devolved Formula Capital Grants for Individual Schools	Enhancement of schools	4,500	4,500	4,500	4,500	4,500	4,500
3	Schools Capital Expenditure funded from Revenue	Expenditure on capital projects by individual schools	5,000	5,000	5,000	5,000	5,000	5,000
4	Schools' Modernisation Programme [2]	Improving and upgrading school buildings including removal of temporary classrooms	2,000	2,000	2,000	2,000	2,000	2,000
5	Total Rolling Programmes [3]		19,500	19,500	19,500	19,500	19,500	19,500
Basic Need Schemes - to provide additional pupil places:								
6	Basic Need KCP 2017	Increasing the capacity of Kent's schools	0	0	0	0	0	0
7	Basic Need KCP 2018 [1]	Increasing the capacity of Kent's schools	250	0	0	0	0	0
8	Basic Need KCP 2019 [1]	Increasing the capacity of Kent's schools	0	0	0	0	0	0
9	Basic Need KCP 2021-25 [1]	Increasing the capacity of Kent's schools	0	0	0	0	0	0
10	Basic Need KCP 2022-26 [1]	Increasing the capacity of Kent's schools	0	0	0	0	0	0
11	Basic Need KCP 2023-27 [1]	Increasing the capacity of Kent's schools	0	0	0	0	0	0
12	Basic Need KCP 2024-28 [1]	Increasing the capacity of Kent's schools	0	0	0	0	0	0
Other Projects								
13	High Needs Provision 22-24	Specific projects relating to high needs provision	0	0	0	0	0	0
14	High Needs Provision 24-25	Specific projects relating to high needs provision	0	0	0	0	0	0
15	School Roofs	Structural repairs to school roofs	0	0	0	0	0	0
16	Total Individual Projects		250	0	0	0	0	0
17	Total - Children, Young People & Education		19,750	19,500	19,500	19,500	19,500	19,500

[1] These are projects that are relying on significant elements of unsecured funding and will only go ahead if the funding is achieved

[2] Estimated allocations have been included for 2024-25 to 2033-34

[3] Rolling programmes have been included for 10 year capital programme

Growth, Environment & Transport (GET)

ROW REF	Project	Description of Project	Total Cost of Scheme	Prior Years Spend	Cash Limits			
					2024-25	2025-26	2026-27	2027-28
					Year 1	Year 2	Year 3	Year 4
			£000s	£000s	£000s	£000s	£000s	£000s
Growth & Communities								
1	Country Parks Access and Development	Improvements and adaptations to country parks	700		70	70	70	70
2	Public Rights of Way	Structural improvements of public rights of way	9,487		1,387	900	900	900
3	Public Sports Facilities Improvement	Capital grants for new provision/refurbishment of sports facilities and projects in the community	713		38	75	75	75
4	Village Halls and Community Centres	Capital Grants for improvements and adaptations to village halls and community centres	713		38	75	75	75
Transportation								
5	Highways Asset Management/Annual Maintenance [1] [2]	Maintaining Kent's roads	573,725		69,725	56,000	56,000	56,000
6	Integrated Transport Schemes [1] [2]	Improvements to road safety	45,050		4,550	4,500	4,500	4,500
7	Major Schemes - Preliminary Design Fees	Preliminary design of new roads	23		23	0	0	0
8	Old Highways Schemes, Residual Works, Land Compensation Act (LCA) Part 1	Old Highways Schemes, Residual Works, LCA Part 1	72		51	21	0	0
9	Total Rolling Programmes [3]		630,483		75,882	61,641	61,620	61,620
Growth & Communities								
10	Digital Autopsy	To provide a body storage and digital autopsy facility	3,217	371	100	0	2,746	0
11	Essella Road Bridge (PROW)	Urgent works to ensure footbridge remains open	300	190	110	0	0	0
12	Public Mortuary	To consider options for the provision of a public mortuary	3,000	0	0	0	3,000	0
13	Gypsy & Traveller Site Improvements	Improvements to Gypsy and Traveller sites	4,055	1,469	2,586		0	0
14	Innovation Investment Initiative (i3)	Provision of loans to small and medium enterprises with the potential for innovation and growth, helping them to improve their productivity and create jobs	10,375	6,934	600	1,047	1,100	694
15	Javelin Way Development	To provide accomodation for creative industries and the creation of industrial units	12,787	12,787	0	0	0	0
16	Kent & Medway Business Fund	New fund using recycled receipts from Regional Growth Fund, TIGER and Escalate, to enable creation of jobs and support business start ups	42,158	20,401	4,384	4,054	8,912	4,407

Growth, Environment & Transport (GET)

ROW REF	Project	Description of Project	Total Cost of Scheme	Prior Years Spend	Cash Limits			
					2024-25	2025-26	2026-27	2027-28
					Year 1	Year 2	Year 3	Year 4
			£000s	£000s	£000s	£000s	£000s	£000s
17	Kent Empty Property Initiative - No Use Empty (NUE)	Bringing long term empty properties including commercial buildings and vacant sites back into use as quality housing accommodation	74,482	54,042	7,454	2,817	1,337	5,815
18	The Kent Broadband Voucher Scheme	Voucher scheme to benefit properties in hard to reach locations	2,862	514	546	1,298	504	0
19	Workspace Programme (Kent Working Spaces)	A scheme that provides loans towards the development of incubator spaces for start ups or growing micro-businesses, demonstrating a net increase in employment in the area	1,500	1,325	175	0	0	0
Environment & Waste								
20	Energy and Water Efficiency Investment Fund - External	Energy Efficiency works	3,215	2,735	151	75	67	53
21	Energy Reduction and Water Efficiency Investment - KCC	Energy Efficiency works	2,439	2,051	257	27	27	25
22	Leigh (Medway) Flood Storage Area	Contribution to partnership-funded projects to provide flood defences for the River Medway	2,500	1,428	625	447	0	0
23	Maidstone Heat Network	To install heat pumps in offices in Maidstone	408	332	76	0	0	0
24	New Transfer Station - Folkestone & Hythe [1]	To provide a new waste transfer station in Folkestone & Hythe	10,302	220	3,500	6,582	0	0
25	Surface Water Flood Risk Management	To provide flood risk management and climate adaptation investment in capital infrastructure across Kent, to reduce the significant risks of local flooding and adapt to the impacts of climate change which are predicted to be substantial on the county	5,493	265	500	600	628	500
26	Windmill Asset Management & Weatherproofing	Works to ensure Windmills are in a safe and weatherproof condition	1,750	1,136	106	100	186	100
27	Local Authority Treescape Fund (LATF)	Tree planting programme funded by grant	647	350	127	80	75	15
Transportation								
28	A2 Off Slip Wincheap, Canterbury [1]	To deliver an off-slip in the coastbound direction	4,400	0	1,500	2,199	701	0
29	A226 St Clements Way	Road improvement scheme	6,571	6,557	14	0	0	0
30	A228 and B2160 Junction Improvements with B2017 Badsell Road [1]	Junction improvements	3,695	914	2,721	60	0	0
31	A28 Chart Road, Ashford [1]	Strategic highway improvement	26,247	4,456	2,465	11,380	7,676	190
32	Bath Street, Gravesend	Bus Lane project - Fastrack programme extension	5,520	4,663	44	813	0	0
33	Dartford Town Centre	A package of works to improve economic performance of Dartford Town Centre	12,000	9,895	2,105	0	0	0
34	Dover Bus Rapid Transit	To provide a high quality and reliable public transport service in the Dover area, funded from Housing Infrastructure funding	25,899	25,465	345	89	0	0

APPENDIX B - CAPITAL INVESTMENT SUMMARY 2024-25 TO 2033-34

Growth, Environment & Transport (GET)

ROW REF	Project	Description of Project	Total Cost of Scheme	Prior Years Spend	Cash Limits			
					2024-25	2025-26	2026-27	2027-28
					Year 1	Year 2	Year 3	Year 4
					£000s	£000s	£000s	£000s
35	Fastrack Full Network - Bean Road Tunnels [1]	Construction of a tunnel linking Bluewater and the Eastern Quarry Development	14,038	2,536	6,365	3,774	1,363	0
36	Faversham Swing Bridge [1]	Restoration of an opening bridge	2,550	735	815	1,000	0	0
37	Green Corridors	Programme of schemes to improve walking and cycling in Ebbsfleet	7,549	3,567	3,982	0	0	0
38	Herne Relief Road [1]	Provision of an alternative route between Herne Bay and Canterbury to avoid Herne village	9,076	8,836	120	120	0	0
39	Housing Infrastructure Fund - Swale Infrastructure Projects	Improvements to A249 Junctions at Grovehurst Road and Keycol Roundabout	39,832	20,435	18,715	682	0	0
40	Kent Active Travel Fund Phase 2	Investment in active travel initiatives as an alternative to the travelling public for shorter journeys	4,378	3,313	1,065	0	0	0
41	Kent Active Travel Fund Phase 3	Investment in active travel initiatives as an alternative to the travelling public for shorter journeys	1,800	766	1,034	0	0	0
42	Bearsted Road Improvements - formerly Kent Medical Campus (National Productivity Investment Fund - NPIF)	Project to ease congestion in Maidstone	14,312	11,364	2,898	50	0	0
43	Kent Thameside Strategic Transport Programme (Thamesway) [1]	Strategic highway improvement in Dartford & Gravesham	10,687	1,169	9,518	0	0	0
44	LED Conversion	Upgrading street lights to more energy efficient LED lanterns & implementation of Central Monitoring System	40,605	39,410	1,195	0	0	0
45	Maidstone Integrated Transport [1]	Improving transport links with various schemes in Maidstone	10,910	8,161	2,749	0	0	0
46	Market Square Dover	Project to improve access and public realm at Market Square in Dover	3,640	3,625	15	0	0	0
47	Rathmore Road Link	Road improvement scheme	7,808	7,743	65	0	0	0
48	Sturry Link Road, Canterbury [1]	Construction of bypass	41,601	4,153	2,832	25,547	8,214	752
49	Thanet Parkway	Construction of Thanet Parkway Railway Station to enhance rail access in east Kent and act as a catalyst for economic and housing growth	43,225	43,175	50		0	0
50	Urban Traffic Management [1]	Upgrades to the existing urban traffic management system within the Ebbsfleet area.	5,476	5,153	323	0	0	0
51	A229 Bluebell Hill M2 & M20 Interchange Upgrades [1]	Scheme to upgrade junctions to increase capacity and provide freeflowing interchange wherever possible	202,082	901	7,936	11,084	48,422	81,818
52	North Thanet Link (formerly known as A28 Birchington) [1] and [4]	Creation of a relief road	76,745	2,838	1,973	2,095	11,820	28,111

Growth, Environment & Transport (GET)

ROW REF	Project	Description of Project	Total Cost of Scheme	Prior Years Spend	Cash Limits			
					2024-25	2025-26	2026-27	2027-28
					Year 1	Year 2	Year 3	Year 4
			£000s	£000s	£000s	£000s	£000s	
53	Zebra Funding - Electric Buses and infrastructure	Grant funded projects for electric buses and infrastructure	9,525	6,500	3,025	0	0	0
54	Folkestone Brighter Futures	A package of transport and public realm improvements from Folkestone Central Station through to the Town Centre, funded from Levelling Up Fund 2, which KCC are delivering on behalf of Folkestone and Hythe District Council	15,952	1,212	10,165	4,575	0	0
55	Kent Active Travel Fund Phase 4	Investment in active travel initiatives as an alternative to the travelling public for shorter journeys	1,498	675	823	0	0	0
56	Local Electric Vehicle Infrastructure (LEVI)	Grant funded project to provide electric vehicle infrastructure	12,080	0	0	325	762	1,106
57	Total Individual Projects		841,191	334,767	106,154	80,920	97,540	123,586
58	Total - Growth, Environment & Transport		1,471,674	334,767	182,036	142,561	159,160	185,206

[1] These are projects that are relying on significant elements of unsecured funding and will only go ahead if the funding is achieved

[2] Estimated allocations have been included for 2024-25 to 2033-34

[3] Rolling programmes have been included for 10 year capital programme

[4] Budget is likely to further be refined before awarding a construction contract and the delivery of the project is dependent on the award of external funding

Growth, Environment & Transport (GET)

ROW REF	Project	Description of Project	Cash Limits					
			2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
			Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
			£000s	£000s	£000s	£000s	£000s	£000s
Growth & Communities								
1	Country Parks Access and Development	Improvements and adaptations to country parks	70	70	70	70	70	70
2	Public Rights of Way	Structural improvements of public rights of way	900	900	900	900	900	900
3	Public Sports Facilities Improvement	Capital grants for new provision/refurbishment of sports facilities and projects in the community	75	75	75	75	75	75
4	Village Halls and Community Centres	Capital Grants for improvements and adaptations to village halls and community centres	75	75	75	75	75	75
Transportation								
5	Highways Asset Management/Annual Maintenance [1] [2]	Maintaining Kent's roads	56,000	56,000	56,000	56,000	56,000	56,000
6	Integrated Transport Schemes [1] [2]	Improvements to road safety	4,500	4,500	4,500	4,500	4,500	4,500
7	Major Schemes - Preliminary Design Fees	Preliminary design of new roads	0	0	0	0	0	0
8	Old Highways Schemes, Residual Works, Land Compensation Act (LCA) Part 1	Old Highways Schemes, Residual Works, LCA Part 1	0	0	0	0	0	0
9	Total Rolling Programmes [3]		61,620	61,620	61,620	61,620	61,620	61,620
Growth & Communities								
10	Digital Autopsy	To provide a body storage and digital autopsy facility	0	0	0	0	0	0
11	Essella Road Bridge (PROW)	Urgent works to ensure footbridge remains open	0	0	0	0	0	0
12	Public Mortuary	To consider options for the provision of a public mortuary	0	0	0	0	0	0
13	Gypsy & Traveller Site Improvements	Improvements to Gypsy and Traveller sites	0	0	0	0	0	0
14	Innovation Investment Initiative (i3)	Provision of loans to small and medium enterprises with the potential for innovation and growth, helping them to improve their productivity and create jobs	0	0	0	0	0	0
15	Javelin Way Development	To provide accomodation for creative industries and the creation of industrial units	0	0	0	0	0	0
16	Kent & Medway Business Fund	New fund using recycled receipts from Regional Growth Fund, TIGER and Escalate, to enable creation of jobs and support business start ups	0	0	0	0	0	0

Growth, Environment & Transport (GET)

ROW REF	Project	Description of Project	Cash Limits					
			2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
			Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
			£000s	£000s	£000s	£000s	£000s	£000s
17	Kent Empty Property Initiative - No Use Empty (NUE)	Bringing long term empty properties including commercial buildings and vacant sites back into use as quality housing accommodation	3,017	0	0	0	0	0
18	The Kent Broadband Voucher Scheme	Voucher scheme to benefit properties in hard to reach locations	0	0	0	0	0	0
19	Workspace Programme (Kent Working Spaces)	A scheme that provides loans towards the development of incubator spaces for start ups or growing micro-businesses, demonstrating a net increase in employment in the area	0	0	0	0	0	0
Environment & Waste								
20	Energy and Water Efficiency Investment Fund - External	Energy Efficiency works	41	36	24	33	0	0
21	Energy Reduction and Water Efficiency Investment - KCC	Energy Efficiency works	19	17	14	2	0	0
22	Leigh (Medway) Flood Storage Area	Contribution to partnership-funded projects to provide flood defences for the River Medway	0	0	0	0	0	0
23	Maidstone Heat Network	To install heat pumps in offices in Maidstone	0	0	0	0	0	0
24	New Transfer Station - Folkestone & Hythe [1]	To provide a new waste transfer station in Folkestone & Hythe	0	0	0	0	0	0
25	Surface Water Flood Risk Management	To provide flood risk management and climate adaptation investment in capital infrastructure across Kent, to reduce the significant risks of local flooding and adapt to the impacts of climate change which are predicted to be substantial on the county	500	500	500	500	500	500
26	Windmill Asset Management & Weatherproofing	Works to ensure Windmills are in a safe and weatherproof condition	122	0	0	0	0	0
27	Local Authority Treescape Fund (LATF)	Tree planting programme funded by grant	0	0	0	0	0	0
Transportation								
28	A2 Off Slip Wincheap, Canterbury [1]	To deliver an off-slip in the coastbound direction	0	0	0	0	0	0
29	A226 St Clements Way	Road improvement scheme	0	0	0	0	0	0
30	A228 and B2160 Junction Improvements with B2017 Badsell Road [1]	Junction improvements	0	0	0	0	0	0
31	A28 Chart Road, Ashford [1]	Strategic highway improvement	80	0	0	0	0	0
32	Bath Street, Gravesend	Bus Lane project - Fastrack programme extension	0	0	0	0	0	0
33	Dartford Town Centre	A package of works to improve economic performance of Dartford Town Centre	0	0	0	0	0	0
34	Dover Bus Rapid Transit	To provide a high quality and reliable public transport service in the Dover area, funded from Housing Infrastructure funding	0	0	0	0	0	0

Growth, Environment & Transport (GET)

ROW REF	Project	Description of Project	Cash Limits					
			2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
			Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
			£000s	£000s	£000s	£000s	£000s	£000s
35	Fastrack Full Network - Bean Road Tunnels [1]	Construction of a tunnel linking Bluewater and the Eastern Quarry Development	0	0	0	0	0	0
36	Faversham Swing Bridge [1]	Restoration of an opening bridge	0	0	0	0	0	0
37	Green Corridors	Programme of schemes to improve walking and cycling in Ebbsfleet	0	0	0	0	0	0
38	Herne Relief Road [1]	Provision of an alternative route between Herne Bay and Canterbury to avoid Herne village	0	0	0	0	0	0
39	Housing Infrastructure Fund - Swale Infrastructure Projects	Improvements to A249 Junctions at Grovehurst Road and Keycol Roundabout	0	0	0	0	0	0
40	Kent Active Travel Fund Phase 2	Investment in active travel initiatives as an alternative to the travelling public for shorter journeys	0	0	0	0	0	0
41	Kent Active Travel Fund Phase 3	Investment in active travel initiatives as an alternative to the travelling public for shorter journeys	0	0	0	0	0	0
42	Bearsted Road Improvements - formerly Kent Medical Campus (National Productivity Investment Fund - NPIF)	Project to ease congestion in Maidstone	0	0	0	0	0	0
43	Kent Thameside Strategic Transport Programme (Thamesway) [1]	Strategic highway improvement in Dartford & Gravesham	0	0	0	0	0	0
44	LED Conversion	Upgrading street lights to more energy efficient LED lanterns & implementation of Central Monitoring System	0	0	0	0	0	0
45	Maidstone Integrated Transport [1]	Improving transport links with various schemes in Maidstone	0	0	0	0	0	0
46	Market Square Dover	Project to improve access and public realm at Market Square in Dover	0	0	0	0	0	0
47	Rathmore Road Link	Road improvement scheme	0	0	0	0	0	0
48	Sturry Link Road, Canterbury [1]	Construction of bypass	103	0	0	0	0	0
49	Thanet Parkway	Construction of Thanet Parkway Railway Station to enhance rail access in east Kent and act as a catalyst for economic and housing growth	0	0	0	0	0	0
50	Urban Traffic Management [1]	Upgrades to the existing urban traffic management system within the Ebbsfleet area.	0	0	0	0	0	0
51	A229 Bluebell Hill M2 & M20 Interchange Upgrades [1]	Scheme to upgrade junctions to increase capacity and provide freeflowing interchange wherever possible	48,041	2,000	1,880	0	0	0
52	North Thanet Link (formerly known as A28 Birchington) [1] and [4]	Creation of a relief road	28,215	1,693	0	0	0	0

Growth, Environment & Transport (GET)

ROW REF	Project	Description of Project	Cash Limits						
			2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	
			Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
			£000s	£000s	£000s	£000s	£000s	£000s	£000s
53	Zebra Funding - Electric Buses and infrastructure	Grant funded projects for electric buses and infrastructure	0	0	0	0	0	0	0
54	Folkestone Brighter Futures	A package of transport and public realm improvements from Folkestone Central Station through to the Town Centre, funded from Levelling Up Fund 2, which KCC are delivering on behalf of Folkestone and Hythe District Council	0	0	0	0	0	0	0
55	Kent Active Travel Fund Phase 4	Investment in active travel initiatives as an alternative to the travelling public for shorter journeys	0	0	0	0	0	0	0
56	Local Electric Vehicle Infrastructure (LEVI)	Grant funded project to provide electric vehicle infrastructure	1,128	1,150	1,171	1,193	1,215	4,030	
57	Total Individual Projects		81,266	5,396	3,589	1,728	1,715	4,530	
58	Total - Growth, Environment & Transport		142,886	67,016	65,209	63,348	63,335	66,150	

[1] These are projects that are relying on significant elements of unsecured funding and will only go ahead if the funding is achieved

[2] Estimated allocations have been included for 2024-25 to 2033-34

[3] Rolling programmes have been included for 10 year capital programme

[4] Budget is likely to further be refined before awarding a construction contract and the delivery of the project is dependent on the award of

Chief Executive's Department (CED)

ROW REF	Project	Description of Project	Total Cost of Scheme	Prior Years Spend	Cash Limits			
					2024-25	2025-26	2026-27	2027-28
					Year 1	Year 2	Year 3	Year 4
			£000s	£000s	£000s	£000s	£000s	
1	Feasibility Fund [1]	Forward funding to enable future projects assess feasibility	3,510	2,069	-255	1,696	0	0
2	Total Individual Projects		3,510	2,069	-255	1,696	0	0
3	Total - Chief Executive's Department		3,510	2,069	-255	1,696	0	0

[1] These are projects that are relying on significant elements of unsecured funding and will only go ahead if the funding is achieved

[2] Estimated allocations have been included for 2024-25 to 2033-34

[3] Rolling programmes have been included for 10 year capital programme

APPENDIX B - CAPITAL INVESTMENT SUMMARY 2024-25 TO 2033-34

Chief Executive's Department (CED)

ROW REF	Project	Description of Project	Cash Limits					
			2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
			Year 5 £000s	Year 6 £000s	Year 7 £000s	Year 8 £000s	Year 9 £000s	Year 10 £000s
1	Feasibility Fund [1]	Forward funding to enable future projects assess feasibility	0	0	0	0	0	0
2	Total Individual Projects		0	0	0	0	0	0
3	Total - Chief Executive's Department		0	0	0	0	0	0

[1] These are projects that are relying on significant elements of unsecured funding and will only go ahead if the funding is achieved

[2] Estimated allocations have been included for 2024-25 to 2033-34

[3] Rolling programmes have been included for 10 year capital programme

APPENDIX B - CAPITAL INVESTMENT SUMMARY 2024-25 TO 2033-34

Deputy Chief Executive's Department (DCED)

ROW REF	Project	Description of Project	Total Cost of Scheme	Prior Years Spend	Cash Limits			
					2024-25	2025-26	2026-27	2027-28
					Year 1	Year 2	Year 3	Year 4
			£000s	£000s	£000s	£000s	£000s	
1	Corporate Property Strategic Capital Delivery [1] [2]	Costs associated with delivering the capital programme	25,000		2,500	2,500	2,500	2,500
2	Disposal Costs [1]	Costs of disposing of surplus property	6,500		650	650	650	650
3	Modernisation of Assets (MOA) [1]	Maintaining KCC estates	38,944		9,673	8,000	271	3,000
4	Total Rolling Programmes [3]		70,444		12,823	11,150	3,421	6,150
5	Asset Utilisation	Strategic utilisation of assets in order to achieve revenue savings and capital receipts	1,443	943	500	0	0	0
6	Strategic Estate Programme	Options for the council's future strategic estate	20,000	1,493	6,000	12,507	0	0
7	Strategic Reset Programme [1]	Shape our organisation through our people, technology & infrastructure, identifying & connecting priority projects for maximum impact	8,000	65	5,600	2,335	0	0
8	Dover Discovery Centre [1]	Refurbishment to make the building fit for purpose	7,903	1,580	6,323	0	0	0
9	LIVE Margate	Replace empty and poorly managed housing in Margate with high quality and well managed family housing to regenerate the area	10,208	9,908	300	0	0	0
10	Former Royal School for the Deaf		9,533	9,533	0	0	0	0
11	Total Individual Projects		57,087	23,522	18,723	14,842	0	0
12	Total - Deputy Chief Executive's Department		127,531	23,522	31,546	25,992	3,421	6,150

[1] These are projects that are relying on significant elements of unsecured funding and will only go ahead if the funding is achieved

[2] Estimated allocations have been included for 2024-25 to 2033-34

[3] Rolling programmes have been included for 10 year capital programme

APPENDIX B - CAPITAL INVESTMENT SUMMARY 2024-25 TO 2033-34

Deputy Chief Executive's Department (DCED)

ROW REF	Project	Description of Project	Cash Limits					
			2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
			Year 5 £000s	Year 6 £000s	Year 7 £000s	Year 8 £000s	Year 9 £000s	Year 10 £000s
1	Corporate Property Strategic Capital Delivery [1] [2]	Costs associated with delivering the capital programme	2,500	2,500	2,500	2,500	2,500	2,500
2	Disposal Costs [1]	Costs of disposing of surplus property	650	650	650	650	650	650
3	Modernisation of Assets (MOA) [1]	Maintaining KCC estates	3,000	3,000	3,000	3,000	3,000	3,000
4	Total Rolling Programmes [3]		6,150	6,150	6,150	6,150	6,150	6,150
5	Asset Utilisation	Strategic utilisation of assets in order to achieve revenue savings and capital receipts	0	0	0	0	0	0
6	Strategic Estate Programme	Options for the council's future strategic estate	0	0	0	0	0	0
7	Strategic Reset Programme [1]	Shape our organisation through our people, technology & infrastructure, identifying & connecting priority projects for maximum impact	0	0	0	0	0	0
8	Dover Discovery Centre [1]	Refurbishment to make the building fit for purpose	0	0	0	0	0	0
9	LIVE Margate	Replace empty and poorly managed housing in Margate with high quality and well managed family housing to regenerate the area	0	0	0	0	0	0
10	Former Royal School for the Deaf		0	0	0	0	0	0
11	Total Individual Projects		0	0	0	0	0	0
12	Total - Deputy Chief Executive's Department		6,150	6,150	6,150	6,150	6,150	6,150

[1] These are projects that are relying on significant elements of unsecured funding and will only go ahead if the funding is achieved

[2] Estimated allocations have been included for 2024-25 to 2033-34

[3] Rolling programmes have been included for 10 year capital programme

APPENDIX C - POTENTIAL CAPITAL PROJECTS 2024-25 TO 2033-34 BY YEAR

These projects are currently very high level and commencement is subject to business case approval and affordable funding solutions identified.

Directorate	Potential Forthcoming Projects	Description of Project	Total Cost of Scheme £000s	Indicative Costs										
				2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	
				Year 1 £000s	Year 2 £000s	Year 3 £000s	Year 4 £000s	Year 5 £000s	Year 6 £000s	Year 7 £000s	Year 8 £000s	Year 9 £000s	Year 10 £000s	
Shortfall on Council's Office and Highways Network to Maintain Backlogs at Steady State														
DCED	Modernisation of Assets	Maintaining KCC's Office Estate	109,656	6,327	100	8,729	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
CYPE	Schools Annual Planned Enhancement	Planned and reactive capital projects to keep schools open and operational	74,500	1,500	7,000	7,500	7,500	8,000	8,000	8,500	8,500	9,000	9,000	9,000
CYPE	Schools Modernisation Programme	Improving and upgrading school buildings including removal of temporary classrooms	48,000		4,000	5,000	5,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000
GET	Highways Asset Management, Annual Maintenance and Programme of Significant and Urgent Safety Critical Works	Maintaining Kent's Roads	1,000,320	100,032	100,032	100,032	100,032	100,032	100,032	100,032	100,032	100,032	100,032	100,032
GET	Public Rights of Way	Structural improvements of public rights of way	25,130	2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513
GET	Public Rights of Way - Essella Road Footbridge	Essential works to ensure the footbridge remains open - option to upgrade remains £1m unfunded	1,000		1,000									
Potential Forthcoming Projects														
ASCH	Extra Care Facilities	Provision of Extra Care Accommodation	16,800		4,000	4,000	8,800							
CYPE	In-house Residential Children's Facilities	Provision of in-house residential children's facilities	4,500		1,500	1,500	1,500							
GET	Casualty Reduction/Congestion Management Schemes	Casualty reduction/congestion management scheme	7,500		7,500									
GET	Walking/Cycling/Public Transport Improvement Schemes	Walking, cycling and public transport improvement schemes	47,600	7,500	8,200	7,500	6,400	3,000	3,000	3,000	3,000	3,000	3,000	3,000
GET	Building Adaptations to work towards Net Zero Target	Adaptations required to KCC buildings to move towards Net Zero target e.g. heat pumps, LED lighting, insulation	24,000		4,000	4,000	4,000	4,000	4,000	4,000				
GET	Transitioning Fleet to EV	Transitioning Fleet to EV	7,500					2,500	5,000					
GET	Kent Scientific Services	Renewal/Modernisation of laboratory facilities	10,000			10,000								
GET	A228 Colts Hill Strategic Link - Road Scheme	Construction of bypass	45,000											45,000
GET	South East Maidstone Strategic Route - Road Scheme	Construction of bypass	80,000											80,000
GET	Programme of Waste site Infrastructure Requirements	Programme of Waste Site Infrastructure Requirements	53,300		5,300	11,000	5,000	16,000	16,000					
GET	Designated Funds	Programme of projects related to the Lower Thames Crossing.	12,642	12,642										
GET	Dover Access Improvements	Levelling Up Fund Round 2 bid to improve the efficiency of the port and also reduce congestion on the strategic and local road network	58,470	58,470										
GET	M20 Junction 7 Improvements	Levelling Up Fund Round 2 bid for capacity improvements	8,338	1,812	6,526									
GET	Folkestone Town Centre Improvements	Levelling Up Fund Round 2 bid for transport, public realm and regeneration improvements in Folkestone Town Centre	15,848	15,848										
GET	Thanet Way	Structural improvements to the Thanet Way A299	20,000		5,000	5,000	5,000	5,000						
DCED	Future Assets	Asset review to include community services, office estate and specialist assets	53,500		6,500	6,500	6,750	6,750	6,750	6,750	6,750	6,750		
DCED	Renewable Energy Programme	Renewable energy source options to work towards Net Zero target	32,000		8,000	7,500	16,500							
Total Potential Forthcoming Projects			1,755,604	206,644	171,171	180,774	182,495	166,295	163,795	144,295	140,295	140,795	259,045	

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APPENDIX D: HIGH LEVEL 2024-27 REVENUE PLAN AND FINANCING

2023-24			SUMMARY REVENUE PLAN	2024-25			2025-26			2026-27		
core funded £000s	externally funded £000s	TOTAL £000s		core funded £000s	externally funded £000s	TOTAL £000s	core funded £000s	externally funded £000s	TOTAL £000s	core funded £000s	externally funded £000s	TOTAL £000s
1,191,493.8		1,191,493.8	Revised Base Budget	1,315,610.6		1,315,610.6	1,415,651.6		1,415,651.6	1,478,424.1		1,478,424.1
			Spending									
63,485.7	24.6	63,510.3	Base Budget Changes	22,089.2	0.0	22,089.2	23,855.0	0.0	23,855.0	19,900.0	0.0	19,900.0
1,919.8	1,186.6	3,106.4	Reduction in Grant Income	35.0	0.0	35.0	0.0	0.0	0.0	0.0	0.0	0.0
14,189.5	664.1	14,853.6	Pay	14,311.9	505.1	14,817.0	7,830.8	0.0	7,830.8	7,845.1	0.0	7,845.1
65,154.4	4,316.2	69,470.6	Prices	49,568.4	967.4	50,535.8	30,545.0	0.0	30,545.0	22,560.5	0.0	22,560.5
33,500.6	501.1	34,001.7	Demand & Cost Drivers	85,349.7	284.7	85,634.4	83,845.6	0.0	83,845.6	82,277.0	0.0	82,277.0
4,232.9	-370.5	3,862.4	Service Strategies & Improvements	11,871.7	-1,538.8	10,332.9	2,597.6	-4,952.0	-2,354.4	3,138.8	0.0	3,138.8
-221.6	30,703.9	30,482.3	Government & Legislative	1,293.1	-23,337.5	-22,044.4	-320.0	-4,520.6	-4,840.6	0.0	0.0	0.0
182,261.3	37,026.0	219,287.3	Total Spending	184,519.0	-23,119.1	161,399.9	148,354.0	-9,472.6	138,881.4	135,721.4	0.0	135,721.4
			Savings, Income & Grants									
0.0	0.0	0.0	Transformation & Efficiency - Future Cost Increase Avoidance	-36,454.8	0.0	-36,454.8	-50,282.8	0.0	-50,282.8	-38,530.7	0.0	-38,530.7
-9,741.1	-1,558.0	-11,299.1	Transformation & Efficiency - Other	-13,814.3	0.0	-13,814.3	-7,261.3	-13.9	-7,275.2	-2,521.0	0.0	-2,521.0
15,556.2	-85.1	-15,641.3	Income	-15,406.6	-281.3	-15,687.9	-3,935.5	0.0	-3,935.5	-5,044.0	0.0	-5,044.0
-3,893.3	0.0	-3,893.3	Financing	-11,279.6	0.0	-11,279.6	8,222.4	0.0	8,222.4	-281.8	0.0	-281.8
23,328.9	-608.4	-23,937.3	Policy	-10,610.2	-9.2	-10,619.4	-39,726.1	0.0	-39,726.1	-5,402.9	0.0	-5,402.9
-52,519.5	-2,251.5	-54,771.0	Total Savings & Income	-87,565.5	-290.5	-87,856.0	-92,983.3	-13.9	-92,997.2	-51,780.4	0.0	-51,780.4
660.0	-35,372.1	-34,712.1	Increases in Grants and Contributions		20,949.1	20,949.1		8,136.0	8,136.0		0.0	0.0
-51,859.5	-37,623.6	-89,483.1	Total Savings & Income & Grant	-87,565.5	20,658.6	-66,906.9	-92,983.3	8,122.1	-84,861.2	-51,780.4	0.0	-51,780.4
			RESERVES									
23,516.3	0.0	23,516.3	Contributions to reserves	36,699.7	0.0	36,699.7	29,910.0	0.0	29,910.0	15,560.0	0.0	15,560.0
-29,458.7	0.0	-29,458.7	Removal of prior year Contributions	-24,739.6	0.0	-24,739.6	-36,699.7	0.0	-36,699.7	-29,910.0	0.0	-29,910.0
-5,318.9	-3,198.1	-8,517.0	Drawdowns from reserves	-14,191.5	-1,350.5	-15,542.0	0.0	0.0	0.0	0.0	0.0	0.0
4,976.3	3,795.7	8,772.0	Removal of prior year Drawdowns	5,318.9	3,811.0	9,129.9	14,191.5	1,350.5	15,542.0	0.0	0.0	0.0
-6,285.0	597.6	-5,687.4	Net impact on MTFP	3,087.5	2,460.5	5,548.0	7,401.8	1,350.5	8,752.3	-14,350.0	0.0	-14,350.0
124,116.8	0.0	124,116.8	NET CHANGE	100,041.0	0.0	100,041.0	62,772.5	0.0	62,772.5	69,591.0	0.0	69,591.0
1,315,610.6	0.0	1,315,610.6	NET BUDGET REQUIREMENT	1,415,651.6	0.0	1,415,651.6	1,478,424.1	0.0	1,478,424.1	1,548,015.1	0.0	1,548,015.1
			MEMORANDUM:									
			The net impact on our reserves balances is:									
23,516.3	0.0	23,516.3	Contributions to Reserves	36,699.7	0.0	36,699.7	29,910.0	0.0	29,910.0	15,560.0	0.0	15,560.0
-5,318.9	-3,198.1	-8,517.0	Drawdowns from Reserves	-14,191.5	-1,350.5	-15,542.0	0.0	0.0	0.0	0.0	0.0	0.0
18,197.4	-3,198.1	14,999.3	Net movement in Reserves	22,508.2	-1,350.5	21,157.7	29,910.0	0.0	29,910.0	15,560.0	0.0	15,560.0

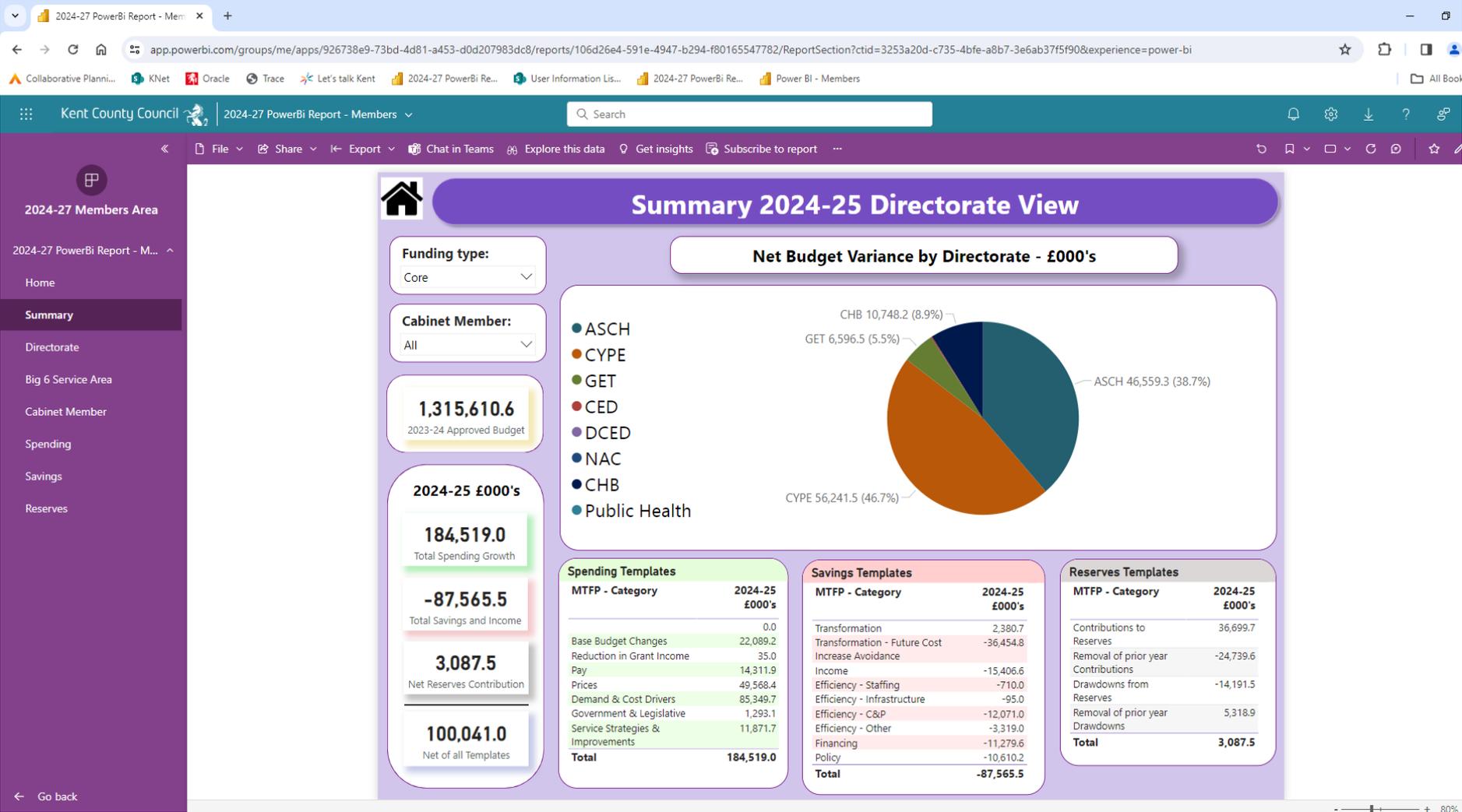
APPENDIX D: HIGH LEVEL 2024-27 REVENUE PLAN AND FINANCING

2023-24		2024-25	2025-26	2026-27
	FUNDING			
11,072.6	Revenue Support Grant	11,806.0	12,195.6	12,390.8
140,802.3	Business Rate Top-Up Grant	147,382.5	152,092.1	154,308.4
44,241.4	Business Rate Compensation Grant	51,039.4	52,670.4	53,437.8
88,770.7	Social Care Support Grant	104,203.5	104,203.5	104,203.5
14,435.1	Market Sustainability & Improvement Fund	26,969.4	21,703.9	21,703.9
7,012.0	Hospital Discharge Grant	11,686.6	11,686.6	11,686.6
7,599.4	Services Grant	1,195.8	1,195.8	1,195.8
50,014.7	Improved Better Care Fund	50,014.7	50,014.7	50,014.7
2,272.8	New Homes Bonus Grant	2,058.5	0.0	0.0
3,257.7	Other un-ringfenced grants	3,257.7	3,257.7	3,257.7
60,197.7	Local Share of Retained Business Rates	62,839.4	64,751.5	65,651.5
1,067.6	Business Rate Collection Fund	0.0	0.0	0.0
-1,127.6	Business Rate Collection Fund 2020-21 3-Year Deficit Write-off	N/A	N/A	N/A
2,347.5	Drawdown from reserves of S31 grant for compensation for irrecoverable local taxation losses due to Covid-19	N/A	N/A	N/A
761,106.4	Council Tax Income (including increase up to referendum limit but excluding social care levy)	800,774.3	841,243.1	884,201.0
115,672.9	Council Tax Adult Social Care Levy	135,423.8	156,409.2	178,963.4
11,488.7	Council Tax Collection Fund	7,000.0	7,000.0	7,000.0
-4,621.3	Council Tax Collection Fund 2020-21 3-Year Deficit Write-off			
1,315,610.6	Total Funding	1,415,651.6	1,478,424.1	1,548,015.1

APPENDIX E: HIGH LEVEL 2024- 25 REVENUE PLAN BY DIRECTORATE

	TOTAL			ASCH Adult Social Care & Health			PH Public Health	CYPE Children, Young People & Education			GET Growth, Environment & Transport	CED Chief Exec's Dept	DCED Deputy Chief Executive's Department	NAC Non Attributable Costs	CHB Corporately Held Budgets		
	core funded	externally funded	TOTAL	core funded	externally funded	TOTAL	externally funded	core funded	externally funded	TOTAL	core funded	core funded	core funded	core funded	core funded	externally funded	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Revised Base Budget	1,315,610.6		1,315,610.6	530,009.0		530,009.0	0.0	362,041.1		362,041.1	194,699.8	28,455.6	84,641.1	116,062.2	-298.2		-298.2
Spending																	
Base Budget Changes	22,089.2	0.0	22,089.2	16,900.0	0.0	16,900.0	0.0	21,666.0	0.0	21,666.0	-1,535.0	-55.4	-4,276.5	-10,408.1	-201.8	0.0	-201.8
Reduction in Grant Income	35.0	0.0	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	35.0	0.0	0.0	0.0	0.0	0.0	0.0
Pay	14,311.9	505.1	14,817.0	0.0	0.0	0.0	505.1	659.0	0.0	659.0	85.0	0.0	0.0	67.9	13,500.0	0.0	13,500.0
Prices	49,568.4	967.4	50,535.8	28,500.0	0.0	28,500.0	967.4	14,357.0	0.0	14,357.0	5,495.9	0.0	1,170.5	45.0	0.0	0.0	0.0
Demand & Cost Drivers	85,349.7	284.7	85,634.4	54,000.0	0.0	54,000.0	284.7	30,181.5	0.0	30,181.5	1,168.2	0.0	0.0	0.0	0.0	0.0	0.0
Service Strategies & Improvements	11,871.7	-1,538.8	10,332.9	387.1	0.0	387.1	-1,538.8	2,008.0	0.0	2,008.0	3,640.0	656.6	-320.0	5,500.0	0.0	0.0	0.0
Government & Legislative	1,293.1	-23,337.5	-22,044.4	0.0	59.9	59.9	-489.6	0.0	-777.0	-777.0	1,293.1	0.0	0.0	0.0	0.0	-22,130.8	-22,130.8
Total Spending	184,519.0	-23,119.1	161,399.9	99,787.1	59.9	99,847.0	-271.2	68,871.5	-777.0	68,094.5	10,182.2	601.2	-3,426.0	-4,795.2	13,298.2	-22,130.8	-8,832.6
Savings, Income & Grants																	
Transformation & Efficiency - Future Cost Increase Avoidance	-36,454.8	0.0	-36,454.8	-30,154.8	0.0	-30,154.8	0.0	-6,300.0	0.0	-6,300.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transformation & Efficiency - Other	-13,814.3	0.0	-13,814.3	-9,001.3	0.0	-9,001.3	0.0	-2,966.0	0.0	-2,966.0	-797.0	-255.0	-45.0	0.0	-750.0	0.0	-750.0
Income	-15,406.6	-281.3	-15,687.9	-10,471.7		-10,471.7	-281.3	-420.0		-420.0	-1,514.9	0.0	0.0	-3,500.0	500.0		500.0
Funding	-11,279.6	0.0	-11,279.6	0.0		0.0	0.0	0.0		0.0	0.0	0.0	0.0	-11,279.6	0.0		0.0
Policy	-10,610.2	-9.2	-10,619.4	-3,600.0		-3,600.0	-9.2	-2,944.0		-2,944.0	-798.8	-102.5	-864.9	0.0	-2,300.0		-2,300.0
Total Savings & Income	-87,565.5	-290.5	-87,856.0	-53,227.8	0.0	-53,227.8	-290.5	-12,630.0	0.0	-12,630.0	-3,110.7	-357.5	-909.9	-14,779.6	-2,550.0	0.0	-2,550.0
Increases in Grants and Contributions		20,949.1	20,949.1		-59.9	-59.9	-1,898.8		777.0	777.0						22,130.8	22,130.8
Total Savings & Income & Grant	-87,565.5	20,658.6	-66,906.9	-53,227.8	-59.9	-53,287.7	-2,189.3	-12,630.0	777.0	-11,853.0	-3,110.7	-357.5	-909.9	-14,779.6	-2,550.0	22,130.8	19,580.8
RESERVES																	
Contributions to reserves	36,699.7	0.0	36,699.7	0.0		0.0	0.0	0.0		0.0	0.0	0.0	160.0	36,539.7	0.0		0.0
Removal of prior year Contributions	-24,739.6	0.0	-24,739.6	0.0		0.0	0.0	0.0		0.0	0.0	0.0	-160.0	-24,579.6	0.0		0.0
Drawdowns from reserves	-14,191.5	-1,350.5	-15,542.0	-567.2		-567.2	-1,350.5	0.0		0.0	-475.0	-262.0	0.0	-12,887.3	0.0		0.0
Removal of prior year Drawdowns	5,318.9	3,811.0	9,129.9	567.2		567.2	3,811.0	0.0		0.0	262.0	0.0	0.0	4,489.7	0.0		0.0
Net impact on MTFP	3,087.5	2,460.5	5,548.0	0.0	0.0	0.0	2,460.5	0.0	0.0	0.0	-475.0	0.0	0.0	3,562.5	0.0	0.0	0.0
NET CHANGE	100,041.0	0.0	100,041.0	46,559.3	0.0	46,559.3	0.0	56,241.5	0.0	56,241.5	6,596.5	243.7	-4,335.9	-16,012.3	10,748.2	0.0	10,748.2
NET BUDGET REQUIREMENT	1,415,651.6	0.0	1,415,651.6	576,568.3	0.0	576,568.3	0.0	418,282.6	0.0	418,282.6	201,296.3	28,699.3	80,305.2	100,049.9	10,450.0	0.0	10,450.0
MEMORANDUM:																	
The net impact on our reserves balances is:																	
Contributions to Reserves	36,699.7	0.0	36,699.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	160.0	36,539.7	0.0	0.0	0.0
Drawdowns from Reserves	-14,191.5	-1,350.5	-15,542.0	-567.2	0.0	-567.2	-1,350.5	0.0	0.0	0.0	-475.0	-262.0	0.0	-12,887.3	0.0	0.0	0.0
Net movement in Reserves	22,508.2	-1,350.5	21,157.7	-567.2	0.0	-567.2	-1,350.5	0.0	0.0	0.0	-475.0	-262.0	160.0	23,652.4	0.0	0.0	0.0

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2024-27 PowerBi Report - Members

app.powerbi.com/groups/me/apps/926738e9-73bd-4d81-a453-d0d207983dc8/reports/106d26e4-591e-4947-b294-f80165547782/ReportSection7d2ce08a323428a2ad5?ctid=3253a20d-c735-4bfe-a8b7-3e6ab371f590&experience=power-bi

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Funding type: Core

MTFP Spending Category:

- Base Budget Changes
- Reduction in Grant Income
- Pay
- Prices
- Demand & Cost Drivers
- Government & Legislative
- Service Strategies & Improvements

MTFP Spending category selected: --

Click on the + to see the descriptions of the templates under that Category

Please select a Individual Spending Template

Spending Templates

Directorate	No. of Templates	2024-25 £000's	2025-26 £000's	2026-27 £000's
ASCH	11	99,787.1	72,726.3	63,223.3
CYPE	23	68,871.5	37,877.9	32,042.2
GET	43	10,182.2	5,417.9	7,708.3
CED	3	601.2	121.3	115.5
DCED	11	-3,426.0	820.5	749.3
NAC	11	-4,795.2	4,090.1	93.7
CHB	4	13,298.2	27,300.0	31,789.1
Total	106	184,519.0	148,354.0	135,721.4

80%

2024-27 PowerBi Report - Members

app.powerbi.com/groups/me/apps/926738e9-73bd-4d81-a453-d0d207983dc8/reports/106d26e4-591e-4947-b294-f80165547782/ReportSection9397313318b8d94aab56?ctid=3253a20d-c735-4bfe-a8b7-3e6ab37f5f90&experience=power-bi

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Funding type: Core

MTFP Savings Category:

- Transformation
- Transformation - Future Cost Incr...
- Income
- Increases in Grants and Contributi...
- Efficiency - Staffing
- Efficiency - Infrastructure
- Efficiency - C&P
- Efficiency - Other
- Financing
- Policy

MTFP Savings category selected: --

Click on the + to see the descriptions of the templates under that Category

Please select a Individual Savings Template

Savings Templates

Directorate	No. of Templates	2024-25 £000's	2025-26 £000's	2026-27 £000's
<input type="checkbox"/> ASCH	19	-53,227.8	-45,257.9	-33,490.0
<input type="checkbox"/> CYPE	24	-12,630.0	-17,515.0	-13,272.6
<input type="checkbox"/> GET	30	-3,110.7	-3,515.3	-1,135.7
<input type="checkbox"/> CED	5	-357.5	-262.0	0.0
<input type="checkbox"/> DCED	4	-909.9	-1,056.1	-2,100.3
<input type="checkbox"/> NAC	4	-14,779.6	11,222.4	-281.8
<input type="checkbox"/> CHB	7	-2,550.0	-36,599.4	-1,500.0
Total	93	-87,565.5	-92,983.3	-51,780.4

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app.powerbi.com/groups/me/apps/926738e9-73bd-4d81-a453-d0d207983dc8/reports/106d26e4-591e-4947-b294-f80165547782/ReportSection394358769dc25a88138b?ctid=3253a20d-c735-4bfe-a8b7-3e6ab37f5f90&experience=power-bi

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2024-27 Members Area

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- Cabinet Member
- Spending
- Savings
- Reserves**

Funding type: Core

MTFP Reserves category selected: --

MTFP Reserves Category:

- Contributions to Reserves
- Removal of prior year Contributio...
- Drawdowns from Reserves
- Removal of prior year Drawdowns

Click on the + to see the descriptions of the templates under that Category

Please select a Individual Reserves Template

Reserves Templates				
Directorate	No. of Templates	2024-25 £000's	2025-26 £000's	2026-27 £000's
ASCH	2	0.0	567.2	
GET	1	-475.0	475.0	
CED	2	0.0	262.0	
DCED	2	0.0	0.0	0.0
NAC	15	3,562.5	6,097.6	-14,350.0
Total	22	3,087.5	7,401.8	-14,350.0

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APPENDIX G: 2024-27 DRAFT BUDGET - SPENDING PROPOSALS

					177,363.8	161,399.9	-15,963.9	138,881.4	135,721.4		
MTFP Category	Directorate	Cabinet Member	Headline description of spending increase	Brief description of spending increase	Initial Draft Budget 2024-25 Amount £000's	Revised Draft Budget 2024-25 Amount £000's	2024-25 Change in value £000's	2025-26 Amount £000's	2026-27 Amount £000's	What priority service area (Big 6) does the Spending Template relate to?	Is this Externally or Core funded?
Base Budget Changes	ASCH	Dan Watkins	Adult Social Care	Realignment of Vulnerable Adults budget to reflect underlying pressure forecast in 2023-24	9,900.0	9,900.0	0.0	0.0	0.0	Vulnerable Adults	Core
Base Budget Changes	ASCH	Dan Watkins	Adult Social Care	Realignment of Older People budget to reflect underlying pressure forecast in 2023-24	7,000.0	7,000.0	0.0	0.0	0.0	Older People	Core
Base Budget Changes	CED	Roger Gough	Safeguarding Adults	Removal of Review Manager at the end of the two year fixed term appointment for dealing with the increased number of Adult Safeguarding reviews being undertaken and to free up capacity to undertake development work for the Safeguarding Adults Board	-55.4	-55.4	0.0	0.0	0.0	Adult Social Care staffing	Core
Base Budget Changes	CHB	Peter Oakford	Corporately Held Contingency	Emerging pressures contingency for risk of inability to deliver against approved budget estimates due to unforeseen changes in external factors that arise after the budget is set	14,000.0	0.0	-14,000.0	0.0	0.0	Other	Core
Base Budget Changes	CHB	Dylan Jeffrey	Pay and Reward	Release of 2023-24 unallocated pay and reward allocation. The costs of the pay award and increase in annual leave entitlement for some staff were less than assumed when the 2023-24 budget was set	-201.8	-201.8	0.0	0.0	0.0	Other	Core
Base Budget Changes	CYPE	Rory Love	Home to school transport	Realignment of the home to school transport budget to reflect the full year effect of the cost and number of children being transported in 2023-24	10,900.0	10,900.0	0.0	0.0	0.0	Transport	Core
Base Budget Changes	CYPE	Sue Chandler	Children's Social Care	Realignment of looked after children's placement budget to reflect the increase in cost of supporting children due to the market and complexity, and the number of children in different placement types in 2023-24	7,950.0	7,950.0	0.0	0.0	0.0	Integrated Children's Services	Core
Base Budget Changes	CYPE	Sue Chandler	Children's Social Care	Realignment of children with a disability packages of care to reflect the costs seen in 2023-24 including looked after placement budgets and home support packages of care for children in need.	2,121.0	2,121.0	0.0	0.0	0.0	Integrated Children's Services	Core
Base Budget Changes	CYPE	Sue Chandler	18-25 placements	Realignment of the 18-25 Adult Learning & Physical Disability Community Services budget to reflect the increase in cost of supporting these clients in 2023-24	695.0	695.0	0.0	0.0	0.0	Vulnerable Adults	Core
Base Budget Changes	DCED	Peter Oakford	KCC Estate Energy	Reduction in the price of gas and electricity for the KCC estate in 2023-24 compared to the assumptions at the time of setting the budget	-3,000.0	-4,276.5	-1,276.5	0.0	0.0	Other	Core
Base Budget Changes	GET	Roger Gough	Waste prices	Realignment of prices for a variety of waste streams within the Materials Recycling Facilities contract	960.0	970.0	10.0	0.0	0.0	Waste	Core
Base Budget Changes	GET	Roger Gough	Waste haulage costs	Right sizing of budget for waste haulage contracts due to inflation being higher than the increase assumed in the 2023-24 budget	623.9	623.9	0.0	0.0	0.0	Waste	Core
Base Budget Changes	GET	Roger Gough	Waste Facilities	Right sizing of budget for household waste recycling centre and waste transfer station management fees and rent due to higher inflation than assumed in the 2023-24 budget	257.9	318.7	60.8	0.0	0.0	Waste	Core
Base Budget Changes	GET	Clair Bell	Coroners	Rightsize budget for post mortems, Coroner's pay, Senior Coroner fees, pathologists fees and funeral director costs due to increasing number and complexity of cases	223.0	223.0	0.0	0.0	0.0	Other	Core
Base Budget Changes	GET	Clair Bell	Trading Standards	Delay in achieving income from Trading Standards Checked service due to economic climate which was originally planned for 2021 -22	-40.0	-40.0	0.0	-45.0	0.0	Other	Core
Base Budget Changes	GET	Neil Baker	Public Transport	Removal of budget for the public transport smartcard following the winding down of the scheme	-48.0	-48.0	0.0	0.0	0.0	Transport	Core
Base Budget Changes	GET	Neil Baker	Supported Public Transport	To not renew Tilbury Ferry contract subsidy at end of agreement period	0.0	-75.0	-75.0	0.0	0.0	Transport	Core
Base Budget Changes	GET	Roger Gough	Waste income from paper & card	An increase in the price per tonne received for recycled paper and card	-485.8	-485.8	0.0	0.0	0.0	Waste	Core
Base Budget Changes	GET	Neil Baker	Streetlight Energy - adjustment to reflect 23/24 activity/price levels	Streetlight energy - actual price incurred in 23/24 was lower than budgeted therefore the base budget has been realigned to ensure reflective of current price levels.	-1,959.9	-3,021.8	-1,061.9	0.0	0.0	Highways	Core
Base Budget Changes	NAC	Peter Oakford	Insurance	Rightsize budget for increase in insurance premiums	564.5	564.5	0.0	0.0	0.0	Other	Core

APPENDIX G: 2024-27 DRAFT BUDGET - SPENDING PROPOSALS

MTFP Category	Directorate	Cabinet Member	Headline description of spending increase	Brief description of spending increase	Initial Draft Budget 2024-25 Amount £000's	Revised Draft Budget 2024-25 Amount £000's	2024-25 Change in value £000's	2025-26 Amount £000's	2026-27 Amount £000's	What priority service area (Big 6) does the Spending Template relate to?	Is this Externally or Core funded?
Base Budget Changes	NAC	Peter Oakford	Other Non Attributable costs	Payment to Kent Fire and Rescue Service of 3% share of the Retained Business Rates levy in line with the Kent Business Rates pool agreement	90.0	90.0	0.0	0.0	0.0	Other	Core
Base Budget Changes	NAC	Peter Oakford	Environment Agency Levy	Rightsize budget for the Environment Agency Levy as the increase in 2023-24 was lower than anticipated when the budget was set	-8.2	-8.2	0.0	0.0	0.0	Other	Core
Base Budget Changes	NAC	Peter Oakford	Non Attributable Costs	Removal of budget for Transferred Services Pensions as these payments have now ceased	-16.0	-16.0	0.0	0.0	0.0	Other	Core
Base Budget Changes	NAC	Peter Oakford	Non Attributable Costs	Release of New Burdens funding rolled into Revenue Support Grant in the 2023-24 Local Government Finance Settlement	0.0	-38.4	-38.4	0.0	0.0	Other	Core
Base Budget Changes	NAC	Peter Oakford	Capital Financing Costs	Reduction in debt charges from 2023-24 due to decisions taken by Members to contain the capital programme; significant levels of re-phasing of the capital programme in 2022-23 and 2023-24; changes in interest rates and a review of asset lives in the modelling of debt charges.	-4,000.0	-11,000.0	-7,000.0	4,000.0	0.0	Other	Core
Base Budget Changes	CHB	Peter Oakford	Emerging Pressures	Provision for emerging pressures yet to be identified	0.0	0.0	0.0	20,000.0	20,000.0	Other	Core
Base Budget Changes	DCED	Peter Oakford	Impact of Cap on Capitalisation of Property Disposal costs	Removal of short term funding for impact on the revenue budget of 4% cap on capitalisation of asset disposal costs pending improvement in market conditions and implementation of changes to asset disposal strategy	0.0	0.0	0.0	-100.0	-100.0	Other	Core
TOTAL BASE BUDGET CHANGES					45,470.2	22,089.2	-23,381.0	23,855.0	19,900.0		Core
Demand & Cost Drivers	ASCH	Dan Watkins	Adult Social Care	Provision for the impact in Vulnerable Adults Adult Social Care for the of the full year effect of all current costs of care during 2023-24 in addition to new financial demands that will placed on adult social care (a) New people requiring a funded package of support (b) Young people transitioning into adulthood from 1st April 2024 to 31st March 2025 (c) Individuals in receipt of a funded package of support on 31st March 2024, and require an increase in funded support following a review or reassessment (d) People no longer eligible for CHC and now require funded support from ASCH from (e) People who have previously funded their own care and support and now require funded support from ASCH - Vulnerable Adults	34,945.3	23,000.0	-11,945.3	23,000.0	23,000.0	Vulnerable Adults	Core
Demand & Cost Drivers	ASCH	Dan Watkins	Adult Social Care	Provision for the impact in Older People Adult Social Care of the full year effect of all current costs of care during 2023-24 in addition to new financial demands that will placed on adult social care (a) New people requiring a funded package of support (b) Young people transitioning into adulthood from 1st April 2024 to 31st March 2025 (c) Individuals in receipt of a funded package of support on 31st March 2024, and require an increase in funded support following a review or reassessment (d) People no longer eligible for CHC and now require funded support from ASCH from (e) People who have previously funded their own care and support and now require funded support from ASCH (f) Inflationary increases in the cost of care and support through a range of market uplifts	15,656.7	19,056.6	3,399.9	31,000.0	31,000.0	Older People	Core
Demand & Cost Drivers	ASCH	Dan Watkins	Adult Social Care	Provision in Older People Adult Social Care for an increase in costs of care resulting from existing and new clients whose needs are becoming more complex and market factors, funded from the Market Sustainability and Improvement Fund, which is shown within the general funding of the Council's budget	0.0	7,268.8	7,268.8	0.0	0.0	Older People	Core
Demand & Cost Drivers	ASCH	Dan Watkins	Adult Social Care	Provision in Older People Adult Social Care for the impact of new/additional clients being supported following discharge from hospital, funded from the ringfenced Adult Social Care Discharge Fund and shown within the general funding of the Council's budget	0.0	4,674.6	4,674.6	0.0	0.0	Older People	Core
Demand & Cost Drivers	CYPE	Rory Love	Home to School transport SEN	Estimated impact of rising pupil population on SEN Home to School and College Transport	15,500.0	16,500.0	1,000.0	14,600.0	13,100.0	Transport	Core
Demand & Cost Drivers	CYPE	Sue Chandler	Children's Social Care	Estimated impact of an increase in the population of children in Kent, leading to increased demand for children's social work and disabled children's services - number of children & increasing packages of support	6,371.5	6,371.5	0.0	7,640.9	7,769.2	Integrated Children's Services	Core
Demand & Cost Drivers	CYPE	Sue Chandler	Adult Social Care	Provision for impact of the full year effect of all current costs of care, further increases in client numbers expected through transition into adulthood from Children's Social Care, additional costs arising for existing clients and for those new clients whose needs are becoming more complex.	3,400.0	3,400.0	0.0	3,400.0	3,400.0	Vulnerable Adults	Core

APPENDIX G: 2024-27 DRAFT BUDGET - SPENDING PROPOSALS

MTFP Category	Directorate	Cabinet Member	Headline description of spending increase	Brief description of spending increase	Initial Draft Budget 2024-25 Amount £000's	Revised Draft Budget 2024-25 Amount £000's	2024-25 Change in value £000's	2025-26 Amount £000's	2026-27 Amount £000's	What priority service area (Big 6) does the Spending Template relate to?	Is this Externally or Core funded?
Demand & Cost Drivers	CYPE	Sue Chandler	Children's Social Care	Estimated impact of an increase in population of children in Kent, leading to increased demand for support services for children with a disability including complexity of packages.	2,260.0	2,260.0	0.0	2,570.0	2,470.0	Integrated Children's Services	Core
Demand & Cost Drivers	CYPE	Rory Love	Home to School transport Mainstream	Estimated impact of rising pupil population on Mainstream Home to School transport	1,400.0	1,400.0	0.0	500.0	500.0	Transport	Core
Demand & Cost Drivers	CYPE	Sue Chandler	Care Leavers	Estimated increase in number of children supported by the care leaver service	250.0	250.0	0.0	125.0	0.0	Integrated Children's Services	Core
Demand & Cost Drivers	GET	Roger Gough	Waste - tonnage changes	Estimated impact of changes in waste tonnage as a result of population and housing growth	936.7	963.7	27.0	1,016.5	1,021.7	Waste	Core
Demand & Cost Drivers	GET	Clair Bell	Coroners	Increase in budget for toxicology analysis due to increasing number and complexity of cases	60.0	60.0	0.0	3.7	4.1	Other	Core
Demand & Cost Drivers	GET	Clair Bell	Trading Standards	Increase in legal costs as a result of more Crown Court cases	55.0	55.0	0.0	0.0	0.0	Other	Core
Demand & Cost Drivers	GET	Roger Gough	Planning Applications	Costs of the independent examination of the Minerals & Waste Local Plan by the Planning Inspectorate in the summer of 2024	50.0	50.0	0.0	-50.0	0.0	Other	Core
Demand & Cost Drivers	GET	Neil Baker	Streetlight energy & maintenance	Adoption of new streetlights at new housing developments and associated increase in energy costs	27.5	27.5	0.0	27.5	0.0	Highways	Core
Demand & Cost Drivers	GET	Clair Bell	Public Rights of Way	Adoption of new routes	12.0	12.0	0.0	12.0	12.0	Other	Core
TOTAL DEMAND & COST DRIVERS					80,924.7	85,349.7	4,425.0	83,845.6	82,277.0		Core
Government & Legislative	GET	Neil Baker	Highways	Costs of meeting our statutory duties in relation to inspection of bridges and structures and complying with the Tunnels Regulations	960.0	960.0	0.0	-500.0	0.0	Highways	Core
Government & Legislative	GET	Roger Gough	Waste legislative changes	Loss of income from removal of charging for disposal of non DIY waste materials at Household Waste Recycling centres following change in legislation	446.5	333.1	-113.4	0.0	0.0	Waste	Core
Government & Legislative	GET	Clair Bell	Coroners	Revisions to staffing structure to adhere with Government guidance on caseload and complexity	0.0	0.0	0.0	180.0	0.0	Other	Core
TOTAL GOVERNMENT & LEGISLATIVE					1,406.5	1,293.1	-113.4	-320.0	0.0		Core
Pay	CHB	Dylan Jeffrey	Pay and Reward	Contribution to pay pot and impact on base budget of uplifting pay grades in accordance with single pay reward scheme including the revision of lower Kent Scheme pay scales to further increase the differential between the lowest pay range and the Foundation Living Wage and increasing the annual leave entitlement for some staff. This is the subject of pay bargaining with Trade Unions.	13,500.0	13,500.0	0.0	7,300.0	7,300.0	Other	Core
Pay	CYPE	Sue Chandler	Pay and Reward	Uplift in pay budget in line with general pay pot, for posts which are temporarily covered by agency staff - Integrated Children's Services	332.0	394.0	62.0	248.0	255.0	Integrated Children's Services	Core
Pay	CYPE	Rory Love	Pay and Reward	Uplift in pay budget in line with general pay pot, for posts which are temporarily covered by agency staff - Special Educational Needs	181.0	205.0	24.0	129.0	133.0	Other	Core
Pay	CYPE	Sue Chandler	Pay and Reward	Uplift in pay budget in line with general pay pot, for posts which are temporarily covered by agency staff - 0-25 Disabled Children's & Young People Services	40.0	60.0	20.0	38.0	39.0	Integrated Children's Services	Core
Pay	GET	Clair Bell	Public Protection	Increase in staffing costs and consumables within Kent Scientific Services to deliver scientific testing which are offset by increased income	49.0	49.0	0.0	37.0	38.0	Other	Core
Pay	GET	Clair Bell	Coroners	Increase in pay for senior, area and assistant coroners in accordance with the pay award agreed by the national Joint Negotiating Committee for Coroners	36.0	36.0	0.0	36.0	36.0	Other	Core
Pay	NAC	Peter Oakford	Apprenticeship Levy	Increase in the Apprenticeship Levy in line with the pay award	67.9	67.9	0.0	42.8	44.1	Other	Core
TOTAL PAY					14,205.9	14,311.9	106.0	7,830.8	7,845.1		Core
Prices	ASCH	Dan Watkins	Adult Social Care	Provision for contractual and negotiated price increases across all adult social care packages including nursing, residential, domiciliary, supporting independence and direct payments - Vulnerable Adults	14,317.2	16,000.0	1,682.8	10,500.0	5,100.0	Vulnerable Adults	Core

APPENDIX G: 2024-27 DRAFT BUDGET - SPENDING PROPOSALS

MTFP Category	Directorate	Cabinet Member	Headline description of spending increase	Brief description of spending increase	Initial Draft Budget 2024-25 Amount £000's	Revised Draft Budget 2024-25 Amount £000's	2024-25 Change in value £000's	2025-26 Amount £000's	2026-27 Amount £000's	What priority service area (Big 6) does the Spending Template relate to?	Is this Externally or Core funded?
Prices	ASCH	Dan Watkins	Adult Social Care	Provision for contractual and negotiated price increases across all adult social care packages including nursing, residential, domiciliary, supporting independence and direct payments - Older People	10,075.9	12,500.0	2,424.1	8,100.0	4,000.0	Older People	Core
Prices	ASCH	Dan Watkins	Adult Social Care	Provision for contractual and negotiated price increases across all adult social care packages funded by the Market Sustainability and Improvement Fund included in the provisional local government finance settlement - Older People	2,155.1	0.0	-2,155.1	0.0	0.0	Older People	Core
Prices	ASCH	Dan Watkins	Adult Social Care	Provision for contractual and negotiated price increases across all adult social care packages funded by the Market Sustainability and Improvement Fund included in the provisional local government finance settlement - Vulnerable Adults	1,934.1	0.0	-1,934.1	0.0	0.0	Vulnerable Adults	Core
Prices	CHB	Peter Oakford	Corporately Held Contingency	Contingency for price increases	0.0	0.0	0.0	0.0	4,489.1	Other	Core
Prices	CYPE	Sue Chandler	Children's Social Care - Non-disabled Children	Provision for price negotiations with external providers, and uplift to in-house foster carers in line with DFE guidance - Integrated Children's Services	4,513.0	5,349.0	836.0	2,921.0	1,529.0	Integrated Children's Services	Core
Prices	CYPE	Rory Love	Home to School Transport	Provision for inflation on contracted services and season tickets for mainstream & SEN Home to School and College Transport	4,933.0	4,795.0	-138.0	3,237.0	1,597.0	Transport	Core
Prices	CYPE	Sue Chandler	Adult Social Care	Provision for contractual and negotiated price increases across all adult social care packages including nursing, residential, domiciliary, supporting independence and direct payments - Vulnerable Adults 18-25	2,447.0	2,447.0	0.0	1,581.0	795.0	Vulnerable Adults	Core
Prices	CYPE	Sue Chandler	Children's Social Care - Disabled Children	Provision for price negotiations with external providers, and uplift to in-house foster carers in line with DFE guidance - lifespan pathway 0-25	937.0	1,205.0	268.0	546.0	308.0	Integrated Children's Services	Core
Prices	CYPE	Rory Love	Non specific price provision	Non specific provision for CPI inflation on other negotiated contracts without indexation clauses - Children, Young People & Education	180.0	206.0	26.0	110.0	54.0	Other	Core
Prices	CYPE	Rory Love	Facilities Management	Estimated future price uplift to new Facilities Management contracts - schools	91.0	180.0	89.0	102.0	78.0	Other	Core
Prices	CYPE	Rory Love	Kent 16+ Travel Saver	Provision for price inflation related to the Kent Travel Saver and Kent 16+ Travel Saver which is recovered through uplifting the charge for the pass - Kent 16+ Travel Saver	210.0	100.0	-110.0	104.0	0.0	Transport	Core
Prices	CYPE	Sue Chandler	Children's Social Care - Care Leavers	Provision for price negotiations with external providers, and uplift to in-house foster carers in line with DFE guidance - Care Leavers	73.0	75.0	2.0	26.0	15.0	Integrated Children's Services	Core
Prices	DCED	Peter Oakford	Facilities Management	Estimated future price uplift to new Facilities Management contracts - Corporate Landlord	867.7	751.5	-116.2	592.2	346.0	Other	Core
Prices	DCED	Peter Oakford	Corporate Landlord	Provision for price inflation for rates for the office estate	417.4	378.0	-39.4	251.0	171.8	Other	Core
Prices	DCED	Peter Oakford	Cantium Business Solutions (CBS)	Inflationary uplift on the CBS ICT contract	390.3	332.5	-57.8	249.7	125.0	Other	Core
Prices	DCED	Peter Oakford	Corporate Landlord	Provision for price inflation for rent for the office estate	269.6	229.7	-39.9	172.3	86.3	Other	Core
Prices	DCED	Peter Oakford	Technology contracts	Provision for price inflation on Third Party ICT related contracts	272.2	205.0	-67.2	166.3	85.1	Other	Core
Prices	DCED	Dylan Jeffrey	Contact Centre	Price inflation on Agilisys contract for provision of Contact Centre	103.9	103.9	0.0	108.1	0.0	Other	Core
Prices	DCED	Peter Oakford	Kent Commercial Services (KCS)	Inflationary uplift on the KCS HR Connect contract	109.6	93.4	-16.2	70.1	35.1	Other	Core
Prices	DCED	Peter Oakford	KCC Estate Energy	Anticipated price change on energy contracts for the KCC estate as estimated by Commercial Services	-948.6	-923.5	25.1	-689.2	0.0	Other	Core
Prices	GET	Roger Gough	Waste contract related inflation.	Provision for price inflation related to Waste contracts (based on contractual indices) - updated for November OBR forecasts	1,117.6	3,927.0	2,809.4	1,974.0	2,005.0	Waste	Core
Prices	GET	Neil Baker	Contract related inflation	Provision for price inflation related to Highways, Waste and other contracted services (based on contractual indices) - Highways contracts	1,170.3	1,062.0	-108.3	717.3	932.5	Highways	Core
Prices	GET	Neil Baker	Other Transport Related inflation	Provision for price inflation related to other transport services including subsidised bus services - subsidised bus routes	584.0	584.0	0.0	282.5	299.5	Transport	Core

APPENDIX G: 2024-27 DRAFT BUDGET - SPENDING PROPOSALS

MTFP Category	Directorate	Cabinet Member	Headline description of spending increase	Brief description of spending increase	Initial Draft Budget 2024-25 Amount £000's	Revised Draft Budget 2024-25 Amount £000's	2024-25 Change in value £000's	2025-26 Amount £000's	2026-27 Amount £000's	What priority service area (Big 6) does the Spending Template relate to?	Is this Externally or Core funded?
Prices	GET	Neil Baker	Kent Travel Saver	Provision for price inflation related to the Kent Travel Saver and Kent 16+ Travel Saver which is recovered through uplifting the charge for the pass - Kent Travel Saver	463.5	463.5	0.0	479.7	0.0	Transport	Core
Prices	GET	Neil Baker	Highways Management	The handing back of the urban grass cutting and rural verge mowing contract by Folkestone & Hythe District Council	100.0	100.0	0.0	0.0	0.0	Highways	Core
Prices	GET	Clair Bell	Contract related inflation - PROW	Provision for price inflation related to Public Rights of Way contracts	81.7	56.3	-25.4	38.2	38.2	Other	Core
Prices	GET	Clair Bell	Contract related inflation	Provision for price inflation related to Highways, Waste and other contracted services (based on contractual indices) - Coroners Funeral Directors contract	37.0	37.0	0.0	38.0	40.0	Other	Core
Prices	GET	Clair Bell	Coroners	Provision for inflationary increase in specialist pathologist fees	25.5	25.5	0.0	10.7	11.8	Other	Core
Prices	GET	Clair Bell	Contract related inflation	Provision for price inflation related to Highways, Waste and other contracted services (based on contractual indices) - Coroners Post Mortem contract	21.2	21.2	0.0	21.6	21.9	Other	Core
Prices	GET	Clair Bell	Contract related inflation	Provision for price inflation related to Highways, Waste and other contracted services (based on contractual indices) - annual uplift to the SLA with Tunbridge Wells Borough Council for the running costs of the Amelia	13.0	13.0	0.0	13.0	13.0	Other	Core
Prices	GET	Clair Bell	Other Transport Related inflation	Provision for price inflation related to other transport services including subsidised bus services - Mobile libraries fuel	5.0	5.0	0.0	1.0	1.0	Other	Core
Prices	GET	Neil Baker	Other Transport Related inflation	Provision for price inflation related to other transport services including subsidised bus services - concessionary fares	0.0	0.0	0.0	333.6	333.6	Transport	Core
Prices	GET	Neil Baker	Provision for price inflation for Streetlight Energy	Provision for price changes related to Streetlight energy, as estimated by Commercial Services/LASER.	-777.3	-798.6	-21.3	-1,559.4	0.0	Highways	Core
Prices	NAC	Peter Oakford	Levies	Estimated increase in Environment Agency Levy together with impact of estimated change in taxbase	23.8	23.8	0.0	25.0	26.2	Other	Core
Prices	NAC	Peter Oakford	Non specific price provision	Non specific provision for CPI inflation on other negotiated contracts without indexation clauses - increase in Inshore Sea Fisheries Conservation Area (IFCA) Levy	21.2	21.2	0.0	22.3	23.4	Other	Core
TOTAL PRICES					46,234.9	49,568.4	3,333.5	30,545.0	22,560.5		Core
Reduction in Grant Income	GET	Clair Bell	EU funding	Replace a reduction in EU Funding ensuring sufficient resource is available to continue delivering the Positive Wellbeing Service at current levels	35.0	35.0	0.0	0.0	0.0	Older People	Core
TOTAL REDUCTION IN GRANT INCOME					35.0	35.0	0.0	0.0	0.0		Core
Service Strategies & Improvements	ASCH	Dan Watkins	Adult Social Care	Increase in the bad debt provision to reflect the anticipated impact of the high cost of living on our income collection rates from client contributions - Older People	256.3	325.3	69.0	111.8	116.6	Older People	Core
Service Strategies & Improvements	ASCH	Dan Watkins	Adult Social Care	Increase in the bad debt provision to reflect the anticipated impact of the high cost of living on our income collection rates from client contributions - Vulnerable Adults	81.8	103.8	22.0	14.5	6.7	Vulnerable Adults	Core
Service Strategies & Improvements	ASCH	Dan Watkins	Adult Safeguarding	Removal of two year pilot to combat Serious and Organised Crime	-42.0	-42.0	0.0	0.0	0.0	Adult Social Care staffing	Core
Service Strategies & Improvements	CED	Peter Oakford	Partnership Arrangements with District Councils	Incentive payments for Kent District Councils to remove the remaining empty property discounts to maximise council tax, and reimburse Kent District Councils for temporary discretionary council tax discounts provided for properties affected by fire or flooding	541.1	541.1	0.0	0.0	0.0	Other	Core
Service Strategies & Improvements	CED	Peter Oakford	Member Allowances	Uplift to Member Allowances	115.5	115.5	0.0	121.3	115.5	Other	Core
Service Strategies & Improvements	CYPE	Rory Love	Special Educational Needs	Increase in staff numbers in SEN service to support improved quality of Education Health & Care Plans	2,000.0	2,000.0	0.0	0.0	0.0	Other	Core
Service Strategies & Improvements	CYPE	Sue Chandler	Adult Social Care	Increase in the bad debt provision to reflect the anticipated impact of the high cost of living on our income collection rates from client contributions - Vulnerable Adults 18-25	8.0	8.0	0.0	0.0	0.0	Vulnerable Adults	Core

APPENDIX G: 2024-27 DRAFT BUDGET - SPENDING PROPOSALS

MTFP Category	Directorate	Cabinet Member	Headline description of spending increase	Brief description of spending increase	Initial Draft Budget 2024-25 Amount £000's	Revised Draft Budget 2024-25 Amount £000's	2024-25 Change in value £000's	2025-26 Amount £000's	2026-27 Amount £000's	What priority service area (Big 6) does the Spending Template relate to?	Is this Externally or Core funded?
Service Strategies & Improvements	DCED	Peter Oakford	Oakwood House Development	Removal of holding costs and loss of income in the short term once Oakwood House is no longer operational, offset by savings in the longer term following change of use	-320.0	-320.0	0.0	0.0	0.0	Other	Core
Service Strategies & Improvements	GET	Neil Baker	Highways	Increased highway spend in line with additional Outcome allocation for 2024/24. Activity focused on supporting the front line operational activities across the highway network as follows:	5,000.0	2,800.0	-2,200.0	2,200.0	0.0	Highways	Core
Service Strategies & Improvements	GET	Neil Baker	Highways - Streetlighting	Upgrade of the Streetlighting Control Management System from 3G connectivity due to the shutting down of the 3G network	0.0	475.0	475.0	-475.0	0.0	Highways	Core
Service Strategies & Improvements	GET	Neil Baker	Mobilisation costs for new HTMC contract	Mobilisation and commissioning costs associated with the new Highways Term Maintenance contract (April 2026)	0.0	300.0	300.0	300.0	2,400.0	Highways	Core
Service Strategies & Improvements	GET	Clair Bell	Country Parks	Change the funding of improvements and adaptations to country parks from capital to revenue	70.0	70.0	0.0	0.0	0.0	Other	Core
Service Strategies & Improvements	GET	Clair Bell	Sports Facilities	Change the funding of refurbishment and provision of sports facilities and community projects from capital to revenue	37.5	37.5	0.0	37.5	0.0	Other	Core
Service Strategies & Improvements	GET	Clair Bell	Village Halls & Community Centres	Change the funding of grants for improvements and adaptations to village halls and community centres from capital to revenue	37.5	37.5	0.0	37.5	0.0	Other	Core
Service Strategies & Improvements	GET	Roger Gough	Waste - infrastructure	Operating costs of a new waste transfer facility in the Folkestone & Hythe area which is required as existing facility approaches capacity	0.0	0.0	0.0	300.0	0.0	Waste	Core
Service Strategies & Improvements	GET	Roger Gough	Asset Management	Revenue contributions to capital required to maintain and deliver asset management for Kent's Windmills and Surface Water Flood Risk Management	0.0	0.0	0.0	0.0	500.0	Other	Core
Service Strategies & Improvements	GET	Derek Murphy	Economic Development Recovery Plan	Removal of time limited funding for re-design of the service and additional staffing and consultancy capacity to draft and deliver the Economic Recovery Plan/Economic Strategy following the Covid pandemic	-80.0	-80.0	0.0	-50.0	0.0	Other	Core
Service Strategies & Improvements	NAC	Peter Oakford	Project Prime	Loss of income from a review of contract with Commercial Services Group, specifically due to the removal of buy back of services	3,000.0	3,000.0	0.0	0.0	0.0	Other	Core
Service Strategies & Improvements	NAC	Peter Oakford	Capital Programme	The impact on debt charges of the review of the 2021-24 capital programme.	2,500.0	2,500.0	0.0	0.0	0.0	Other	Core
TOTAL SERVICE STRATEGIES & IMPROVEMENTS					13,205.7	11,871.7	-1,334.0	2,597.6	3,138.8		Core
Demand & Cost Drivers	Public Health	Dan Watkins	Public Health	Estimated increase in internal recharges for support services	375.1	345.1	-30.0	0.0	0.0	Other	External
Demand & Cost Drivers	Public Health	Dan Watkins	Public Health - Healthy Lifestyles	Removal of additional temporary funding for reducing waiting lists for Postural Stability	-60.4	-60.4	0.0	0.0	0.0	Other	External
TOTAL DEMAND & COST DRIVERS					314.7	284.7	-30.0	0.0	0.0		External
Government & Legislative	ASCH	Dan Watkins	Domestic Abuse New Burdens	Costs of undertaking domestic abuse support in safe accommodation duties funded by specific grant	59.9	59.9	0.0	0.0	0.0	Other	External
Government & Legislative	CHB	Roger Gough	Household Support Fund	Removal of the extension of the Government funded Household Support Fund into 2023-24 as announced in the Chancellor's Autumn Statement on 17th November 2022	-22,130.8	-22,130.8	0.0	0.0	0.0	Other	External
Government & Legislative	CYPE	Sue Chandler	Family Hubs	Estimated reduction in our share of the DfE/DHSC Family Hubs and Start for Life grant	-777.0	-777.0	0.0	-3,332.0	0.0	Integrated Children's Services	External
Government & Legislative	Public Health	Dan Watkins	Public Health - Substance Misuse	Targeted housing support interventions for people in drug and alcohol treatment funded by Drug Strategy Housing Support Grant from Office for Health Improvement & Disparities	23.1	23.1	0.0	-932.1	0.0	Other	External
Government & Legislative	Public Health	Dan Watkins	Public Health - Substance Misuse	Investment in substance misuse services funded by Individual Placement and Support in Community Drug and Alcohol Treatment Grant from Office for Health Improvement & Disparities	7.5	7.5	0.0	-256.5	0.0	Other	External
Government & Legislative	Public Health	Dan Watkins	Public Health - Substance Misuse	Removal of wraparound and engagement and community treatment funded by one-off Rough Sleeping Drug and Alcohol Treatment Grant from Office for Health Improvement & Disparities in 2023-24	-520.2	-520.2	0.0	0.0	0.0	Other	External
TOTAL GOVERNMENT & LEGISLATIVE					-23,337.5	-23,337.5	0.0	-4,520.6	0.0		External

APPENDIX G: 2024-27 DRAFT BUDGET - SPENDING PROPOSALS

MTFP Category	Directorate	Cabinet Member	Headline description of spending increase	Brief description of spending increase	Initial Draft Budget 2024-25 Amount £000's	Revised Draft Budget 2024-25 Amount £000's	2024-25 Change in value £000's	2025-26 Amount £000's	2026-27 Amount £000's	What priority service area (Big 6) does the Spending Template relate to?	Is this Externally or Core funded?
Pay	Public Health	Dan Watkins	Public Health Pay	Estimated net impact of KCC pay award and other adjustments for KCC Public Health staff	505.1	505.1	0.0	0.0	0.0	Other	External
TOTAL PAY					505.1	505.1	0.0	0.0	0.0		External
Prices	Public Health	Dan Watkins	Public Health contracts	Estimated increase in public health contract values linked to the NHS Agenda for change pay increases	614.2	614.2	0.0	0.0	0.0	Other	External
Prices	Public Health	Dan Watkins	Public Health - Sexual Health	Contractual increases in other services including Sexual Health and Health Improvement	353.2	353.2	0.0	0.0	0.0	Other	External
TOTAL PRICES					967.4	967.4	0.0	0.0	0.0		External
Service Strategies & Improvements	Public Health	Dan Watkins	Public Health - Substance Misuse	Investment in Substance Misuse services funded by Supplemental Substance Misuse Treatment and Recovery grant from Office for Health Improvement & Disparities	1,412.9	1,412.9	0.0	-3,615.4	0.0	Other	External
Service Strategies & Improvements	Public Health	Dan Watkins	Additional one-off funding for Live Well Kent Mental Health contract	Additional one-off funding for Live Well Kent Mental Health contract	0.0	1,000.0	1,000.0	-1,000.0	0.0	Vulnerable Adults	External
Service Strategies & Improvements	Public Health	Dan Watkins	Removal of additional one-off investment in Recovery Housing (new contract) in 24/25	Removal of additional one-off investment in Recovery Housing (new contract) in 24/25	0.0	30.0	30.0	-30.0	0.0	Other	External
Service Strategies & Improvements	Public Health	Dan Watkins	Removal of one-off investment in Cohort Modelling in 23/24 & 24/25	Removal of one-off investment in Cohort Modelling in 23/24 & 24/25	0.0	0.0	0.0	-21.0	0.0	Other	External
Service Strategies & Improvements	Public Health	Dan Watkins	Removal of temporary investment in research capacity in 23/24 & 24/25	Removal of temporary investment in research capacity in 23/24 & 24/25	0.0	0.0	0.0	-85.6	0.0	Other	External
Service Strategies & Improvements	Public Health	Dan Watkins	Removal of additional temporary investment in Public Health Consultants in 23/24 and 24/25	Removal of additional temporary investment in Public Health Consultants in 23/24 and 24/25	0.0	0.0	0.0	-200.0	0.0	Other	External
Service Strategies & Improvements	Public Health	Dan Watkins	Other	Removal of additional temporary investment in other minor service improvements	-20.0	-20.0	0.0	0.0	0.0	Other	External
Service Strategies & Improvements	Public Health	Dan Watkins	Public Health - Healthy Lifestyles	Removal of temporary investment in Public Health services to promote and support health visiting	-118.4	-118.4	0.0	0.0	0.0	Other	External
Service Strategies & Improvements	Public Health	Dan Watkins	Public Health - Healthy Lifestyles	Removal of additional temporary investment in Public Health services to promote and support Healthy Lifestyles	-195.4	-195.4	0.0	0.0	0.0	Other	External
Service Strategies & Improvements	Public Health	Dan Watkins	Public Health - Sexual Health	Removal of additional temporary investment in Public Health Sexual Health Services	-212.9	-212.9	0.0	0.0	0.0	Other	External
Service Strategies & Improvements	Public Health	Dan Watkins	Public Health - Healthy Lifestyles	Removal of temporary public health contribution towards the voluntary sector in 2023-24	-350.0	-350.0	0.0	0.0	0.0	Other	External
Service Strategies & Improvements	Public Health	Dan Watkins	Public Health - Children's Programme	Removal of additional temporary investment in counselling services for children	-1,085.0	-1,085.0	0.0	0.0	0.0	Other	External
Service Strategies & Improvements	Public Health	Dan Watkins	Public Health - Mental Health	Removal of one-off public health investment in Live Well Kent in 2023-24	-2,000.0	-2,000.0	0.0	0.0	0.0	Other	External
TOTAL SERVICE STRATEGIES & IMPROVEMENTS					-2,568.8	-1,538.8	1,030.0	-4,952.0	0.0		External

APPENDIX G: 2024-27 DRAFT BUDGET - SAVINGS PROPOSALS

					-48,638.0	-66,906.9	-24,423.7	-84,861.2	-51,780.4		
MTFP Category	Directorate	Cabinet Member	Headline description of saving/income	Brief description of saving/income	Initial Draft Budget 2024-25 Amount £000's	Revised Draft Budget 2024-25 Amount £000's	2024-25 Change in value £000's	2025-26 Amount £000's	2026-27 Amount £000's	What priority service area (Big 6) does the Saving/ Income Template relate to?	Is this Externally or Core Funded?
Policy	ASCH	Dan Watkins	Adult Social Care Charging	Review of the Adults Charging Policy, in line with Care Act legislation and the statutory guidance	-1,250.0	-2,600.0	-1,350.0	-800.0	0.0	Vulnerable Adults	Core
Policy	ASCH	Dan Watkins	Mental Health	One-off contribution from Public Health for Mental Health Live Well Kent contract	0.0	-1,000.0	-1,000.0	1,000.0	0.0	Vulnerable Adults	Core
Policy	CED	Peter Oakford	Partnership arrangements with District Councils	Cease Early Intervention Payments to District Councils	-82.5	-82.5	0.0	0.0	0.0	Other	Core
Policy	CED	Peter Oakford	Member Services	End Select Committees and Short Focused Inquiries	-20.0	-20.0	0.0	0.0	0.0	Other	Core
Policy	CHB	Peter Oakford	Corporately Held saving (to be allocated before County Council in February)	Part year impact of further discretionary policy decisions and deep dive into contract renewals with consideration of reducing service specifications	0.0	-2,300.0	-2,300.0	0.0	0.0	Other	Core
Policy	CYPE	Rory Love	Services to Schools	Review our offer to schools in light of the latest DFE funding changes and guidance including exploring alternative funding arrangements and engaging in efficiency measure to reduce costs	-1,200.0	-1,200.0	0.0	-250.0	0.0	Other	Core
Policy	CYPE	Sue Chandler	Youth Services	Review of youth services offer: cease commissioned youth services contracts	0.0	-913.0	-913.0	0.0	0.0	Integrated Children's Services	Core
Policy	CYPE	Rory Love	SEN Transport	Introduction of charging for post 16 SEN transport and reductions to the Post 19 transport offer	-781.0	-781.0	0.0	-541.0	-300.0	Transport	Core
Policy	CYPE	Sue Chandler	Review of Open Access - Youth Services & Children's Centres	Review of open access services in light of implementing the Family Hub model	-1,500.0	-400.0	1,100.0	-1,600.0	0.0	Integrated Children's Services	Core
Policy	CYPE	Sue Chandler	Children's Residential Care	Development of in-house residential units to provide an alternative to independent sector residential care placements (invest to save)	100.0	100.0	0.0	200.0	-600.0	Integrated Children's Services	Core
Policy	CYPE	Rory Love	Kent 16+ Travel Saver	Removal of undeliverable 2023-24 saving and review the Kent 16+ Travel Saver scheme	250.0	250.0	0.0	0.0	-478.6	Transport	Core
Policy	DCED	Peter Oakford	Corporate Landlord	Review of Office Assets	-763.9	-763.9	0.0	-310.6	-1,238.0	Other	Core
Policy	DCED	Peter Oakford	Corporate Landlord	Review of Community Delivery including Assets	-101.0	-101.0	0.0	-604.5	-576.3	Other	Core
Policy	GET	Clair Bell	Review of Community Wardens	Review of Community Warden Service to deliver a £1m saving which is likely to result in an overall reduction in wardens	-500.0	-433.0	67.0	-67.0	0.0	Other	Core
Policy	GET	Neil Baker	Road Safety activity	Review of level of campaigns and related activity within Road Safety	0.0	-200.0	-200.0	0.0	0.0	Highways	Core
Policy	GET	Clair Bell	Trading Standards staffing	Review of staffing levels within Trading Standards service. Mix of one-off and permanent savings.	0.0	-60.8	-60.8	48.0	0.0	Other	Core
Policy	GET	Clair Bell	Reduction of Trading Standards Budget	Adjustment of Trading Standards legal costs as Courts recover post-Covid	-55.0	-55.0	0.0	0.0	0.0	Other	Core
Policy	GET	Roger Gough	Planning Applications	Savings from delayed recruitment	-50.0	-50.0	0.0	0.0	0.0	Other	Core
Policy	GET	Roger Gough	Waste - Household Waste & Recycling Centres (HWRCs)	Review of the number and operation of HWRC sites	-616.0	0.0	616.0	-988.0	0.0	Waste	Core
Policy	ASCH	Dan Watkins	Community Based Preventative Services	Further review of contracts and grants for discretionary services including investment from other strategic partners - Older People	0.0	0.0	0.0	-7,413.5	0.0	Older People	Core
Policy	ASCH	Dan Watkins	Community Based Preventative Services	Further review of contracts and grants for discretionary services including investment from other strategic partners - Vulnerable Adults	0.0	0.0	0.0	-1,086.5	0.0	Vulnerable Adults	Core
Policy	ASCH	Dan Watkins	Adult Social Care	Review of in-house services	0.0	0.0	0.0	-1,000.0	0.0	Older People	Core
Policy	ASCH	Dan Watkins	Community Based Preventative Services	Explore alternative sources of funding for the Kent Support & Assistance Service	0.0	0.0	0.0	-567.2	0.0	Other	Core
Policy	CYPE	Sue Chandler	Looked After Children	Review contract with Health for fast tracking mental health assessments for Looked After Children	0.0	0.0	0.0	-1,000.0	0.0	Integrated Children's Services	Core
Policy	CYPE	Rory Love/ Neil Baker	SEN Home to School Transport (HTST)	Implementation of new statutory guidance for Home to School Transport (published June 23) including making use of a new system for transport planning to explore route optimisation and the use of standard pick up points, where appropriate.	0.0	0.0	0.0	500.0	-1,000.0	Transport	Core
Policy	CYPE	Rory Love	Post 19 Transport	Review of ongoing discretionary offer for post 19 education transport	0.0	0.0	0.0	0.0	-2,000.0	Transport	Core

APPENDIX G: 2024-27 DRAFT BUDGET - SAVINGS PROPOSALS

MTFP Category	Directorate	Cabinet Member	Headline description of saving/income	Brief description of saving/income	Initial Draft Budget 2024-25 Amount £000's	Revised Draft Budget 2024-25 Amount £000's	2024-25 Change in value £000's	2025-26 Amount £000's	2026-27 Amount £000's	What priority service area (Big 6) does the Saving/ Income Template relate to?	Is this Externally or Core Funded?
Policy	CYPE	Rory Love/ Neil Baker/ Sue Chandler	Kent Travel Saver	Review of Kent Travel Saver Scheme, including a review of the ongoing discretionary offer for free transport for Looked After Children, Care Leavers and Young Carers	0.0	0.0	0.0	0.0	1,890.0	Transport	Core
Policy	GET	Roger Gough	Waste Savings - impact of new Govt legislation	Savings from reduced incentivisation payments to districts following the introduction of Extended Producer Responsibility (EPR) legislation and where DEFRA will incentivise districts directly.	0.0	0.0	0.0	-1,300.0	-1,000.0	Waste	Core
Policy	GET	Neil Baker	Review of on-street parking	Review of on-street parking, which may involve insourcing and the need to invoke a 24 month notice period, or current arrangement to be reviewed to see if synergies may exist and cost savings to be shared by KCC and its partners	0.0	0.0	0.0	0.0	-100.0	Highways	Core
Policy	CHB	Peter Oakford	Unidentified	Further policy savings to be developed to replace the one-off solutions for closing the 2024-25 budget gap. This will need to include further savings over and above those already included in the MTFP including but not solely from the following examples: - Libraries, Registration and Archives - Kent Travel Saver - Supported Buses - Household Waste Recycling Centres - 16+ Home to School Transport - Waste Collection Partnerships - Regeneration & Economic Development - Services for Schools - Schools maintenance - Other Community Services	0.0	0.0	0.0	-23,945.8	0.0	Other	Core
TOTAL POLICY SAVINGS					-6,569.4	-10,610.2	-4,040.8	-39,726.1	-5,402.9		Core
Income	ASCH	Dan Watkins	Annual uplift in line with benefits and income uplift for social care client contributions	Uplift in social care client contributions in line with estimated benefit and other personal income uplifts, together with inflationary increases and a review of fees and charges across all KCC services, in relation to existing service income streams - Older People	-4,773.1	-6,400.0	-1,626.9	-2,900.0	-2,100.0	Older People	Core
Income	ASCH	Dan Watkins	Annual uplift in line with benefits and income uplift for social care client contributions	Uplift in social care client contributions in line with estimated benefit and other personal income uplifts, together with inflationary increases and a review of fees and charges across all KCC services, in relation to existing service income streams - Vulnerable Adults	-1,529.1	-1,600.0	-70.9	-800.0	-400.0	Vulnerable Adults	Core
Income	ASCH	Dan Watkins	Adult Social Care	Estimated annual inflationary increase in Better Care Fund - Older People	-2,188.0	-2,188.0	0.0	-2,311.8	-2,442.6	Older People	Core
Income	ASCH	Dan Watkins	Adult Social Care	Estimated annual inflationary increase in Better Care Fund - Vulnerable Adults	-179.5	-179.5	0.0	-189.7	-200.4	Vulnerable Adults	Core
Income	ASCH	Dan Watkins	Adult Social Care	Estimated annual inflationary increase in Better Care Fund - Adult Social Care Staffing	-99.8	-99.8	0.0	-105.4	-111.4	Adult Social Care staffing	Core
Income	ASCH	Dan Watkins	Adult Social Care	Estimated annual inflationary increase in Better Care Fund - Integrated Community Equipment Service and Assistive Technology	-4.4	-4.4	0.0	-4.6	-4.9	Other	Core
Income	CHB	Peter Oakford	Review of fees & charges	Removal of corporately held saving from a review of all fees and charges as these savings are reflected within the individual directorate proposals	500.0	500.0	0.0	0.0	0.0	Other	Core
Income	CYPE	Sue Chandler	Adoption Service	Adoption Service	-200.0	-200.0	0.0	0.0	0.0	Integrated Children's Services	Core
Income	CYPE	Sue Chandler	Annual uplift in line with benefits and income uplift for social care client contributions	Uplift in social care client contributions in line with estimated benefit and other personal income uplifts, together with inflationary increases and a review of fees and charges across all KCC services, in relation to existing service income streams - 0-25	-123.7	-120.0	3.7	-60.0	-30.0	Vulnerable Adults	Core
Income	CYPE	Rory Love	Kent 16+ Travel Saver	Kent 16+ Travel Saver price realignment to offset bus operator inflationary fare increases	-94.0	-100.0	-6.0	-104.0	0.0	Transport	Core
Income	GET	Neil Baker	Kent Travel Saver	Kent Travel Saver price realignment to offset bus operator inflationary fare increases	-463.5	-463.5	0.0	-479.7	0.0	Transport	Core
Income	GET	Neil Baker	Highways income	Review of Highways income based on current/projected activity levels	-100.0	-400.0	-300.0	0.0	0.0	Highways	Core
Income	GET	Clair Bell	Review of Charges for Service Users - existing service income streams & inflationary increases	A review of fees and charges across all KCC services, in relation to existing service income streams	-50.0	-200.0	-150.0	-50.0	0.0	Other	Core

APPENDIX G: 2024-27 DRAFT BUDGET - SAVINGS PROPOSALS

MTFP Category	Directorate	Cabinet Member	Headline description of saving/income	Brief description of saving/income	Initial Draft Budget 2024-25 Amount £000's	Revised Draft Budget 2024-25 Amount £000's	2024-25 Change in value £000's	2025-26 Amount £000's	2026-27 Amount £000's	What priority service area (Big 6) does the Saving/ Income Template relate to?	Is this Externally or Core Funded?
Income	GET	Neil Baker	Highways	Income from traffic management penalties including contravening traffic restrictions, box junctions and bus lanes	-100.0	-100.0	0.0	0.0	0.0	Highways	Core
Income	GET	Neil Baker	Public transport grant funding	Use of grant funding to support project & scheme costs	0.0	-100.0	-100.0	100.0	0.0	Transport	Core
Income	GET	Clair Bell	Public Protection	Increased income within Kent Scientific Services for toxicology analysis for the Coroners Service	-60.0	-56.0	4.0	-3.7	-4.1	Other	Core
Income	GET	Neil Baker	funding	Grant funding to support Electric Vehicle Strategy	0.0	-50.0	-50.0	0.0	0.0	Highways	Core
Income	GET	Derek Murphy	Increased income from Regeneration projects	One-off increase in profit share from East Kent Opportunities LLP	0.0	-50.0	-50.0	50.0	300.0	Other	Core
Income	GET	Clair Bell	Review of Charges for Service Users - existing service income streams & inflationary increases	Increased contribution from Medway Council under SLA relating to increasing costs for provision of Coroner service in Medway	-49.0	-49.0	0.0	-42.7	-16.0	Other	Core
Income	GET	Clair Bell	Public Protection	Inflationary increase in income levels and pricing policy for Kent Scientific Services	-45.0	-45.0	0.0	-33.3	-33.9	Other	Core
Income	GET	Clair Bell	Trading Standards	Inflationary increase in fees and charges	-1.4	-1.4	0.0	-0.6	-0.7	Other	Core
Income	NAC	Peter Oakford	Income return from our companies	Estimated increase in the income contribution from our limited companies, including a one-off increase in 2024-25.	-500.0	-3,500.0	-3,000.0	3,000.0	0.0	Other	Core
TOTAL INCOME					-10,060.5	-15,406.6	-5,346.1	-3,935.5	-5,044.0		Core
Transformation & Efficiency	ASCH	Dan Watkins	Adult Social Care service redesign	Review and reshape ASCH as set out in the sustainability plan to deliver new models of social care, which will address increases in demand and costs associated with care and support. This will include increasing take-up of direct payments for use on micro-enterprises and personal assistants, greater use of technology enabled living, and further development of digital self service. This will also include the use of self assessment, financial assessment tools, and regular reviews of both new and existing care packages to ensure that the best outcomes are being achieved. Older People.	-12,292.8	-17,436.1	-8,579.4	-17,042.1	-16,460.7	Older People	Core
Transformation & Efficiency	ASCH	Dan Watkins	Adult Social Care service redesign	Review and reshape ASCH as set out in the sustainability plan to deliver new models of social care, which will address increases in demand and costs associated with care and support. This will include increasing take-up of direct payments for use on micro-enterprises and personal assistants, greater use of technology enabled living, and further development of digital self service. This will also include the use of self assessment, financial assessment tools, and regular reviews of both new and existing care packages to ensure that the best outcomes are being achieved. Vulnerable Adults.	-18,464.0	-12,718.7	3,026.6	-12,037.1	-11,770.0	Vulnerable Adults	Core
Transformation & Efficiency	ASCH	Dan Watkins	Older People's Residential & Nursing Care	Efficiency Savings in relation to the purchasing of residential care	-8,000.0	-8,000.0	0.0	0.0	0.0	Older People	Core
Transformation & Efficiency	ASCH	Dan Watkins	Care & Support in the Home	Efficiency Savings in relation to the purchasing of care and support in the home	-3,400.0	-3,400.0	0.0	0.0	0.0	Older People	Core
Transformation & Efficiency	ASCH	Dan Watkins	Adult Social Care Equipment contract	Efficiencies from new contract for the supply of equipment for adult social care clients	-900.0	-900.0	0.0	0.0	0.0	Older People	Core
Transformation & Efficiency	ASCH	Dan Watkins	Adult Social Care service redesign	Rephasing of 2023-24 service redesign saving - Older People.	1,356.6	1,356.6	0.0	0.0	0.0	Older People	Core
Transformation & Efficiency	ASCH	Dan Watkins	Adult Social Care service redesign	Rephasing of 2023-24 service redesign saving - Vulnerable Adults	1,942.1	1,942.1	0.0	0.0	0.0	Vulnerable Adults	Core
Transformation & Efficiency	CED	Peter Oakford	Historic Pension Costs	Reduction in the number of Historic Pension Arrangements within CED Directorate	-250.0	-250.0	0.0	0.0	0.0	Other	Core
Transformation & Efficiency	CHB	Peter Oakford	Reduced spend on agency staff	The reduction of the volume and duration of agency staff.	0.0	-750.0	-750.0	-250.0	0.0	Other	Core
Transformation & Efficiency	CYPE	Rory Love	Home to School transport - SEN	Estimated reduction to the impact of rising pupil population on SEN Home to School and College Transport	-6,300.0	-6,300.0	0.0	-10,600.0	-10,300.0	Transport	Core
Transformation & Efficiency	CYPE	Sue Chandler	Looked After Children	Implement strategies to reduce the cost of packages for looked after children, including working with Health	-1,000.0	-1,000.0	0.0	0.0	0.0	Integrated Children's Services	Core

APPENDIX G: 2024-27 DRAFT BUDGET - SAVINGS PROPOSALS

MTFP Category	Directorate	Cabinet Member	Headline description of saving/income	Brief description of saving/income	Initial Draft Budget 2024-25 Amount £000's	Revised Draft Budget 2024-25 Amount £000's	2024-25 Change in value £000's	2025-26 Amount £000's	2026-27 Amount £000's	What priority service area (Big 6) does the Saving/ Income Template relate to?	Is this Externally or Core Funded?
Transformation & Efficiency	CYPE	Sue Chandler	Adult Social Care	Review of 18-25 community-based services: ensuring strict adherence to policy, review of packages with high levels of support and enhanced contributions from health	-650.0	-650.0	0.0	-650.0	0.0	Vulnerable Adults	Core
Transformation & Efficiency	CYPE	Sue Chandler	Early Help & Preventative Services	Expanding the reach of caseholding Early Help services	-560.0	-560.0	0.0	0.0	0.0	Integrated Children's Services	Core
Transformation & Efficiency	CYPE	Sue Chandler	Disabled Children's Placement and Support	Review of children with disability packages ensuring strict adherence to policy, review packages with high levels of support and enhanced contributions from health	-550.0	-550.0	0.0	-550.0	0.0	Integrated Children's Services	Core
Transformation & Efficiency	CYPE	Sue Chandler	Children's Social Care	Explore strategies, including statutory guidance, to reduce dependency on social work agency staff	-300.0	-300.0	0.0	0.0	0.0	Integrated Children's Services	Core
Transformation & Efficiency	CYPE	Rory Love	Initiatives to increase use of Personal Transport Budgets	Initiatives to increase use of Personal Transport Budgets to reduce demand for Hired Transport	-300.0	-300.0	0.0	-400.0	-400.0	Transport	Core
Transformation & Efficiency	CYPE	Rory Love	Historic Pension Costs	Reduction in the number of Historic Pension Arrangements - CYPE Directorate	-180.0	-206.0	-26.0	-110.0	-54.0	Other	Core
Transformation & Efficiency	CYPE	Sue Chandler	Open Access - Youth & Children's Centres	Removal of one-off saving in 2023-24 from vacancy management and avoiding all non-essential spend across open access	600.0	600.0	0.0	0.0	0.0	Integrated Children's Services	Core
Transformation & Efficiency	DCED	Peter Oakford	Corporate Landlord	Property savings from a review of specialist assets	-45.0	-45.0	0.0	-68.5	-68.5	Other	Core
Transformation & Efficiency	GET	Roger Gough	Review of green/organic waste contracts	Re-tender of green waste contract, with market analysis indicating a reduction in gate fee	0.0	-621.0	-621.0	-444.0	0.0	Waste	Core
Transformation & Efficiency	GET	Derek Murphy	Review of the level of spend/service with the 3 Brand Kent commissions (Visit Kent, Locate in Kent, Produced in Kent)	Review of the services and as aspiration for all three to be amalgamated to ensure synergies achieved in systems/back office functions and to limit any reduction in service levels	0.0	-150.0	-150.0	-42.0	0.0	Other	Core
Transformation & Efficiency	GET	Roger Gough	Waste - Household Waste & Recycling Centres (HWRCs)	Increased waste material segregation, increased re-use, black-bag splitting and trade waste recycling with a view to generating income or reducing cost	-105.0	-105.0	0.0	0.0	0.0	Waste	Core
Transformation & Efficiency	GET	Neil Baker	Highways	Review of all Highways & Transportation fees and charges, that are to be increased annually in line with inflation	-50.0	-50.0	0.0	-50.0	0.0	Highways	Core
Transformation & Efficiency	GET	Roger Gough	Windmills	Temporary reduction in spend on weatherproofing windmills	-50.0	-50.0	0.0	0.0	50.0	Other	Core
Transformation & Efficiency	GET	Clair Bell	Kent Sport	Withdraw the remaining contribution to the KCC hosted Active Kent and Medway.	-28.0	-28.0	0.0	0.0	0.0	Other	Core
Transformation & Efficiency	GET	Clair Bell	Reduction in grant fund	Reduction to the Arts Investment Fund, which provides grants to Kent-based arts organisations	0.0	-25.0	-25.0	0.0	0.0	Other	Core
Transformation & Efficiency	GET	Roger Gough	Environment	Removal of one-off saving in 2023-24 from planned delay in recruiting to the new structure in the Environment Team Closing the gap adjustment - deferred to 25/26.	300.0	0.0	-300.0	300.0	0.0	Other	Core
Transformation & Efficiency	GET	Clair Bell	Libraries, Registration & Archives (LRA)	Removal of one-off reduction in 2023-24 in the Libraries Materials Fund and one year contribution holiday for the Mobile Libraries renewals reserve	-1.0	0.0	1.0	207.0	0.0	Other	Core
Transformation & Efficiency	GET	Roger Gough	Improved Food Waste Recycling Rates through collaboration with Districts	Work with Kent District Councils to deliver savings from improving kerbside food waste recycling rates	-160.0	232.0	392.0	-388.3	0.0	Waste	Core
Transformation & Efficiency	CED	Peter Oakford	Efficiencies within Member support administration	Efficiencies within the Member support administration	0.0	-5.0	-5.0	0.0	0.0	Other	Core
Transformation & Efficiency	CED	Roger Gough	Strategic Commissioning	Explore alternative sources of funding for the administration of the Kent Support & Assistance Service	0.0	0.0	0.0	-262.0	0.0	Other	Core
Transformation & Efficiency	CHB	Peter Oakford	Review of embedded staff	Review of embedded teams in Directorates, to establish opportunities for consolidation and/or centralisation of practice	0.0	0.0	0.0	-1,300.0	0.0	Other	Core

APPENDIX G: 2024-27 DRAFT BUDGET - SAVINGS PROPOSALS

MTFP Category	Directorate	Cabinet Member	Headline description of saving/income	Brief description of saving/income	Initial Draft Budget 2024-25 Amount £000's	Revised Draft Budget 2024-25 Amount £000's	2024-25 Change in value £000's	2025-26 Amount £000's	2026-27 Amount £000's	What priority service area (Big 6) does the Saving/ Income Template relate to?	Is this Externally or Core Funded?
Transformation & Efficiency	CHB	Peter Oakford	Spans and layers	Review of structures across the Council to ensure adherence to the Council's organisation design policy	0.0	0.0	0.0	-500.0	-1,500.0	Other	Core
Transformation & Efficiency	CYPE	Sue Chandler	Looked After Children	Reduce the recent increase in the number of Looked After Children placements through practice reviews & improved court proceedings	0.0	0.0	0.0	-1,500.0	0.0	Integrated Children's Services	Core
Transformation & Efficiency	CYPE	Sue Chandler	Children's Social Care	Review of Legal Services Spend through cost efficiencies by Invicta Law and review of the use of legal services by social workers	0.0	0.0	0.0	-850.0	0.0	Integrated Children's Services	Core
Transformation & Efficiency	DCED	Dylan Jeffrey	Contact Centre	Review of service levels when the contract for the provision of the Contact Centre is renewed	0.0	0.0	0.0	-72.5	-217.5	Other	Core
Transformation & Efficiency	GET	Roger Gough	Increased food waste recycling due to new legislation	Reduced cost of food waste disposal following Govt legislation regarding consistent collections.	0.0	0.0	0.0	-331.0	-331.0	Waste	Core
Transformation & Efficiency	CHB	Peter Oakford	Corporately Held saving (to be allocated before County Council in February)	Further actions from Securing Kent's Future to reduce costs including from: - Cost drivers in demand led services, largely in Adult Social Care, Children in Care and Home to School Transport - Contract Reviews including their scope - Scope of Council ambitions - Transforming the operating model of The Council	0.0	0.0	0.0	-10,603.6	0.0	Other	Core
TOTAL TRANSFORMATION & EFFICIENCY SAVINGS					-49,387.1	-50,269.1	-7,036.8	-57,544.1	-41,051.7		Core
Financing	NAC	Peter Oakford	Flexible Use of Capital Receipts	One-off use of capital receipts under the Governments flexible use of capital receipts policy, which allows authorities to use the proceeds from asset sales to fund the revenue costs of projects that will reduce costs, increase revenue or support a more efficient provision of services	0.0	-8,000.0	-8,000.0	8,000.0	0.0	Other	Core
Financing	NAC	Peter Oakford	Investment Income	Increase in investment income largely due to the increase in base rate	-2,279.6	-2,279.6	0.0	1,222.4	718.2	Other	Core
Financing	NAC	Peter Oakford	Debt repayment	Review amounts set aside for debt repayment (MRP) based on review of asset life	-1,000.0	-1,000.0	0.0	-1,000.0	-1,000.0	Other	Core
TOTAL FINANCING SAVINGS					-3,279.6	-11,279.6	-8,000.0	8,222.4	-281.8		Core
Policy	Public Health	Dan Watkins	Public Health	Review of Public Health Services principally related to Healthy Lifestyles to ensure spending is contained within ringfenced grant	-9.2	-9.2	0.0	0.0	0.0	Other	External
TOTAL POLICY SAVINGS					-9.2	-9.2	0.0	0.0	0.0		External
Income	Public Health	Dan Watkins	Additional income linked to HIV prevention	Additional income from NHSE to fund increased costs linked to HIV prevention	-275.2	-275.2	0.0	0.0	0.0	Other	External
Income	Public Health	Dan Watkins	Public Health	Estimated additional income for externally funded posts	-6.1	-6.1	0.0	0.0	0.0	Other	External
TOTAL INCOME					-281.3	-281.3	0.0	0.0	0.0		External
Transformation & Efficiency	Public Health	Dan Watkins	Reduction in expenditure relating to one-off drawdown from reserve to support 24/25 budget	Reduction in expenditure relating to one-off drawdown from reserve to support 24/25 budget	0.0	0.0	0.0	-13.9	0.0	Other	External
TOTAL TRANSFORMATION & EFFICIENCY SAVINGS					0.0	0.0	0.0	-13.9	0.0		External
Increases in Grants and Contributions	ASCH	Dan Watkins	Domestic Abuse	Increase in Domestic Abuse Duty grant to fund new burdens in providing domestic abuse support in safe accommodation	-59.9	-59.9	0.0	0.0	0.0	Other	External
Increases in Grants and Contributions	CHB	Roger Gough	Household Support Fund	Removal of the extension of the Government funded Household Support Fund into 2023-24 as announced in the Chancellor's Autumn Statement on 17th November 2022	22,130.8	22,130.8	0.0	0.0	0.0	Other	External
Increases in Grants and Contributions	CYPE	Sue Chandler	Family Hubs	Estimated reduction in our share of the DfE/DHSC Family Hubs and Start for Life grant	777.0	777.0	0.0	3,332.0	0.0	Integrated Children's Services	External
Increases in Grants and Contributions	Public Health	Dan Watkins	Public Health - Substance Misuse	Supplemental Substance Misuse Treatment and Recovery grant from Office for Health Improvement & Disparities	-1,412.9	-1,412.9	0.0	3,615.4	0.0	Other	External
Increases in Grants and Contributions	Public Health	Dan Watkins	Public Health Grant	Estimated increase in Public Health Grant pending announcement from Department of Health and Social Care	-975.5	-975.5	0.0	0.0	0.0	Other	External
Increases in Grants and Contributions	Public Health	Dan Watkins	Public Health - Substance Misuse	Drug Strategy Housing Support Grant from Office for Health Improvement & Disparities	-23.1	-23.1	0.0	932.1	0.0	Other	External
Increases in Grants and Contributions	Public Health	Dan Watkins	Public Health - Substance Misuse	Individual Placement and Support in Community Drug and Alcohol Treatment Grant from Office for Health Improvement & Disparities	-7.5	-7.5	0.0	256.5	0.0	Other	External

APPENDIX G: 2024-27 DRAFT BUDGET - SAVINGS PROPOSALS

MTFP Category	Directorate	Cabinet Member	Headline description of saving/income	Brief description of saving/income	Initial Draft Budget 2024-25 Amount £000's	Revised Draft Budget 2024-25 Amount £000's	2024-25 Change in value £000's	2025-26 Amount £000's	2026-27 Amount £000's	What priority service area (Big 6) does the Saving/ Income Template relate to?	Is this Externally or Core Funded?
Increases in Grants and Contributions	Public Health	Dan Watkins	Public Health - Substance Misuse	Remove one-off Rough Sleeping Drug and Alcohol Treatment Grant from Office for Health Improvement & Disparities	520.2	520.2	0.0	0.0	0.0	Other	External
TOTAL INCREASES IN GRANTS & CONTRIBUTIONS					20,949.1	20,949.1	0.0	8,136.0	0.0		External

APPENDIX G: 2024-27 DRAFT BUDGET - RESERVES PROPOSALS

					19,910.3	5,548.0	-14,362.3	8,752.3	-14,350.0		
MTFP Category	Directorate	Cabinet Member	Headline description of reserve template	Brief description of reserve template	Initial Draft Budget 2024-25 Amount £000's	Revised Draft Budget 2024-25 Amount £000's	2024-25 Change in value £000's	2025-26 Amount £000's	2026-27 Amount £000's	What priority service area does the Reserve Template relate to?	Is this Externally or Core Funded?
Contributions to reserves	DCED	Peter Oakford	Facilities Management	Contribution to reserves to smooth the impact of the mobilisation costs of the Facilities Management contracts over the life of the contracts (2022-23 to 2026-27)	160.0	160.0	0.0	160.0	160.0	Other	Core
Contributions to reserves	NAC	Peter Oakford	Dedicated Schools Grant (DSG) Deficit - Safety Valve	KCC Contribution towards funding the DSG deficit as agreed with DfE as part of the Safety Valve agreement	15,100.0	15,100.0	0.0	14,600.0	11,100.0	Other	Core
Contributions to reserves	NAC	Peter Oakford	General Reserves repayment	Repay the General Reserve over two years (2024-25 & 2025-26) for the drawdown required in 2022-23 to fund the overspend	11,050.0	11,050.0	0.0	11,050.0	0.0	Other	Core
Contributions to reserves	NAC	Peter Oakford	General Reserves	Contribution to reserves in order to maintain general reserve at 5% of net revenue budget	5,100.0	5,100.0	0.0	3,100.0	3,300.0	Other	Core
Contributions to reserves	NAC	Peter Oakford	Corporate Reserves	Contribution to reserves to repay the drawdown required to balance the budget in 2023-24 in order to maintain financial resilience	4,289.7	4,289.7	0.0	0.0	0.0	Other	Core
Contributions to reserves	NAC	Peter Oakford	Emergency capital events reserve	Annual contribution to a new reserve for emergency capital works and revenue costs related to capital spend such as temporary accommodation, and condition surveys which don't result in capital works	1,000.0	1,000.0	0.0	1,000.0	1,000.0	Other	Core
TOTAL CONTRIBUTIONS TO RESERVES					36,699.7	36,699.7	0.0	29,910.0	15,560.0		Core
Drawdowns from reserves	ASCH	Dan Watkins	Drawdown corporate reserves	Fund the Kent Support and Assistance Service from Corporate Reserves for two years 2023-24 and 2024-25 - ASCH Directorate	-567.2	-567.2	0.0	0.0	0.0	Other	Core
Drawdowns from reserves	CED	Roger Gough	Drawdown corporate reserves	Fund the Kent Support and Assistance Service from Corporate Reserves for two years 2023-24 and 2024-25 - CED Directorate	-262.0	-262.0	0.0	0.0	0.0	Other	Core
Drawdowns from reserves	GET	Neil Baker	ICT Reserve	Drawdown of ICT reserve to fund the upgrade of the streetlighting Control Management System from 3G connectivity (subject to approval of a business case via Strategic Technology Board)	0.0	-475.0	-475.0	0.0	0.0	Highways	Core
Drawdowns from reserves	NAC	Peter Oakford	Drawdown Corporate Reserves	One-off use of corporate reserves in 2024-25 - yet to be decided which reserves this will come from or whether it is from a mix of drawdowns and/or reduced contributions to reserves.	0.0	-12,887.3	-12,887.3	0.0	0.0	Other	Core
TOTAL DRAWDOWNS FROM RESERVES					-829.2	-14,191.5	-13,362.3	0.0	0.0		Core
Removal of prior year Contributions	DCED	Peter Oakford	Facilities Management	Removal of prior year contribution to reserves to smooth the impact of the mobilisation costs of the Facilities Management contracts over the life of the contracts (2022-23 to 2026-27)	-160.0	-160.0	0.0	-160.0	-160.0	Other	Core
Removal of prior year Contributions	NAC	Peter Oakford	Risk Reserve	Removal of prior year one-off contribution to risk reserve (2023-24 increase in annual contribution)	-7,000.0	-7,000.0	0.0	0.0	0.0	Other	Core
Removal of prior year Contributions	NAC	Peter Oakford	General Reserves	Removal of prior year one-off contribution to general reserve	-5,800.0	-5,800.0	0.0	-5,100.0	-3,100.0	Other	Core
Removal of prior year Contributions	NAC	Peter Oakford	Risk Reserve	Removal of prior year one-off contribution to risk reserve (original contribution)	-5,000.0	-5,000.0	0.0	0.0	0.0	Other	Core
Removal of prior year Contributions	NAC	Peter Oakford	Local Taxation Equalisation - Council Tax Collection Fund	Removal of prior year contribution to Local Taxation Equalisation smoothing reserve of Council Tax Collection Fund surplus above £7m assumed	-4,488.7	-4,488.7	0.0	0.0	0.0	Other	Core
Removal of prior year Contributions	NAC	Peter Oakford	Removal of contribution related to repayment of previous "borrowing" from reserves	Reduction & full removal of the annual repayment of the "borrowing" from reserves to support the budget in 2011-12, reflecting when the reserves will be fully repaid	-1,223.3	-1,223.3	0.0	0.0	0.0	Other	Core
Removal of prior year Contributions	NAC	Peter Oakford	Local Taxation Equalisation - Business Rates Collection Fund	Removal of prior year contribution to the Local Taxation Equalisation smoothing reserve of the Business Rates Collection Fund surplus	-1,067.6	-1,067.6	0.0	0.0	0.0	Other	Core
Removal of prior year Contributions	NAC	Peter Oakford	Dedicated Schools Grant (DSG) Deficit - Safety Valve	Removal of prior year contribution to the DSG deficit in accordance with the Safety Valve Agreement with DfE	0.0	0.0	0.0	-15,100.0	-14,600.0	Other	Core
Removal of prior year Contributions	NAC	Peter Oakford	General Reserves repayment	Removal of prior year repayment of General Reserve for the drawdown in 2022-23 to fund the overspend	0.0	0.0	0.0	-11,050.0	-11,050.0	Other	Core
Removal of prior year Contributions	NAC	Peter Oakford	Corporate Reserves	Removal of one-off repayment of reserves in 2024-25	0.0	0.0	0.0	-4,289.7	0.0	Other	Core

APPENDIX G: 2024-27 DRAFT BUDGET - RESERVES PROPOSALS

MTFP Category	Directorate	Cabinet Member	Headline description of reserve template	Brief description of reserve template	Initial Draft Budget 2024-25 Amount £000's	Revised Draft Budget 2024-25 Amount £000's	2024-25 Change in value £000's	2025-26 Amount £000's	2026-27 Amount £000's	What priority service area does the Reserve Template relate to?	Is this Externally or Core Funded?
Removal of prior year Contributions	NAC	Peter Oakford	Emergency capital events reserve	Removal of prior year contribution to the emergency capital events reserve	0.0	0.0	0.0	-1,000.0	-1,000.0	Other	Core
TOTAL REMOVAL OF PRIOR YEAR CONTRIBUTIONS					-24,739.6	-24,739.6	0.0	-36,699.7	-29,910.0		Core
Removal of prior year Drawdowns	ASCH	Dan Watkins	Drawdown corporate reserves	Removal of use of corporate reserves in prior year to fund the Kent Support and Assistance Service - ASCH Directorate	567.2	567.2	0.0	567.2		Other	Core
Removal of prior year Drawdowns	CED	Roger Gough	Remove prior year drawdown from Covid reserve	Removal of use of corporate reserves in prior year to fund the Kent Support and Assistance Service - CED Directorate	262.0	262.0	0.0	262.0		Other	Core
Removal of prior year Drawdowns	GET	Neil Baker	ICT Reserve	Removal of the drawdown in 2024-25 from the ICT reserve to fund the one-off cost of the streetlighting Control Management System upgrade from 3G connectivity	0.0	0.0	0.0	475.0		Highways	Core
Removal of prior year Drawdowns	NAC	Peter Oakford	Drawdown corporate reserves	Removal of one-off use of reserves in 2023-24	4,289.7	4,289.7	0.0	0.0	0.0	Other	Core
Removal of prior year Drawdowns	NAC	Peter Oakford	Drawdown corporate reserves	Removal of one-off drawdown from No Use Empty reserve in 2023-24	200.0	200.0	0.0	0.0	0.0	Other	Core
Removal of prior year Drawdowns	NAC	Peter Oakford	Drawdown Corporate Reserves	Removal of one-off use of corporate reserves in 2024-25	0.0	0.0	0.0	12,887.3		Other	Core
TOTAL REMOVAL OF PRIOR YEAR DRAWDOWNS					5,318.9	5,318.9	0.0	14,191.5	0.0		Core
Drawdowns from reserves	Public Health	Dan Watkins	Public Health Reserves	One-off funding for Live Well Kent Mental Health contract	0.0	-1,000.0	-1,000.0	0.0	0.0	Vulnerable Adults	External
Drawdowns from reserves	Public Health	Dan Watkins	Public Health Reserves	Use of Public Health reserves to fund one-off costs and invest to save initiatives in 2024-25	-336.6	-336.6	0.0	0.0	0.0	Other	External
Drawdowns from reserves	Public Health	Dan Watkins	Public Health Reserves	Use of Public Health reserves to balance 2024-25 budget plans	-13.9	-13.9	0.0	0.0	0.0	Other	External
TOTAL DRAWDOWNS FROM RESERVES					-350.5	-1,350.5	-1,000.0	0.0	0.0		External
Removal of prior year Drawdowns	Public Health	Dan Watkins	Public Health Reserves	Removal of use of Public Health reserves to fund one-off costs in previous year	2,440.3	2,440.3	0.0	0.0	0.0	Other	External
Removal of prior year Drawdowns	Public Health	Dan Watkins	Public Health Reserves	Removal of use of Public Health (Kent Community Health NHS Foundation Trust) reserves to fund one-off costs in previous year	1,313.9	1,313.9	0.0	0.0	0.0	Other	External
Removal of prior year Drawdowns	Public Health	Dan Watkins	Public Health Reserves	Removal of use of Public Health (Maidstone & Tunbridge Wells NHS Trust) reserves to fund one-off costs in previous year	56.8	56.8	0.0	0.0	0.0	Other	External
Removal of prior year Drawdowns	Public Health	Dan Watkins	Public Health Reserves	Replace one-off drawdown from Public Health Reserve 24/25	0.0	0.0	0.0	13.9	0.0	Other	External
Removal of prior year Drawdowns	Public Health	Dan Watkins	Public Health Reserves	Replace 24/25 drawdown of Public Health Reserves	0.0	0.0	0.0	336.6	0.0	Other	External
Removal of prior year Drawdowns	Public Health	Dan Watkins	Public Health Reserves	Removal of one-off funding for Live Well Kent Mental Health contract	0.0	0.0	0.0	1,000.0	0.0	Vulnerable Adults	External
TOTAL REMOVAL OF PRIOR YEAR DRAWDOWNS					3,811.0	3,811.0	0.0	1,350.5	0.0		External

Key

ASCH	Adult Social Care & Health
CED	Chief Executive's Department
CHB	Corporately Held Budgets
CYPE	Children, Young People & Education
DCED	Deputy Chief Executive's Department
GET	Growth, Environment & Transport
NAC	Non Attributable Costs

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Reserves Policy

1. Background and Context

- 1.1 Sections 32 and 43 of the Local Government Finance Act 1992 require councils to consider the level of reserves when setting a budget requirement. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (Section 151 Officer) to report formally on the adequacy of proposed reserves when setting a budget requirement. The accounting treatment for reserves is set out in the Code of Practice on Local Authority Accounting.
- 1.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) issued Local Authority Accounting Panel (LAAP) Bulletin No.99, Guidance Note on Local Authority Reserves and Balances in July 2014, which updated previous Bulletins to reflect the new requirements of the International Financial Reporting Standards (IFRS) Code of Practice. In addition, during the period of financial austerity for the public sector, the LAAP considered it necessary to update the guidance on local authority reserves and balances. Compliance with the guidance is recommended in CIPFA's Statement on the Role of the Chief Financial Officer in Local Government. In response to the above requirements, this policy sets out the Council's approach for compliance with the statutory regime and relevant non-statutory guidance for the Council's cash backed usable reserves.
- 1.3 All reserves are categorised as per the LAAP guidance, into the following groups:
- **Smoothing** – These are reserves which are used to manage large fluctuations in spend or income across years e.g., Private Finance Initiative (PFI) equalisation reserves. These reserves recognise the differences over time between the unitary charge and PFI credits received.
 - **Trading** – this reserve relates to the non-company trading entities of Laser and Commercial Services to cover potential trading losses and investment in business development.
 - **Renewals for Vehicles Plant & Equipment** – these reserves should be supported by an asset management plan, showing projected replacement profile and cost. These reserves help to reduce fluctuations in spend.
 - **Major projects** – set aside for future spending on projects.
 - **Insurance** - To fund the potential cost of insurance claims in excess of the amount provided for in the Insurance Fund provision, (potential or contingent liabilities)
 - **Unspent grant/external funding** – these are for unspent grants which the Council is not required to repay, but which have restrictions on what they may be used for e.g., the Public Health grant must be used on public health services. This category also consists of time limited projects funded from ringfenced external sources.
 - **Special Funds** – these are mainly held for economic development, tourism and regeneration initiatives.
 - **Partnerships** – these are reserves resulting from Council partnerships and are usually ringfenced for the benefit of the partnership or are held for investing in shared priorities.
 - **Departmental underspends** – these reserves relate to re-phasing of projects/initiatives and bids for use of year end underspending which are requested to roll forward into the following year.
- 1.4 Within the Statement of Accounts, reserves are summarised by the headings above. By categorising the reserves into the headings above, this is limited to the nine groups, plus Public

Health, Schools and General. Operationally, each will be divided into the relevant sub reserves to ensure that ownership and effective management is maintained.

- 1.5 Reserves are an important part of the Council's financial strategy and are held to create long term budgetary stability. They enable the Council to manage change without undue impact on the Council Tax and are a key element of ensuring the Council's strong financial standing and resilience. The Council's key sources of funding face an uncertain future and the Council therefore holds earmarked reserves and a working balance in order to mitigate future financial risks.
- 1.6 Earmarked reserves are reviewed regularly as part of the monitoring process and annually as part of the budget process, to determine whether the original purpose for the creation of the reserve still exists and whether or not the reserves should be released in full or in part or require topping up based on known/expected calls upon them. Particular attention is paid in the annual review to those reserves whose balances have not moved over a three-year period.

2. Overview

- 2.1 The Council's overall approach to reserves will be defined by the system of internal control.
- 2.2 The system of internal control is set out, and its effectiveness reviewed, in the Annual Governance Statement (AGS). Key elements of the internal control environment are objective setting and monitoring, policy and decision-making, compliance with statute and procedure rules, risk management, achieving value for money, financial management and performance management. The AGS includes an overview of the general financial climate which the Council is operating within and significant funding risks.
- 2.3 The Council will maintain:
 - a general reserve; and
 - a number of earmarked reserves.
- 2.4 The level of the general reserve is a matter for the Council to determine having had regard to the advice of the S151 Officer. The level of the reserve will be a matter of judgement which will take account of the specific risks identified through the various corporate processes. It will also take account of the extent to which specific risks are supported through earmarked reserves. The level will be expressed as a cash sum over the period of the general fund medium-term financial strategy. The level will also be expressed as a percentage of the general funding requirement (to provide an indication of financial context). The Council's aim is to hold general reserves of 5% of the net revenue budget to recognise the heightened financial risk the Council is facing.

3. Strategic context

- 3.1. The Council continues to face a shortfall in funding compared to spending demands and must annually review its priorities in order to address the shortfall.
- 3.2 The Council also relies on interest earned through investments of our cash balances to support its general spending plans.

- 3.3 Reserves are one-off money. The Council aims to avoid using reserves to meet ongoing financial commitments other than as part of a sustainable budget plan and one of the Council's financial principles is to stop the use of one-off funding to support the base budget. The Council has to balance the opportunity cost of holding reserves in terms of Council Tax against the importance of interest earning and long-term future planning.

4. Management and governance

- 4.1 Each reserve must be supported by a protocol. All protocols should have an end date and at that point any balance should be transferred to the general reserve. If there is a genuine reason for slippage then the protocol will need to be updated.

A questionnaire is completed by the relevant budget holder and reviewed by Finance to ensure all reserves comply with legislative and accounting requirements. A de-minimis limit has been set to avoid small funds being set up which could be managed within existing budgets or declared as an overspend and then managed collectively. This has been set at £250k.

- 4.2 Reserves protocols and questionnaires must be sent to the Chief Accountant's Team within Finance for review and will be approved by the Corporate Director of Finance, Corporate Management Team and then by the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services. Protocols should clearly identify contributions to and drawdowns from reserves, and these will be built into the Medium Term Financial Plan (MTFP) and monitored on a quarterly basis.

Accessing reserves will only be for significant unusual spend, more minor fluctuations will be managed or declared as budget variances. In-year drawdowns from reserves will be subject to the governance process set out in the revised financial regulations. Ongoing recurring costs should not be funded from reserves. Any request contrary to this will only be considered during the budget setting process. The short term use of reserves may be agreed to provide time to plan for a sustainable funding solution in the following financial year.

Decisions on the use of reserves may be delayed until financial year end and will be dependent on the overall financial position of the council rather than the position of just one budget area.

The current Financial Regulations state:

Maintenance of reserves & provisions

A.24 The Corporate Director of Finance is responsible for:

- i. proposing the Council's Reserves Policy.
- ii. advising the Leader and the Council on prudent levels of reserves for the Authority when the annual budget is being considered having regard to assessment of the financial risks facing the Authority.
- iii. ensuring that reserves are not only adequate but also necessary.
- iv. ensuring that there are clear protocols for the establishment and use of each earmarked reserve. Reserves should not be held without a clear purpose or without a planned profile of spend and contributions, procedures for the reserves managements and control, and a process and timescale for review of the reserve to ensure continuing relevance and adequacy.

- v. ensuring that all renewals reserves are supported by a plan of budgeted contributions, based on an asset renewal plan that links to the fixed asset register.
- vi. ensuring that no money is transferred into reserves each financial year without prior agreement with him/herself.
- vii. ensuring compliance with the reserves policy and governance procedures relating to requests from the strategic priority and general corporate reserves.

4.3 All reserves are reviewed as part of the monitoring process, the budget preparation, financial management and closing of accounts processes. Cabinet is presented with the monitoring of reserves on a regular basis and in the outturn report and the Council will consider a report from the S151 Officer on the adequacy of the level of reserves in the annual budget setting process. The report will contain estimates of reserves where necessary. The Governance and Audit Committee will consider actual reserves when approving the statement of accounts each year.

4.4 The following rules apply:

- Any in year use of the General Reserve will need to be approved by Cabinet and any planned use will be part of the budget setting process.
- In considering the use of reserves, there will be no or minimal impairment to the Council's financial resilience unless there is no alternative.

4.5 The Council will review the Reserves Policy on an annual basis.

Budget Risks and Adequacy of Reserves

The assessment of budget risks and the adequacy of reserves is even more important for the 2024-25 revised draft budget and the medium-term financial plan due to the priority to restore the council's financial resilience as set out in "Securing Kent's Future – Budget Recovery Strategy" and the announcement of the Provisional Local Government Finance Settlement (PLGFS) for 2024-25. The administration's revised draft budget for 2024-25 includes a package of £23.9m of one-off measures to balance the budget together with the expectation that these will be replaced by recurring savings in 2025-26/2026-27. As well as these one-off measures, the balanced position includes completely removing the 1% risk contingency, a one-off increased dividend from the trading companies, and reduced debt charges as a result of capital programme rephasing and lower levels of borrowing. The remainder of the gap has been closed through sustainable measures on spending growth and further savings and income. The PLGFS includes an unexpected reduction in Services Grant which has increased the budget saving requirement by £5.4m. Putting all this together means the revised draft is only marginally less risky than the initial draft and still requires the Council to agree and deliver significant savings both in 2024-25 and over the medium term. The package of one-off measures includes the following:

- £2.1m for the announcement of a further one-year payment of New Homes Bonus Grant
- £8.0m flexible use of capital receipts
- £13.8m use of corporate and public health reserves

The 2023-24 budget monitoring shows a significant forecast overspend largely on adult social care and children's services. Management action (the majority of which is one-off) has been identified and is expected to balance the position by year end. If this management action does not bring 2023-24 into balance by year end the only option would be a greater drawdown from reserves further weakening financial resilience going into 2024-25.

This section includes a new and separate assessment of the current position of the council against the key symptoms of financial stress identified by CIPFA in its report entitled "Building Financial Resilience".

There are a number of significant risks that could affect either the cost of providing key services and/or the level of service demand or its main sources of funding. In addition, there are general economic factors, such as the level of inflation and interest rates that can impact on the net cost of services going forward. Pressures from the main cost drivers and in some cases from service demand are evident in children's and adults social care, waste volumes, and home to school and special educational needs transport.

The main risks are summarised below.

Risks

Cost of Living

- Extraordinary increases in the costs of goods and services procured by the Council
- Market instability due to workforce capacity as a result of recruitment and retention difficulties leading to exit of suppliers, increased costs, and supply chain shortages
- Increased demand for Council Services over and above demographic demands, including crisis and welfare support
- Reductions in income from fees and charges
- Under collection of local taxation leading to collection losses and reductions in tax base
- Increased Claimant eligible for of Local Council Tax Reduction Scheme discounts

International Factors

- Impact of war in Ukraine and other conflicts
- Impact of the decision to leave the European Union
- Legacy impact of Covid-19
- Ongoing supply chain disruption including energy supplies
- Breakdown of hosting arrangements under Homes for Ukraine scheme

Regulatory Risk

- **High Court ruling on Unaccompanied Asylum Seeking (UAS) Children** – the judgement that the council is responsible for supporting all UAS children arriving in the county until they are transferred under the National Transfer Scheme impacts on the availability and therefore cost of carers for local children as well as risks of shortfalls in funding refugee schemes (see below)
- **Replacement Legislation and Regulation following Brexit** – including additional council responsibilities, impact on businesses and supply chains, and economic instability
- **Statutory overrides** – currently there are a number of statutory overrides in place which reduce short term risks e.g., high needs deficit, investment losses, etc. These are time limited and require a long-term solution
- **Funding settlements** - adequacy of the overall settlement and reliance on council tax over the medium term, and uncertainty over future settlements (especially beyond 2024-25)
- **Delayed Reforms to Social Care Charging** - uncertainty over future plans and funding, and providers' fee expectations
- **Other delayed legislative reforms** – impact on council costs and ability to deliver savings/spending reductions e.g. Extended Producer Responsibilities
- **Departmental Specific Grants** - Unanticipated changes in specific departmental grants and the ability to adjust spending in line with changes

- **Asylum and Refugee Support** – increase in numbers of refugees (adults and families) accommodated within the community impacting on council services. Inadequate medium-term government funding for asylum and refugee schemes
- **New Burdens** – Adequacy of funding commensurate with new or additional responsibilities
- **Further delay of the Local Government Funding Review** - The government has committed to updating and reforming the way local authority funding is distributed to individual authorities. However, this has now been even further delayed until 2025-26 at the earliest. The Fair Funding Review of the distribution methodology for the core grants was first announced as part of the final local government settlement for 2016-17. The majority of data used to assess funding distributions has not been updated for over 10 years, dating from 2013-14 to a large degree, and even as far back as 2000.

General Economic & Fiscal Factors

- Levels of national debt and borrowing
- Inflation continues to be well above the government target for a sustained period with consequential impacts on contracted services (see below) and household incomes (including incomes of KCC staff)
- Poor economic growth
- Rise in unemployment
- A general reduction in debt recovery levels
- Reductions in grant and third-party funding
- Increase in fraud

Increases in Service Costs and Demand

- Long term impact of Covid-19 pandemic on clients and suppliers
- Higher cost for new clients coming into care than existing clients especially but not exclusively older persons' residential and nursing care and children in care
- Adult Social Care cost and demand increases from increased complexity
- Children's Social Care including sufficiency of Foster Carers and numbers of UAS children or those with no recourse to public funds
- Significantly higher than the national average Education and Health Care Plans with consequential impact on both Dedicated Schools Grant (DSG) High Needs placements/services and General Fund services for assessment and home to school transport
- Waste tonnage
- High demand for mandated Public Health services
- General demographic trends (including a rising and ageing population and growth in the number of vulnerable persons)

Contractual Price Increases

- Index linked contracts rise above budgeted amounts
- Containing locally negotiated contracts within the amounts provided in the budget
- Financial sustainability of contracted providers

Efficiencies and Savings Programme

- Slippage in the expected delivery of the savings programme
- Non-delivery of planned savings
- Shortfalls in income from fees and charges

The main opportunities are summarised below.

Opportunities

- Growth in local taxbase for both housing and businesses
- Service transformation and redesign including digital services
- Invest to save approach to reduce revenue costs
- Service remodelling
- Extension of the power to use capital receipts to fund revenue spending on transformation activity and other spending that reduce future costs until March 2030
- Further flexibilities due to be announced in January over the use of ring-fenced grants

Adequacy of Reserves

Reviewing the level of reserves the Council holds is an important part of the budget setting process. The review must be balanced and reasonable, factoring in the current financial standing of the Council, the funding outlook into the medium term and beyond, and most importantly, the financial risk environment the Council is operating in. The assessment of reserves is based on factors recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) as set out below together with an indication of the direction of travel (up arrow represents an improved position i.e., the risk is less than it was last year).

Assumptions for inflation



The direction of travel for this indicator was showing as deteriorating in last year's budget due to the historically high levels of inflation that arose during 2022. The annual rate of inflation (using CPIH) peaked at 9.6% in October 2022 and has been on a downward trajectory in the subsequent months (CPI peaked at 11.1% and RPI at 14.2% in October 2022).

The November 2023 Office for Budget Responsibility forecasts are for the rate of inflation to peak in quarter 4 of 2022 (CPI 10.7% in quarter 4 2022), before the rate of prices growth falls back as follows:

- 10.2% in quarter 1 2023
- 8.4% quarter 2
- 6.7% quarter 3
- 4.8% quarter 4
- 4.6% in quarter 1 2024
- 3.7% quarter 2
- 3.3% quarter 3
- 2.8% quarter 4
- 2.3% in quarter 1 2025

Thereafter inflation is forecast to be below the 2% target.

The latest inflation release for November 2023 showed the annual rate of increases in CPI at 3.9% (compared to 4.6% in October). CPIH was 4.2% in November 2023 (compared to 4.7% in October). If these trends continue then the rate of inflation would be reducing compared to forecasts on which the revised draft budget is based although it is too early to confirm this at this stage.

The higher than forecast inflation is the reason why this measure is still showing as constant for 2024-25 and not improving. Inflation is still volatile and subject to external shocks such as a return to higher oil prices.

Estimates of the level and timing of capital receipts



The Council uses receipts as part of the funding for the capital programme. The Administration's revised draft budget for 2024-25 assumes £8m of receipts will be used to fund revenue spending using the direction powers under the Local Government Act 2003. This flexibility has now been extended to March 2030. Delivery of receipts against the target has continued to fall behind in recent years necessitating additional short-term borrowing/use of reserves. However performance is forecast to be above target in 2023-24, which together with the previous unapplied balance allows scope to use the flexibility powers.

Performance in the current year has been mixed with the rise in interest rates dampening large new-build housing developments. Although there is a reasonable pipeline of assets for disposal, the risk profile for potential delays remains high therefore leading to a continued deterioration in this measure.

Capacity to manage in-year budget pressures and strategy for dealing with demand and service delivery in the longer term



2022-23 ended with a revenue budget overspend for the first time in 23 years. The net overspend in 2022-23 was £47.1m after roll forwards (3.9% of net revenue). Overspends before roll forwards were reported in Adult Social Care & Health (ASCH) of £24.4m, Children, Young People and Education (CYPE) of £32.7m, Growth Environment and Transport (GET) of £0.9m, Deputy Chief Executive Department (DCED) of £1.6m. These were partly offset by underspends in Chief Executive Department (CED) of £3.5m and Non-Attributable Costs and Corporately held budgets (NAC) of £11.8m

The most significant overspends were:

- £30.5m older persons' residential and nursing care in ASCH
- £16.1m home to school transport in CYPE
- £9.9m children in care in CYPE

The most recent 2023-24 revenue budget monitoring reported to Cabinet on 4th January 2024 shows a forecast overspend of £35.6m before management action. This is a slight reduction on previous months following the introduction of spending controls. The latest monitoring report identifies the management action that needs to be delivered to bring the 2023-24 outturn into balance by the year end. More stringent spending controls are being considered to ensure sufficient progress is made in the remaining months of the year. The overspend is largely driven by higher spending growth than the £182.3m (excluding spending on externally funded activities) provided for in the

budget. The largest overspends are in the same main areas as 2022-23 (adult social care, children in care and home to school transport). This is despite including additional spending in the budget for the full year effect of recurring spend from 2022-23 and forecasts for future price uplifts, increases in demand and cost increases unrelated to price uplifts.

Cabinet on 5th October 2023 and County Council on 16th November 2023 agreed “Securing Kent’s Future – Budget Recovery Strategy” setting out the broad strategic approach to providing reassurance on the necessary action to bring the 2023-24 budget back into balance and the opportunity areas for further savings and avoidance of future cost increases over the medium term 2024-27.

However, until this strategic plan has been converted into detailed plans and these have been delivered, managing in-year spending and spending growth over the medium term presents the most significant risk to the Council’s financial resilience and sustainability and therefore the highest rating of deterioration.

Strength of financial reporting and ability to activate contingency plans if planned savings cannot be achieved



There continues to be a reasonable degree of confidence in the validity of financial reporting despite the uncertainties and volatility as a result of overspends. However, the ability to activate contingency plans if planned savings cannot be achieved has to date been severely restricted as a result of these overspends. although every effort is being made to reduce the forecast overspend in 2023-24.

Reporting has been enhanced to include separate analysis of delivery of savings plans, treasury management and council tax collection. Further improvements have been made in terms of the timeliness of financial monitoring and reporting to ensure corrective action is taken as early as possible.

Some areas of spending can still be changed at short notice if required as a contingency response if planned savings cannot be achieved (or there are unexpected changes in spending). A significant plank of the 2023-24 recovery strategy is to reduce non committed spending for the remainder of the year. At this stage it is expected that managers across the whole organisation will exercise this restraint to reduce forecast spending for the remainder of the year. However, if this does not result in sufficient reductions

to bring in-year spending back into balance, further more stringent spending controls will need to be introduced for the remainder of the year. These spending reductions are largely anticipated to be one-off and will not flow through into 2024-25 or later years unless the spending controls remain in place into 2024-25.

The increased focus on savings monitoring and delivery has had some impact and the majority of the overspend in 2023-24 and forecast for 2024-25 is due to unbudgeted spend rather than savings delivery, although savings delivery is still a contributory factor and remains a risk, this is no greater a risk than in previous years, hence this measure has not been rated as deteriorating.

However, if the further savings necessary to bring 2023-24 back into balance are not expected to be achieved this measure would need to be reassessed.

Risks inherent in any new partnerships, major outsourcing arrangements, and major capital developments



Partnership working with NHS and districts has improved. However, further sustained improvements are still needed to change the direction of travel.

Trading conditions for Council owned companies continue to be challenging although a higher one-off dividend is included in the administration's revised draft budget 2024-25.

A number of outsourced contracts are due for retender and the Council is still vulnerable to price changes due to market conditions.

The ability to sustain the capital programme remains a significant challenge. It is essential that capital programmes do not rely on unsustainable levels of borrowing and additional borrowing should only be considered where absolutely essential to meet statutory obligations. This will impact on the condition of non-essential assets possibly resulting in the closure of facilities although the planned spending to limit modernisation programmes to essential measures to ensure buildings are safe warm and dry has proved to be inadequate and the draft capital programme includes additional spending in 2024-25 and 2025-26 to reflect a more realistic level of spend on the assets the Council needs to sustain necessary functions. Despite the action taken to limit additional borrowing, just under ¼ of the draft capital programme (£376m) is still funded by borrowing. Slippage within individual projects remains

an issue leading to lower than planned spending in the short-term but potentially higher medium to long term costs due to inflation. This slippage defers borrowing rather than reducing it.

The quarter 2 capital monitoring report showed a forecast net underspend of £106.4m, comprising £5.7m real overspend on projects and programmes, and £112.2m reduction due to slippage. £4.3m of the real variance is due to spending on grant and externally funded projects where funding was announced after the capital programme was approved.

Financial standing of the Authority (level of borrowing, debt outstanding, use of reserves, etc.)



The financial standing of the Council has weakened significantly as a result of the overspend in 2022-23 that was balanced by the drawdown of £47.1m from general and risk reserves (39% of general reserve and all of the £25m risk reserve). Usable reserves were also reduced through the transfer of £17m from earmarked reserves to the Dedicated Schools Grant (DSG) reserve as part of the Council's contribution to the Safety Valve agreement with the Department for Education (DfE) in March 2023 (with a further transfer of £14.4m planned for 2023-24). Overall, the council's usable revenue reserves have reduced from £408.1m at 31/03/22 (40% of net revenue) to £355.1m at 31/03/23 (29.8% of net revenue) with a further reduction to £316.3m (24% of net revenue) forecast for 31/03/24. This forecast assumes the 2023-24 revenue spend is brought back to a balanced budget position by year end with no further draw down from reserves.

The reduction in usable reserves has significantly reduced the Council's ability to withstand unexpected circumstances and costs and reduced the scope to smooth timing differences between spending and savings plans. The levels of reserves now pose a more significant risk to the Council's financial resilience than levels of debt. Levels of reserves are now considered to be the second most significant financial risk after capacity to deal with in-year budget pressures. Reserves will need to be replenished at the earliest opportunity and will need to be factored into future revenue budget plans.

The Council has an ongoing borrowing requirement of £1.1bn arising from its historic and ongoing capital expenditure which is expected to remain broadly stable over the medium term. Most of this requirement is covered by existing external debt, which is forecast to decline gradually over the medium term (from around

72% in 2023-24 to 66% in 2026-27. The remaining portion is met via internal borrowing (namely the temporary use of internal cash balances in lieu of investing those balances with external counterparties).

Although the Council has been protected to a significant extent from the material increase in interest rates over the past two years (given that most of its borrowing requirement is already met by fixed rate debt) the higher rate environment has increased the expected cost of internal borrowing as well as costs associated with any new external borrowing over the near and medium term.

A small portion of the borrowing requirement (8.4% in 2023-24) is met via “LOBO” (Lender Option Borrower Option) loans. These instruments provide lower cost financing in exchange for giving the lender the periodic opportunity to reset the loan’s interest rate. The Council manages the risks around these loans being “called” by restricting their use to only a minor portion of the borrowing portfolio and by avoiding any concentration in the loans’ associated option dates.

In managing the structure of its borrowing (the balance between internal and external borrowing, and the portion of the latter that is made up of fixed-rate as opposed to variable-rate loans), the Council is chiefly concerned with risks arising from uncertainty around interest rates as well as ensuring it has adequate liquidity over the medium term. The Council reviews its borrowing strategy formally on an annual basis to ensure it remains appropriate. The revised draft budget report includes an updated Treasury Management Strategy.

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



The direction of travel for this factor was shown as deteriorating in the final budget presented to County Council on 9th February 2023 due to the quarter 3 monitoring for 2022-23 showing a significant £53.7m forecast revenue overspend. The overspend reduced a little by year-end to £44.4m before roll forwards (£47.1m after roll forwards). However, this was not sufficient to change the direction of travel bearing in mind the scale of the forecast overspends for 2023-24.

The most significant cause of the overspends is higher than budgeted spending growth despite significant increases already factored into the budget. The need to include the full year effect of current year overspends as a variance to the published medium-term plan

means that the capacity to manage in-year budget pressures (highest rated risk assessment) is the most significant factor in MTFP variances rather than the robustness of MTFP forecasts. This is the only reason that this particular assessment has not been shown as a significant deterioration with a double arrow. Nonetheless, the robustness of forecasts included in the MTFP does need improvement (hence this assessment is still showing a deterioration until these are improved).

The revised draft budget for 2024-25 and MTFP for 2024-27 is balanced albeit through a significant amount of one-offs for 2024-25 which are shown as being replaced in the balanced position for 2025-26 and 2026-27. However, this replacement does increase the savings requirement for these years. As yet details of these savings have not been confirmed and will only be confirmed over the coming months. Consequently, until these savings have been confirmed and are delivered, this measure is still showing as deteriorating.

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



The direction of travel for this factor was shown as deteriorating in last year's budget due to the 2022-23 forecast overspend and ongoing issues with Whole Government Accounts. The forecast for 2023-24 is a further forecast overspend and issues remain with Whole of Government Accounts meaning there has not been sufficient progress to date to change the direction of travel on this assessment.

The Council continues to adhere to its virement and year end procedures as set out in its financial regulations. The Council's ability to close the year-end accounts early or even on time is becoming increasingly difficult. The audit certificate for 2020-21 was issued on 4th September 2023, following confirmation that no further work was required on the Whole Government Accounts. The audit certificate for 2021-22 has not been issued due to the audit of the 2021-22 Whole of Government Accounts being outstanding as the external auditors have prioritised the audit of the 2022-23 accounts.

The draft outturn for 2022-23 was reported to Cabinet on 29th June 2023 outlining the main overspends and underspends together with roll-forward requests. This was presented alongside an update of the medium-term financial outlook. The net overspend of £47.1m was reported after roll forwards of £2.7m. The overspend was funded from a drawdown from earmarked and general reserves. The draft accounts

for 2022-23 were published on 1st July 2023 and are due to be signed off following the February Governance and Audit Committee.

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



As identified in the assessment of the financial standing of the Council, the levels of usable reserves have reduced at the end of 2022-23 and are forecast to reduce further by the end of 2023-34. A number of significant risks remain unresolved (including at this stage balancing the 2023-24 revenue budget) which could impact on reserves and the assessment of their adequacy if the management action to reduce spending in the current year does not result in a balanced outturn.

The most significant risk to reserves in previous years has been identified from the accumulated and growing deficit on the Dedicated Schools Grant (DSG) reserve largely from the overspending high needs support within the DSG. This has now been addressed over a number of years through the Safety Valve agreement with the Department for Education (DfE). However, at this stage the Safety Valve agreement is a recovery plan that will be delivered over a number of years with spending on high needs support gradually brought back into balance with the available grant funding and the historic accumulated deficit cleared with contributions from the DfE and the Council. However, this does not fully mitigate the risk as should the plan not be fully delivered there is a risk that the DfE could withhold contributions and a residue deficit would remain.

The reserves forecast includes the transfer to the DSG reserve of the Council's contribution for 2022-23 and a further forecast transfer for the Council's contribution in 2023-24. Provision is included in the 2024-25 revised draft budget and 2024-27 MTFP for the remaining Council contributions. The DSG reserve forecast also includes the DfE contributions for 2022-23 to 2027-28. These contributions together with the recovery plan to reduce the in-year deficit on high needs spending would see the accumulated deficit cleared by 2027-28. However, resolving this aspect of risk to reserves results in £82.3m over the term of the agreement of the Council's resources which would otherwise have been available to mitigate other risks.

Although this DSG risk has been addressed the risk of the requirement for further drawdowns if the 2023-24 current year spend and the one-offs including use of reserves in 2024-25 revised draft budget and 2024-27 MTFP and the overall forecast level of reserves means

the assessment of this risk cannot yet show an improvement and could be a further deterioration.

A new risk has arisen during 2023-24 following the high court judgment that the Council must take all possible steps to care for all Unaccompanied Asylum Seeking (UAS) children arriving in the county under the Children Act 1989, unless and until they are transferred to other local authorities under the National Transfer Scheme. The council is currently in negotiations with the Department for Levelling Up Housing and Communities (DLUHC), Home Office and Department for Education (DfE) to ensure the Council's costs are fully covered by Government to enable compliance with the judgment. Whilst circa £9m has been offered by the Home Office for revenue costs in 2023-24, negotiations continue on an updated offer for 2023-24, 2024-25 and on-going basis as this is insufficient to cover the actual and estimated one-off and recurring costs. A capital grant has been agreed with DfE for £10.39m to cover capital costs to upgrade existing property assets to provide compliant facilities and additional capacity, and negotiations are ongoing with the Home Office for sufficient capital grant to upgrade existing facilities and to secure further additional properties. Until negotiations are complete and the Council has been made whole for all costs to support UAS children arriving in the county until they are transferred to other local authorities under National Transfer Scheme this remains a major threat to the Council's financial sustainability.

A register of the most significant risks is published as part of the revised draft 2024-25 revenue budget, 2024-27 medium term plan, 2024-34 capital programme and Treasury Management Strategy.

The general financial climate including future expected levels of funding



The Autumn Statement 2022 included departmental spending plans up to 2024-25 and high-level spending plans up to 2027-28. The plans for 2023-24 and 2024-25 included additional support for local government including additional grants and increased assumptions for council tax. These plans were updated in the 2023 Autumn budget on 22nd November 2023 but are still only high-level overall forecasts beyond 2024-25 with no individual departmental details.

The Autumn Budget 2023 identified that while day to day spending on public services will continue to grow above inflation in future years (1% in real terms), public spending will continue to face many pressures and the

government remains committed to boost public sector productivity and focus spending on government priorities. This combination is likely to impact on the distribution of spending between departments and priorities. Forecasts suggest that unprotected areas of spending, including local government, could be facing a real terms reduction in funding of around 1.8% implied by the overall plans for 2024-25 to 2028-29. If these forecasts are correct this could result in another sustained period of flat cash settlements for local government.

The Provisional Local Government Finance Settlement (PLGFS) only included individual grant allocations and core spending power calculations for 2024-25. The settlement did not include indicative council tax referendum levels beyond 2024-25. Other departmental specific grants are not included in the settlement.

The planned reforms to social care charging have been delayed until 2025 at the earliest. It is this delay that has enabled Government to redirect the funding allocated for social care reform as a short term increase in funding for current pressures in adult social care. A further tranche of funding for the Market Sustainability and Improvement Fund for workforce reform for 2023-24 and 2024-25 was announced in July 2023 and included in the PLGFS.

However, the inadequacy of medium to long term sustainable funding for adult social care remains, and the lack of certainty that the additional funding available in 2023-24 and 2024-25 will be baselined for subsequent years.

The lack of detailed government departmental plans beyond 2024-25, the unexpected reduction in Service Grant for 2024-25 and the forecast that the planned growth in public spending is unlikely to be distributed evenly means that the assessment of this risk has deteriorated from the initial draft budget and is now assessed as deteriorating over the medium term.

The long-awaited update and reform to the funding arrangements for local government have also been delayed again until 2025 at the earliest.

Despite increased certainty of funding for 2023-24 and 2024-25, medium term financial planning remains uncertain, particularly future spending and income forecasts. The plans for 2025-26 include a higher level

of uncertainty. Plans can only be prepared based on prudent assumptions and forecasts for later years remain highly speculative.

The adequacy of insurance arrangements



The Council's insurance policies were reviewed for January 2022. A hardening market along with changing levels of risk has resulted in a rise in premiums, with some deductibles being increased to mitigate this. The implications of limiting capital borrowing to absolutely essential statutory services increases the risk of insurance claims where assets have not been adequately maintained. A fund audit confirms the levels of insurance reserve are adequate, however as the corporate contribution to the fund is remaining unchanged, more reliance will be placed on the reserve to balance insurance claims.

Of the eleven factors used to assess risk and the adequacy of reserves, only one has improved since the initial draft in November (prospects for inflation) and one has deteriorated (expected levels of funding). The strength of financial reporting and ability to activate contingency plans remains the only other factor not deteriorating, and even this is conditional on delivering the plans to bring 2023-24 spending back into balance. The capacity to manage in-year budget pressures and strategy for dealing with demand and service delivery in the longer term, and financial standing of the Council (level of borrowing, debt outstanding, use of reserves, etc.) continue to be assessed as the most significant deterioration and therefore the biggest risks to the Council's financial sustainability and remain a cause for serious concern. There are aspects of these deteriorations as well as a number of the others that are largely due to external factors but these still need to be managed and mitigated as much as possible. No weighting has been applied to the individual factors, but the general financial risk to the Council should now be regarded as substantially and severely increased compared with a year ago, which in turn, was increased from the year before and has hardly improved since the initial draft budget.

The amounts and purposes for existing reserves have been reviewed to ensure the Council achieves compliance with Local Authority Accounting Panel (LAAP) Bulletin 99. This bulletin sets out the recommendations on the purposes for holding reserves. Reserves are split between general reserves (working balance to help cushion the impact of uneven cashflows/avoiding unnecessary temporary borrowing and contingency to cushion the impact of unexpected events/emergencies) and earmarked reserves to build up funds for known/predicted specific events.

The administration's updated draft 2024-25 budget includes a £3.1m net increase from changes in contributions and draw down from reserves in 2024-25. This includes additional contributions to replenish the draw down from general reserves in 2022-23 over two years 2024-25 and 2025-26 and provision for the Council's contribution to the DSG reserve under the safety valve agreement, as well as a further £13.8m of drawdowns from/reduced contribution to corporate reserves and use of public health reserves as part of the one-off measures to balancing 2024-25 budget. A full

reconciliation of all the changes to contributions and draw down from reserves for 2024-25 is available through the detailed dashboard of budget variations.

Appendix J: Budget Risks Register 2024-25

TOTAL £m	586.5
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Directorate	Risk Title	Source/Cause of Risk	Risk Event	Consequence	Current Likelihood (1-5)	Estimated Maximum Financial Exposure £m
Significant Risks (over £10m)						
CYPE	High Needs Spending	The Dedicated Schools Grant (DSG) High Needs Block does not meet the cost of demand for placements in schools, academies, colleges and independent providers.	The Safety Valve programme does not deliver the reduction to the in-year deficit on spending to support children with high needs as planned leading to a higher deficit	The Department for Education withholds its contribution towards the accumulated deficit and/or the increased overspend leaves a residue deficit. The government requires that the total deficit on the schools budget to be carried forward and does not allow authorities to offset from general funds anything above the amounts included in the Safety Valve agreement without express approval from Secretary of State. This approach does not resolve how the deficit will be eliminated and therefore still poses a significant risk to the council	4	150.0
Page 103	Non delivery of Savings and income and inability to replace one-off measures	Changes in circumstances, resulting in delays in the delivery of agreed savings or income and inability to replace one-off measures with sustainable permanent alternatives	Inability to progress with plans to generate savings or additional income as planned, due to changing circumstances	Overspend on the revenue budget, requiring alternative compensating in year savings or temporary unbudgeted funding from reserves. Potential recurring budget pressure for future years.	4	111.5
CYPE	Unaccompanied Asylum Seeking (UAS) Children	The High Court has ruled that the Council is responsible for the care of all Unaccompanied Asylum Seeking children arriving in the county until such time as they are transferred to other councils under National Transfer Scheme	Failure to reach agreement with government departments (Home Office and Department for Education) to cover all costs incurred by the council in supporting UAS children	Overspend on the revenue and or capital budgets, requiring alternative compensating in year savings or temporary unbudgeted funding from reserves. Potential recurring budget pressure for future years.	3	60.0
GET	Waste capital infrastructure life expired and insufficient to cope with increased housing and population levels	A number of KCC's Household Waste Recycling Centres (HWRC) and Waste Transfer Stations (WTS) are life expired (35-40 years old) and require significant repair or replacement/reconfiguration. In addition to this, District Local Plan targets mean additional houses, and increasing population, presents a capacity issue for the service. Council Tax allows price inflation, additional tonnes (demography) and legislative changes to be taken into account, but does not allow for renewing or adding new infrastructure. The service started securing s106 from 2023 onwards, but unless other (Government) funding can be secured, the Council will need to invest in both of these areas	Unless grant or other funding (s106, CIL) can be secured, the Council will need to fund replacing and reconfiguring (due to Government legislative unfunded changes) the existing sites, as well as building new sites. Outside of the capital programme, which includes building one new WTS, there is up to £40m investment required and noted in the 10-year capital programme. Funding has not been identified for these schemes, which include two new WTS and renewing existing sites, but is an indication of the level of investment required over the medium to long term and for which there is no currently identified funding source (one WTS/HWRC could be partner funded).	The consequence is that the Council has to put forward match funding, or the entirety of funding, for the new sites and/or reconfigured sites which means additional borrowing and the financing/borrowing costs that go along with this. £40m is the maximum financial impact figure, or accept the consequential reduction in capacity.	4	40.0

Appendix J: Budget Risks Register 2024-25

TOTAL £m	586.5
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Directorate	Risk Title	Source/Cause of Risk	Risk Event	Consequence	Current Likelihood (1-5)	Estimated Maximum Financial Exposure £m
ALL	2023-24 potential overspend impact on reserves	Under delivery of recovery plan to bring 2023-24 revenue budget into a balanced position by 31-3-24.	Overspend against the revenue budget in 2023-24 required to be met from reserves leading to a reduction in our financial resilience	Insufficient reserves available to manage risks in 2023-24 and future years	3	36.0
GET/DCED	Changing Government focus on funding to support the Net Zero/Carbon Reduction green agenda (capital spend)	Government has previously provided 100% funding for certain Net Zero/green projects e.g. Public Sector Decarbonisation Scheme (PSDS) Funding towards the Bowerhouse and Kings Hill Solar Farms (£20m in total on community/HQ buildings, and £2m on schools), as well as LED installation, heat network or heat source pumps (gas, water). The PSDS grant is now moving focus from LED/Solar - despite the Council requiring 2 more Solar Parks as part of its Net Zero ambitions - and towards Heat Networks. Not only this, but whereas some projects were previously match funded, Government is now looking at >50% match funding requirements. The latest PSDS funding secured only funded 18% of the project. The cost of one large and one small Solar Park is in the region of £22.5m, plus a need for gas boilers on the corporate and schools estate to be replaced by heat source pumps (and/or hydrogen in the future).	The risk is that the Council has to find much higher match funding for future Net Zero projects, or review its expectations with regards to Net Zero 2030 and 2050 ambitions.	The consequence is that the Council has to put forward match funding for capital projects which can only come from borrowing or reserves. Borrowing then has a revenue implication and adds to the financing cost budget which is currently unaffordable, or accept that we will have to meet the target in other ways.	4	30.0
ALL	Full year effect of current overspends	The Council must ensure that the Medium Term Financial Plan (MTFP) includes robust estimates for spending pressures.	Increases in forecast current year overspends on recurring activities resulting in higher full year impact on following year's budget (converse would apply to underspends)	Additional unfunded cost that leads to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves. Potential recurring budget pressure for future years.	4	20.0

Appendix J: Budget Risks Register 2024-25

TOTAL £m	586.5
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Directorate	Risk Title	Source/Cause of Risk	Risk Event	Consequence	Current Likelihood (1-5)	Estimated Maximum Financial Exposure £m
ASCH / CYPE	Market Sustainability	The long term impact of Covid-19 is still impacting on the social care market, and there continue to be concerns about the sustainability of the sector. At the moment all areas of the social care sector are under pressure in particular around workforce capacity including both recruitment and retention of staff especially for providers of services in the community, meaning that sourcing appropriate packages for all those who need it is becoming difficult. This is likely to worsen over the next few months with the pressures of winter, and increased activity in hospitals. Throughout this year we have continued to see increases in the costs of care packages and placements far greater than what would be expected and budgeted for, due to a combination of pressures in the market but also due to the increased needs and complexities of people requiring social care support.	If staffing levels remain low, vacancies unfilled and retention poor, then repeated pressure to increase pay of care staff employed in the voluntary/private sector in order to be able to compete in recruitment market. At the moment vacancy level said to be 1 in 10. The increases to the National Minimum and National Living Wage will create more challenges for the market to recruit and retain when other sectors may be paying more, so it may be that they will need to increase their wages accordingly.	Care Homes closures are not an infrequent occurrence and whilst some homes that close are either too small or poor quality others are making informed business decisions to exit the market. The more homes that exit in this unplanned manner further depletes choice and volume of beds which can create pressures in the system regarding throughput and discharge from hospital thus potentially increasing price.	4	20.0
Page 105						
ALL	Capital - Developer Contributions	Developer contributions built into funding assumptions for capital projects are not all banked.	Developer contributions are delayed or insufficient to fund projects at the assumed budget level.	Additional unbudgeted forward funding requirement and potential unfunded gaps in the capital programme	4	15.0
ALL	Revenue Inflation	The Council must ensure that the Medium Term Financial Plan (MTFP) includes robust estimates for spending pressures.	Price pressures rise above the current MTFP assumptions and we are unsuccessful at suppressing these increases. Each 1% is estimated to cost £14m.	Additional unfunded cost that leads to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves. Potential recurring budget pressure for future years.	3	14.0
CYPE	Market Sustainability	Availability of suitable placements for looked after children. Availability in the market for home to school transport, due to reducing supplier base and increasing demand.	Continued use of more expensive and unregulated placements, where it is difficult to find suitable regulated placements as no suitable alternative is available. The cost of transport contracts continues to increase above inflation.	Unfunded cost that leads to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves.	4	10.0
ALL	Demand & Cost Drivers	The Council must ensure that the Medium Term Financial Plan (MTFP) includes robust estimates for spending pressures.	Non inflationary cost increases (cost drivers) continue on recent upward trends particularly but not exclusively in adult social care, children in care and home to school transport above the current MTFP assumptions and the Council is not able to suppress these	Additional unfunded cost that leads to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves. Potential recurring budget pressure for future years.	4	10.0

Appendix J: Budget Risks Register 2024-25

TOTAL £m	586.5
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Directorate	Risk Title	Source/Cause of Risk	Risk Event	Consequence	Current Likelihood (1-5)	Estimated Maximum Financial Exposure £m
Other Risks (under £10m - individual amounts not included)						70.0
GET	Capital – asset management and rolling programmes including: Highways, Country Parks, PROW	The asset management/rolling programmes for KCC Highways are annual budgets and are not increased for inflation each year, meaning that the purchasing power reduces year on year as inflation is compounded yet the budget remains fixed.	Inflation pressures are incurred annually on these budget areas but the funding sources (Council borrowing, DfT grant) remain fixed and therefore this contributes to the ‘managed decline’ notion in that these budgets do not even maintain steady state as often the level of investment is significantly below (risk accepted by the Executive) the required level of spend - steady state asset management principles recommend £150m pa is spent. Plus year-on-year inflation is not budgeted for so the level of works commissioned reduces year-on-year also, which was exacerbated in 2023 with BCIS reaching 29% and RPIX 12%+.	A funding gap exists annually, so steady state cannot be achieved, so unless budget provision is made, the level of capital/asset management preventative works commissioned each year will reduce. This will present a revenue pressure, as more reactive works are likely to be required, plus the respective backlogs for Highways Asset Management (c£700m) will increase exponentially. The risk represents the level of annual inflation required to mitigate this risk or accept that the asset will deteriorate.	4	
GET Page 106	Capital - highways grant allocation	DfT capital grant funding has reduced by £9m resulting in insufficient capital funding available to continue at previous budgeted and approved service/investment levels, leading to an accelerated managed decline in the state of our highways network. Kent Highways invest c£70m of capital each year (£25m Council, £40-£45m pa DfT) and this is less than half of what is recommended under best practice asset management principles.	The requirement to manage safety concerns may lead to increased unbudgeted revenue spend on reactive works or an increase in the level of Category 1 & 2 works required on key strategic routes. The Council was already operating a managed decline in the state of the network due to increasing traffic volumes, increasing inflation without compensating increases in funding etc so this will further exacerbate that position.	An overspend on the capital/revenue budget, requiring alternative offsetting savings or temporary funding from reserves/other sources. A re-prioritisation of the Council's capital programme would be required or service levels would need to be reduced. Asset management backlog (currently in excess of £700m) would continue to grow at an even quicker rate.	4	
ALL	Capital	Capital project costs are subject to higher than budgeted inflation.	Increase in building inflation above that built into business cases.	Capital projects cost more than budgeted, resulting in an overspend on the capital programme, or having to re-prioritise projects to keep within the overall budget. For rolling programmes (on which there is no annual inflationary increase), the level of asset management preventative works will reduce, leading to increased revenue pressures and maintenance backlogs.	4	
ALL	Contract retender	Contracts coming up for retender are more expensive due to prevailing market conditions and recruitment difficulties	This risk could result in a shortage of potential suppliers and/or increases in tender prices over and above inflation	Higher than budgeted capital/revenue costs resulting in overspends unless that can be offset by specification changes	4	

Appendix J: Budget Risks Register 2024-25

TOTAL £m	586.5
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Directorate	Risk Title	Source/Cause of Risk	Risk Event	Consequence	Current Likelihood (1-5)	Estimated Maximum Financial Exposure £m
GET	Investment in the Public Rights of Way (PROW) network	Insufficient funding to adequately maintain the PROW network	Condition of the PROW network suffering from under-investment. A £150k allocation was included in the 2021-22 but additional one-off and base funding is likely to be needed for a service that is already operating at funding levels below best practice recommended asset management levels. This has been further exacerbated by the increased usage several years ago arising from the covid related restrictions and national lockdown	The potential for claims against the Council due to injury and from landowners and the need to undertake urgent works that lead to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves.	4	
GET	Revenue - drainage and adverse weather	Persistent heavy rainfall and more frequent storm events mean insufficient revenue and capital budget to cope with the reactive and proactive demands on the service	An additional £1m was put into the drainage budget in 2021-22 but this was below the level of overspends in the two prior years and the risk is therefore the budget is not being funded at the level of demand/activity. More erratic weather patterns also cause financial pressures on the winter service and many other budgets. The risk is that this weather pattern continues and additional unbudgeted funding is required. A £1m saving was put into the budget in 2023-24 with a view to reducing the service standards/intervention levels in this area but due to the climate/persistent rainfall, damage to the network meant that additional works were required. Despite provisionally including £1m back into the 2024-25 budget, there is still a view that the budget is £1m light due to the changing weather climate/events and that the budget could see activity/demand require an additional £1m-£1.5m being required to reduce potential for flooding on the road network and the level of defects that then arise.	Additional unfunded cost that leads to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves	4	
GET	Changing Government focus on funding to support the Net Zero/Carbon Reduction green agenda (revenue spend)	The Sustainable Business and Communities team with Net Zero within its remit has received significant EU/Interreg funding which has helped plan and deliver the plan for Net Zero by 2030/2050. This funding ceased in 2023-24 and the Council has invested £0.7m (2023-24) into the base budget to create a permanent team, with £0.3m deferred until 2025-26 (budgetary constraints) to deliver this strategy/Framing Kent's Future priority. If such funding is unaffordable to the Council then Net Zero requirements won't be met.	The risk is that the Council has to fund any reduction or cessation of funding.	The consequence is an overspend against the revenue budget, requiring compensating savings or funding from reserves, as simply not delivering Net Zero by 2050 is not an option due to Government legislation being implemented.	4	

Appendix J: Budget Risks Register 2024-25

TOTAL £m	586.5
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Directorate	Risk Title	Source/Cause of Risk	Risk Event	Consequence	Current Likelihood (1-5)	Estimated Maximum Financial Exposure £m
CYPE	Recruitment, retention & cover for social workers	Higher use of agency staff to meet demand and ensure caseloads remain at a safe level in children's social work. The Service has relied on recruitment of newly qualified staff however this is being expanded to include a more focused campaign on attracting experienced social workers. There are higher levels of sickness and maternity leave across children's social work	Inability to recruit and retain sufficient newly qualified and experienced social workers resulting in continued reliance on agency staff, at additional cost. Higher levels of sickness and maternity leave resulting in need for further use of agency staff.	Additional unfunded cost that leads to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves. Potential recurring budget pressure for future years.	4	
DCED	Cyber Security	Malicious attacks on KCC systems.	Confidentiality, integrity and availability of data or systems is negatively impacted or compromised leading to loss of service, data breaches and other significant business interruptions.	Financial loss from damages and potential capital/revenue costs as a result of lost/damaged data and need to restore systems	3	
DCED	Strategic Headquarters	Sub optimal solution for the Council's strategic headquarters following the decision to market Sessions House as an entire site (with options on individual blocks)	Capital programme includes a capped £20m allocation for strategic assets project that limits the available options	Inability to address all backlog issues increases the risk of cost overruns and potential need for higher future maintenance, running and holding costs	3	
ALL	IFRS9	Removal of statutory override that allows unrealised gains/losses resulting from changes in the fair value of pooled investment funds to be transferred to an unusable reserve until the gain/loss is realised once the financial asset has matured.	Any unrealised gain or loss as a result of stock market performance will impact on the General Fund.	A significant loss would reduce our General Fund and the council's financial resilience. There are two uncertainties: (1) the Statutory Override could be extended, and (2) the ultimate value of any impact	3	
ALL	Capital - Capital Receipts	Capital receipts not yet banked are built into the budget to fund projects.	Capital receipts are not achieved as expected in terms of timing and/or quantum.	Funding gap on capital projects requiring additional forward funding.	3	
ALL	BREXIT and EU Transition	The Council requires full reimbursement from Central Government for the additional ongoing costs of BREXIT and transition.	Full cost reimbursement not received from government. The grants received to date have not been sufficient to cover the Council's additional spending on BREXIT and transition costs.	Additional unfunded cost that leads to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves	3	
ALL	Income	The Council must ensure that the Medium Term Financial Plan (MTFP) includes robust income estimates.	Income is less than that assumed in the MTFP.	Loss of income or reduced collection of income that leads to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves. Potential recurring budget pressure for future years.	3	

Appendix J: Budget Risks Register 2024-25

TOTAL £m	586.5
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Directorate	Risk Title	Source/Cause of Risk	Risk Event	Consequence	Current Likelihood (1-5)	Estimated Maximum Financial Exposure £m
GET	Waste income, tonnage and gate fee prices	The current market has seen a considerable volatility in the income received for certain waste streams (potentially due to other supply shortages), as well as increased gate fees due to the double digit inflation seen in 2023 (majority of Waste contracts are RPI which was 12% during the year). The budget for 2024-25 includes not only significant price pressures for contract inflation, gate fees and HWRC management costs, but also realignment of budgets from 2023-24 where the actual inflation levels at the point the contracts are uplifted being higher than budgeted. Inflation is reducing, but November OBR showed a slowing rate of reduction than March OBR.	Projected levels of income fall, or gate fees/contractual price uplifts are above budgeted levels which leave an unfunded pressure.	This will result in an unfunded pressure that leads to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves. Potential recurring budget pressure for future years.	3	
GET	English National Concessionary Travel Scheme (ENCTS) and Kent Travel Saver (KTS) journey levels	ENCTS journeys have reduced over time, more so during the pandemic, so a £3.4m reduction was reflected in 2022-23 budget with a further £1.9m reduction in the 2023-24 budget. Should custom/patronage return to pre-covid levels, this would lead to a £5.3m budget shortfall. This is a national scheme and the Council has to reimburse the operators for running this on the Council's behalf. There was initially a ringfenced grant for this service, it then became part of the Revenue Support Grant and now no specific grant exists so the taxpayers of Kent fund this scheme and would need to fund any update.	Activity levels return to a level of journeys in excess of the revised budget, therefore causing a financial pressure.	Additional unfunded cost that leads to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves. Potential recurring budget pressure for future years if current activity levels are not indicative of the new normal.	3	
Non Attributable Costs	Insecure funding	The 2024-25 core budget includes £14.6m from insecure funding (company dividends, business rate pool and new homes bonus).	Previously it was recognised that core spending should not be funded from insecure/volatile sources and such funding should be held in reserve and used for one-off purposes	Funding is not secured at the planned level resulting in overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves. Potential recurring budget pressure for future years.	3	

Appendix J: Budget Risks Register 2024-25

TOTAL £m	586.5
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Directorate	Risk Title	Source/Cause of Risk	Risk Event	Consequence	Current Likelihood (1-5)	Estimated Maximum Financial Exposure £m
Non Attributable Costs	Volatility on Investment Income	Income returns have increased in 2023-24 in line with rising interest rates. The 2023-24 budget included an assumed £2.9m additional income on financial investments under the Treasury Management Strategy and the latest budget monitoring assumes this will be overachieved. The 2024-25 budget assumes a further £2.3m of investment income.	Performance of our investments falls below predicted levels as a result of volatility in the economy	Reduction in investment income leads to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves. Potential recurring budget pressure for future years.	3	
CYPE	Home to School Transport	Lack of suitable local education placements for children with Special Education Needs	Parents seek alternative placements outside of their locality requiring additional transport support	Additional transport costs incurred resulting in an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves and potential recurring budget pressure for future years; or seek to demonstrate that the available local placements are suitable for the child's needs	3	
Page 110	Changes to OFSTED regulation for 16 & 17 year olds	The Department of Education has introduced quality standards, registration and inspection requirements for providers of supported accommodation for 16 & 17 year olds looked after children. Local Authorities are no longer permitted to place or arrange accommodation in unregulated accommodation for any child under 18 from October 2023. Future commissioning must reflect the new OFSTED regulations.	The cost of regulated accommodation is more expensive and could add a further pressure on placement costs in future. Additional Government funding may not be sufficient to fully compensate.	Additional unfunded cost that leads to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves. Potential recurring budget pressure for future years. Further discussions with Home Office if the additional costs relating to UAS Children cannot be managed within existing grant rates.	3	
CYPE / DCED	Reduction in DFE grants for central services for schools and review of school services provided by the Local Authority	The government has reaffirmed its intention for all schools to become part of a multi-academy Trust. Local Authority grant funding to support schools continues to be reduced, equating to a cumulative total reduction of nearly £4m for the Council since 2019-20. Consequently the Council needs to review its relationship with schools and the services it provides free of charge.	Long term solutions cannot be implemented within timescales and may require schools agreement (which may not be achieved). There is also a risk that passing greater responsibilities to schools could have a possible negative impact on other areas of Local Authority responsibility if schools do not comply (for example: school maintenance). There is also the risk of further cuts to the Local Authority Central Services for School Grants in the future.	If this remains unresolved there is a risk that this will also have to either be met from reserves in future years or result in an overspend until a longer term solution is identified	3	
ASCH (PH)	Uplift in Public Health Grant	The anticipated 'real' increase in the Public Health grant is insufficient to meet additional costs due to i) price increases and/or increased demand; and/or ii) costs of new responsibilities.	The increase in the Public Health grant is less than the increases in costs to Public Health.	(i) Additional unfunded cost that leads to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves. (ii) Public Health Reserves could be exhausted	3	

Appendix J: Budget Risks Register 2024-25

TOTAL £m	586.5
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Directorate	Risk Title	Source/Cause of Risk	Risk Event	Consequence	Current Likelihood (1-5)	Estimated Maximum Financial Exposure £m
DCED	Highways unadopted land	Maintenance costs for residual pieces of land bought by Highways for schemes and subsequently tiny pieces not required or adopted.	Work becomes necessary on these pieces of land and neither Highways or Corporate Landlord have budget to pay for it.	Work needs to be completed whilst estates work to return the land to the original landowner	2	
DCED	Enterprise Business Capabilities (EBC)	Cost and/or timescale overruns on implementation phase for Oracle replacement	Unforeseen or higher than budgeted costs	Additional unfunded costs over and above the reserve set aside for the project	2	
DCED	Capital Investment in Modernisation of Assets	Unless the Council estate asset base is reduced sufficiently, there is risk of insufficient funding to adequately address the backlog maintenance of the Corporate Landlord estate and address statutory responsibilities such as Health & Safety requirements	Condition of the Corporate Landlord estate suffering from under-investment. Recent conditions surveys estimate an annual spend requirement of £12.7m per annum required for each of the next 10 years. Statutory Health & Safety responsibilities not met.	The estate will continue to deteriorate; buildings may have to close due to becoming unsafe; the future value of any capital receipts will be diminished. Potential for increased revenue costs for patch up repairs. Risk of legal challenge.	2	
Page 111	VAT Partial Exemption	The Council VAT Partial Exemption Limit is almost exceeded.	Additional capital schemes which are hosted by the Council result in partial exemption limit being exceeded.	Loss of ability to recovery VAT that leads to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves. Potential recurring budget pressure for future years.	2	
ALL	Capital - Climate Change	Additional costs are incurred to comply with climate change policy	Project costs increase beyond budget	Overspend on the capital programme resulting in additional borrowing	2	
CYPE	Capital - Basic Need Allocations	Estimates of future basic need allocations are included in the capital programme.	Basic need allocations are less than expected.	Funding gap for basic need projects which will need to be funded either by reprioritising the capital programme or by descoping.	2	
DCED	Backlog of maintenance for properties transferring to Corporate Landlord	Maintenance backlog historically funded by services from reserves or time limited resources which have been exhausted. Properties that have been transferred to the corporate landlord require investment.	Urgent repairs required which cannot be met from the Modernisation of Assets planned programme within the capital budget	Unavoidable urgent works that lead to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves. Potential recurring budget pressure for future years.	2	

Likelihood Rating

Very Likely	5
Likely	4
Possible	3
Unlikely	2
Very Unlikely	1

The estimated maximum financial exposure shown in the table relates to 2024-25 for the revenue risks and for the rolling programmes within capital, whereas the capital risks for specific schemes reflect the financial exposure over the life of the project

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Details of Core Grants within the 2024-25 Provisional Local Government Finance Settlement

The Council is in receipt of a mix of general un-ringfenced grants which can be used in any way the Council decides to discharge its functions (core grants) and specific grants which must be spent according to government priorities. Given the uncertainty of future settlements beyond 2024-25 assumptions will have to be included in the Medium Term Financial Plan for future years. There are risks associated with this approach as the government may decide to change its priorities and reduce or cease funding through a grant or reallocate service specific grants into more general funding with a changed distribution.

A) Revenue Support Grant

Revenue Support Grant (RSG) is a central government grant given to local authorities from the centrally retained share of business rates which can be used to finance revenue expenditure on any service. The amount of Revenue Support Grant to be provided to authorities is established through the Local Government Finance Settlement using the relevant funding formulae; the revision of these formulae (along with the redistribution of the locally retained share of business rates) is the focus of the (deferred) Fair Funding review process.

The Council's RSG has decreased from circa £161m in 2015-16 to circa £9.6m in 2020-21 with only small inflationary uplifts since then. The inflationary uplift for 2024-25 is based on September 2023 CPI (6.62%). For planning purposes we have assumed that a similar CPI inflationary uplift will be applied in subsequent years (based on OBR forecast) although there has been no confirmation of this beyond 2024-25.

B) New Homes Bonus

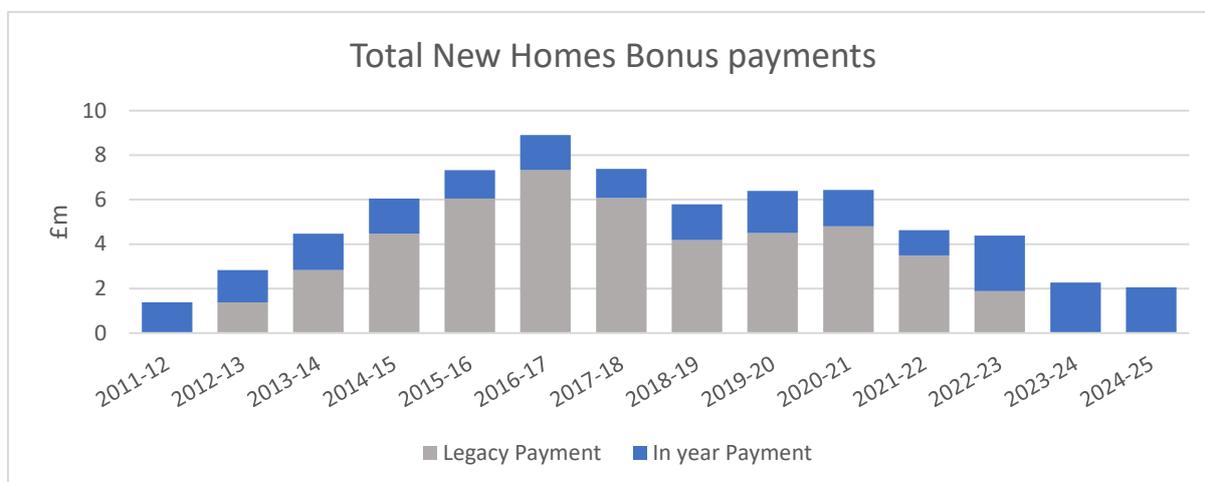
The New Homes Bonus (NHB) scheme was introduced in 2011-12 to help tackle the national housing shortage. The scheme was designed to reward those authorities that increased their housing stock either through new build or by bringing empty properties back into use. The grant is un-ringfenced.

Initially the NHB grant increased each year as the grant provided an incentive for six years by adding an additional in year growth to the previous year's legacy amount. This saw the grant peak in value in 2016-17. From 2017-18 the grant was reformed with the incentive reduced to four years in stages over two years by removing the earliest two year's legacy payments and adding in year additional growth.

A further reform was introduced in 2020-21 which saw the additional in year growth added as a one-off (i.e. not included in the subsequent year's legacy) with oldest year's legacy removed. This meant three years' worth of legacy payments in that year and one in year's growth. The same system was used in 2021-22 with one-off allocation

of in year growth and two years' worth of legacy payment. In 2022-23 the grant included the one year's remaining legacy and one further year of additional in year growth. For 2023-24 the legacy payment has expired, and the grant represented one year of growth. The provisional local government finance settlement for 2024-25 has confirmed the continuation of NHB payments for one final year, and like 2023-24 these will not attract legacy payments. The provisional settlement for 2024-25 is based on the same methodology as 2023-24 using updated data from Council Tax Base (CTB) returns and DLUHC data on affordable housing supply. Councils can make representations about the data on which allocations are based by 15th January 2024.

The graph below depicts the legacy and growth elements over the lifetime of NHB.



C) Improved Better Care Fund

The Better Care Fund (BCF) was introduced in the 2013-14 spending review. The fund is a pooled budget, bringing together local authority and NHS funding to create a national pot designed to integrate care and health services.

In addition to this, an Improved Better Care Fund (IBCF) was announced in the 2016-17 budget to support local authorities to deal with the growing health and social care pressures during the period 2017-20. The grant is allocated according to relative needs formula for social care with an equalisation adjustment to reflect the adult social care council tax precept. The allocations increased each year between 2017-18 to 2020-21. The subsequent spending reviews and local government settlements have seen the grant rolled forward at the same value in cash terms as 2020-21 (£48.5m). The grant for 2022-23 included a 3% inflationary uplift as part of the additional resources for adult social care within the settlement. The grant for 2024-25 is the same value in cash terms as 2023-24 and 2022-23 (£50m). For planning purposes we have assumed that this grant will continue at the same value in cash terms for the medium term in subsequent years although there has been no confirmation of this.

D) Social Care Grant

The social care support grant was first introduced in 2019-20 following the announcement in the Chancellor's 2019-20 budget of an additional £410m for adult and children's social services. The Council's allocation for 2019-20 was £10.5m based on a formula using the Adult Social Care (ASC) Relative Needs Formula (RNF) with an equalisation adjustment to reflect the adult social care council tax precept.

An additional £1bn was added to the 2020-21 settlement taking the total for social care grant to £1.41bn. The same formula as 2019-20 was used based on using the ASC RNF with an equalisation adjustment to reflect the adult social care council tax precept. The Council's allocation was £34.4m. The government believes there is not a single bespoke needs formula that can be used to model relative needs for both adult and children's social care, therefore the existing ASC RNF was used to distribute this Social Care Grant funding.

The 2021-22 settlement included a further £300m taking the total social care grant to £1.71bn. The same formula was used again providing the Council with an additional £4.7m, increasing the total grant value for 2021-22 to £ 39.1m.

The 2022-23 settlement included an additional £636.4m, £556.4m of this was allocated via the existing ASC RNF and the remaining £80m was allocated to reflect the 1% adult social care council tax precept. This took the total grant to £2.346bn. Combined with the rollover from 2021-22, the Council's total social care grant for 2022-23 was £54.5m, an increase of £15.4m on 2021-22.

The 2023-24 settlement included an additional £1.345bn from the additional funding for adult social care announced in Autumn Budget 2022 which was added to the £2.346bn rolled forward from 2022-23. £160m of this increase was allocated to reflect the 2% adult social care council tax precept, with the remaining £1.185bn allocated using the existing ASC RNF. In addition, the Independent Living Fund (ILF) was rolled into the Social Care Grant (accounting for £161m of the total grant figure) and will no longer be received as a separate specific grant. This took the total Social Care grant to £3.852bn in 2023-24. The Council's total Social Care Grant for 2023-24 was £88.771m including £1.920m from rolled in ILF.

The provisional settlement proposes increasing allocations of the Social Care Grant by £0.692bn, of which £0.612bn was previously announced (and expected) as part of the additional funding for social care announced in Autumn Budget 2022, and £80m was unexpectedly transferred from Services Grant. These increases have been added to the rolled forward grant from 2023-24 of £3.852bn taking the total grant for 2024-25 to £4.544bn. £0.532bn of the increase was allocated according to ASC RNF (as we had been expecting) and £160m of the increase allocated to reflect the 2% adult social care council tax precept (we had been expecting £80m via ASC council tax before the transfer of the further £80m from Services Grant). The Council's total Social Care Grant in the provisional settlement for 2024-25 is £104.2m, an increase of £15.4m on 2023-24.

The Social Care Grant is ringfenced for adults' and children's social care.

E) Services Grant

This was a new one-off, un-ringfenced grant for 2022-23. The Services Grant was £822m in 2022-23. This grant was distributed through the existing formula for assessed relative need across the sector, using 2013-14 shares of Settlement Funding Assessment (SFA). The new grant was to provide funding to all tiers of local government in recognition of the vital services, including social care, delivered at every level of local government. It also included funding for local government costs for the increase in employer National Insurance Contributions. The Council's share of this grant for 2022-23 was £13.0m.

The Services grant reduced to £483m in the 2023-24 settlement, £188m of this reduction was related to the cancellation of the increase in employer's National Insurance Contributions. The 2023-24 settlement confirmed the Council's allocation had reduced to £7.6m.

The provisional settlement for 2024-25 proposes a further significant reduction in the Services Grant to £77m, a reduction of £406m. This was an unexpected reduction although £266m has been recycled into increases in other grants (RSG, 3% funding guarantee and £80m into Social Care Grant). It is not clear at this stage what the remaining £140m balance will be used for. The Council's share reduced by £6.4m to £1.2m (an 84% reduction) which equates to net unexpected reduction in the overall provisional settlement of £5.4m after taking into the additional social care grant.

For planning purposes we have assumed that Services Grant will continue at the same value in cash terms for the medium term although there has been no confirmation of this.

F) Market Sustainability and Fair Cost of Care Fund

This was a new grant for 2022-23. In total £162m out of the £3.6bn over 3 years was made available in 2022-23. The grant was allocated using the existing the Adults RNF. The Council's share of this grant was £4.2m. The charging reforms have now been delayed so the 2023-24 allocations of this grant have now been used to fund the increases to the social care grant as explained in paragraph section D of this appendix. The £162m from 2022-23 has now been rolled into the Adult Social Care Market Sustainability and Improvement Funding as explained in Section G below.

G) Adult Social Care Market Sustainability and Improvement Funding (MSIF)

The 2023-24 settlement maintained the current levels of Fair Cost of Care funding for local authorities for 2023-24 at £162 million.

The Autumn Budget 2022 announced that there will be an additional £400m for adult social care to increase MSIF to £562m for 2023-24. This additional funding was

intended to make tangible improvements to adult social care and, in particular, to address discharge delays, social care waiting times, low fee rates, workforce pressures, and to promote technological innovation in the sector. The additional grant was allocated on the same basis as 2022/23 using the ASC RNF. The Council's allocation of the additional £400m was £10.3m taking the total grant for 2023-24 to £14.4m. The grant was included in the Council's 2023-24 budget plans.

A further £600m funding for adult social care over 2023-24 and 2024-25 was announced on 28th July 2023. £570m was added to MSIF (£365m in 2023-24 and £205m in 2024-25). This additional funding was intended to fund workforce improvements.

The provisional local government finance settlement for 2024-25 has provided confirmation of an Autumn Statement 2022 announcement that this grant has increased nationally by £283m in 2024-25 and by a further £205m for the 2024-25 increase in the workforce element. The additional funding is allocated by the same mechanism as 2023-24 (ASC RNF). The Council's total allocation for 2024-25 is £26.969m, an increase of £12.5m (as expected). For planning purposes we have assumed that the grant will continue at the same value in cash terms for 2025-26 although there has been no confirmation of this.

H) Adult Social Care Discharge Fund

The Autumn Statement 2022 announced £600m of new grant funding for 2023-24 to ensure those people who need to draw on social care when they are discharged from hospital can leave as soon as possible, freeing up hospital beds for those who most need them. Local authorities received £300m of this funding. This funding is required to be pooled as part of the Better Care Fund (BCF). 50% is to be made available to local authorities in the local government finance settlement and the remaining 50% held by Health within the BCF.

In 2023-24 this grant has been distributed using the existing Improved Better Fund allocations, the Council's share was £7.0m. There are conditions attached to this grant.

The 2024-25 provisional local government finance settlement has confirmed the previous announcement in Autumn Budget 2022 that the local authority 50% share of the ASC Discharge Fund increases to £500m in 2024-25. The Council's allocation of £11.7m was confirmed in the provisional local government finance settlement for 2024-25 (as expected). For planning purposes we have assumed that this grant will continue at the same value in cash terms in 2025-26 although there has been no confirmation of this.

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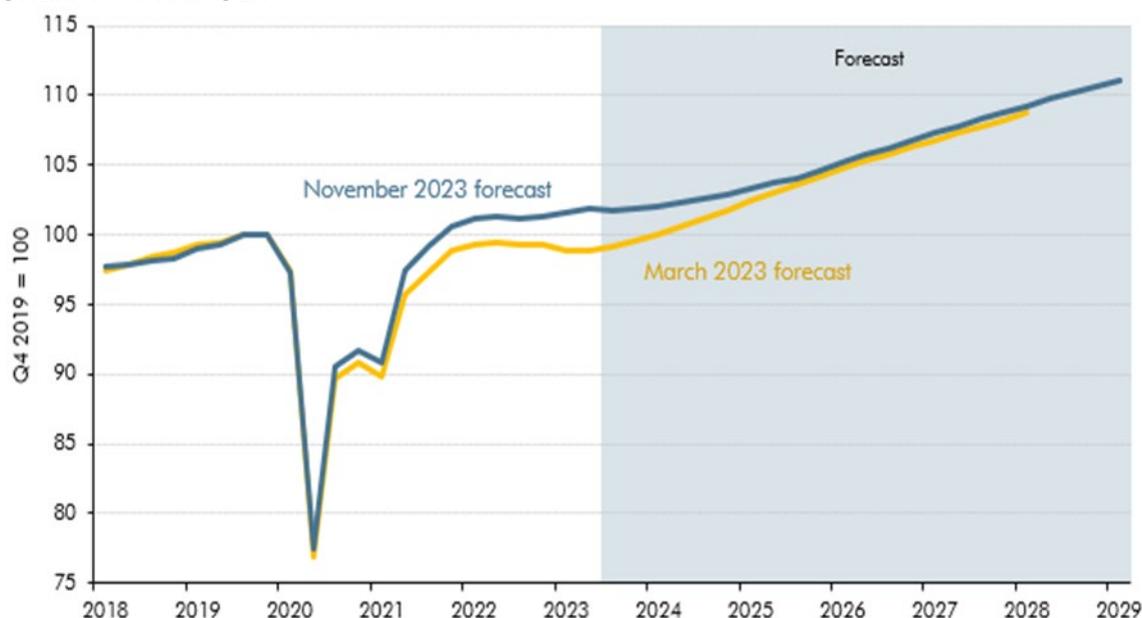
Economic & Fiscal Context

The national fiscal and economic context is an important consideration for the Council in setting the budget. This context not only determines the amount received through central government grants, but it also sets out how local government spending fits in within the totality of public spending and the wider economy. The Autumn Statement and Local Government Finance Settlement LGFS set the government's expectations of how much local authorities can raise through local taxation as well as departmental spending from which central government grants to local government are funded. The Office for Budget Responsibility (OBR) produces an Economic and Fiscal Outlook (EFO) report to provide the Chancellor of the Exchequer with an independent and up to date fiscal and economic forecast including impact of government policy decisions. This section of the report highlights the key elements for economic growth, inflation, and public sector spending/borrowing.

Economic Outlook - Growth

The November OBR report identified that the overall economy has recovered more fully from the Covid-19 pandemic and weathered the energy price shock better than previously anticipated. Gross domestic product (GDP) recovered to its pre-pandemic level by the end of 2021 and was 1.8% above it by mid 2023. This compares to the March 2023 forecast that GDP would be 1.1% below pre-pandemic levels at the same point in time. The EFO report indicates that survey data suggests that much of the improved economic strength can be attributed to a modest degree of excess demand. However, although GDP is starting nearly 3% higher than previous forecast, future growth is forecast to be more sluggish and GDP is only to be 0.6% higher by 2027 than the previous forecast as GDP growth is squeezed in the short-term forecasts by a combination of real wages, higher interest rates and unwinding of temporary government support. The comparison between previous and latest forecast for GDP is shown in the following chart 1 from the EFO report.

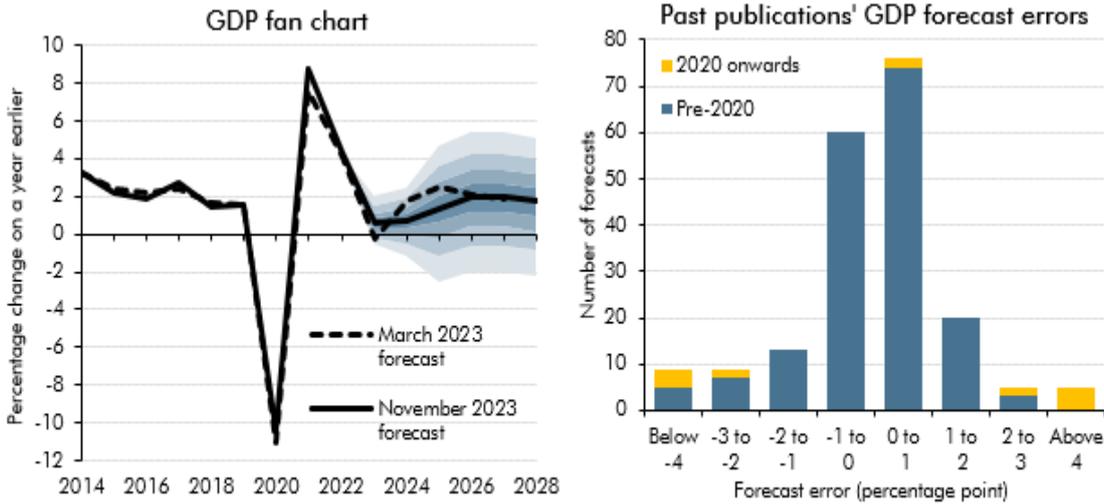
Chart 1 – Real GDP



Source: ONS, OBR

The OBR recognises there is significant uncertainty around GDP growth forecast. This is illustrated through a fan graph showing the central case (as per chart 1 above) and other potential scenarios (shaded according to probability) and the scale of errors in previous forecasts. These comparisons are shown in the following chart 2 from the EFO report.

Chart 2 – GDP Growth Fan Chart and Past GDP Forecast Errors

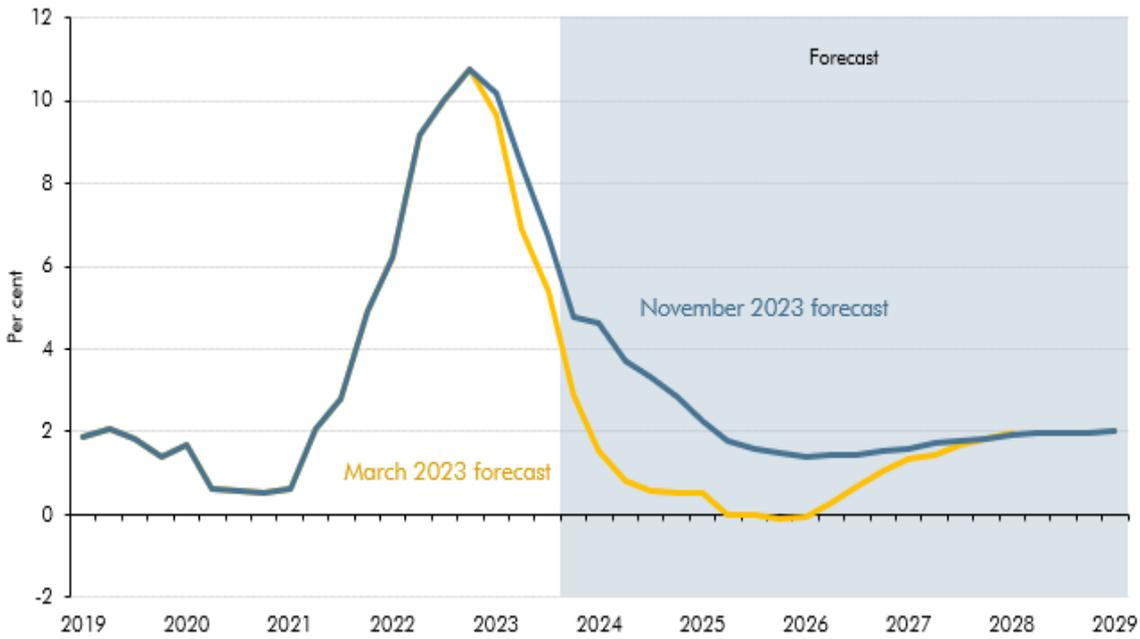


Note: On the left-hand chart, successive pairs of lighter-shaded areas around our forecast represent 20 per cent probability bands. The right-hand chart shows the distribution of forecast errors for every Autumn forecast since 1987. Source: ONS, OBR

Economic Outlook - Inflation

The OBR is forecasting that inflation will remain higher for longer, taking until the second quarter of 2025 to return to around the 2% target, this is more than a year later than in the March 2023 forecast. The OBR has concluded that this slower decline in the rate growth in inflation from previous forecast is due to domestic factors including the higher demand (and subsequent gap between demand and supply within the economy) and stronger wage growth more than offsetting the faster than expected decline in gas prices. From a peak of 10.7% in the last quarter of 2022, CPI is forecast to fall to 4.8% in the final quarter of 2023 (noting that since the OBR forecast was published CPI rate of inflation in the year to November 2023 fell to 3.9% compared to 4.6% for the year to October, and if this trend continues the quarter 4 2023 forecast would be overestimated). The OBR forecasts that as rate of GDP slows and a modest amount of spare capacity opens up and gas prices fall further that inflation is forecast dip slightly below the 2% target between 2025 to 2027, before returning to the target level in the longer-range forecast. The comparison between previous and current inflation is shown in the following chart 3 from EFO report.

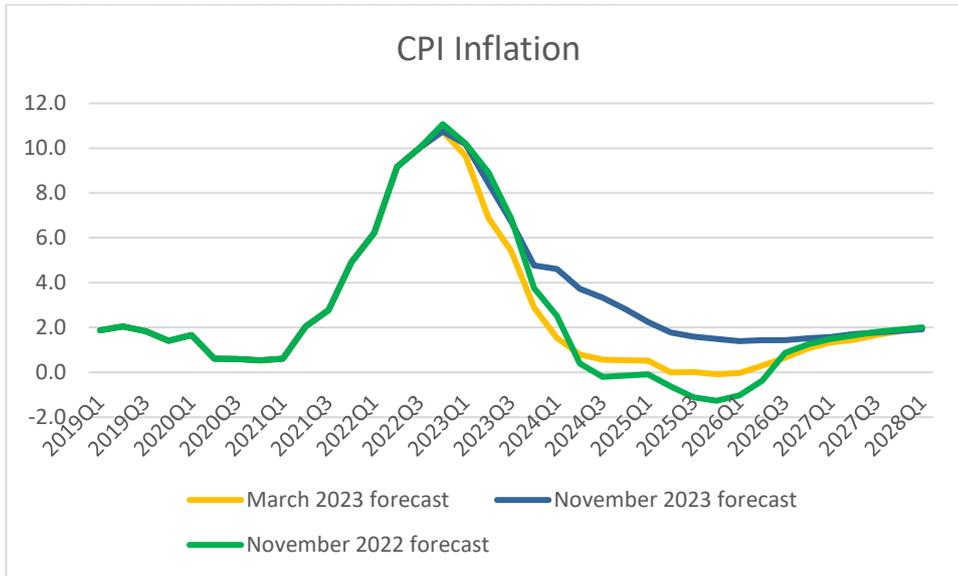
Chart 3 – CPI Inflation



Source: ONS, OBR

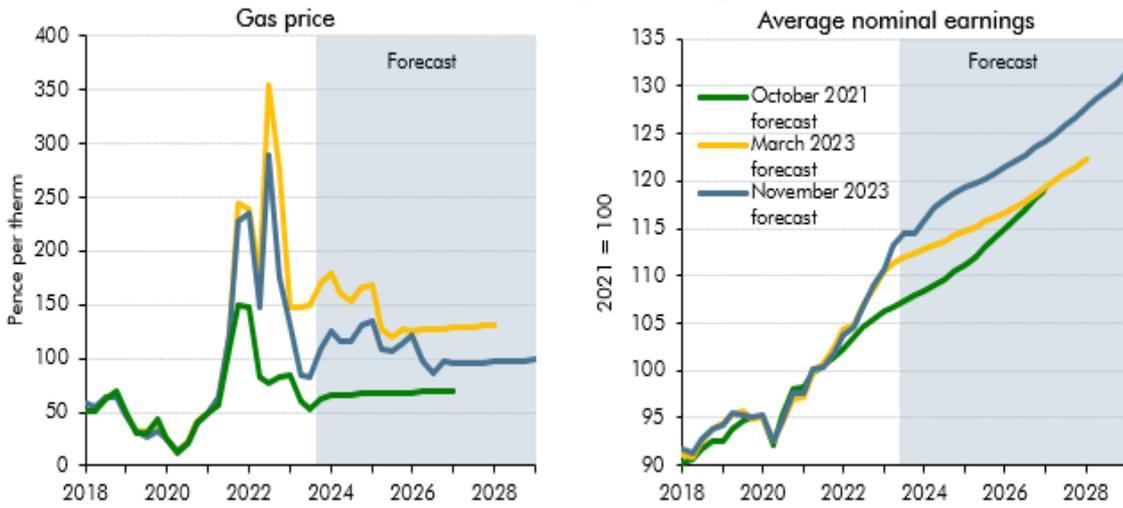
We have also compiled a comparison with previous November 2022 forecast where at one stage inflation was forecast to be negative in Chart 4 below.

Chart 4 – CPI Inflation over three forecasts



The impact of gas prices and wages on inflation were demonstrated in the EFO report as per chart 5 below.

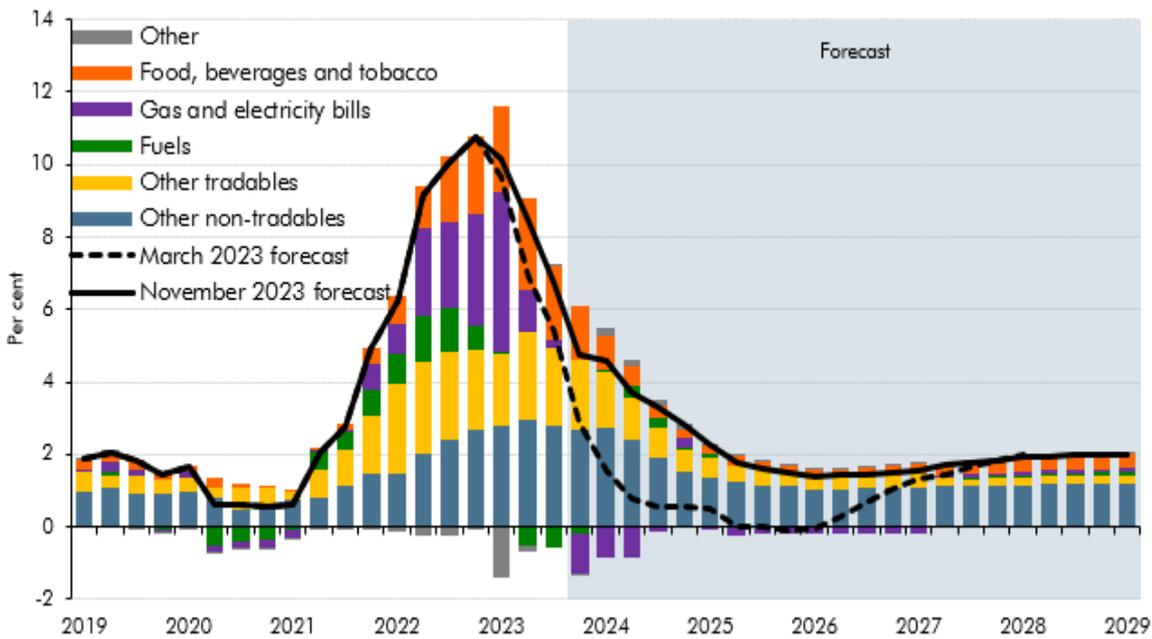
Chart 5 – Impact of Gas Prices and Average Earnings



Source: Datastream, ONS, OFGEM, Eikon, OBR

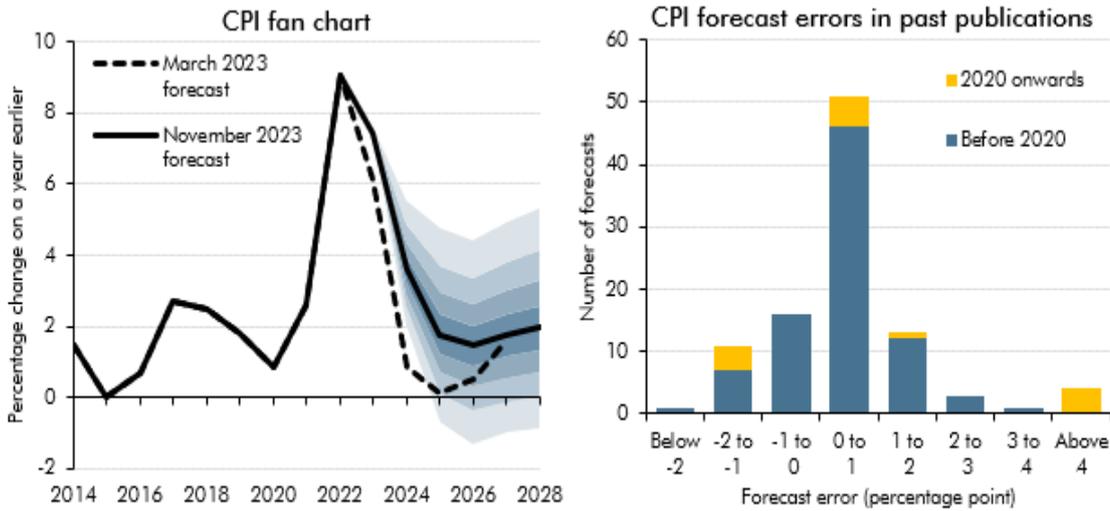
The EFO report confirms that the risks around inflation outlook remain high given both domestic and international uncertainty. The EFO report includes an analysis of the main contributors to inflation (chart 6) as well as an analysis of the more significant variations in inflation forecasts since 2020 (chart 7) similar to chart 2 for GDP uncertainty.

Chart 6 – Contributions to CPI Inflation



Source: ONS, OBR

Chart 7 – CPI Inflation Fan Chart and Forecast Errors in Previous Publications

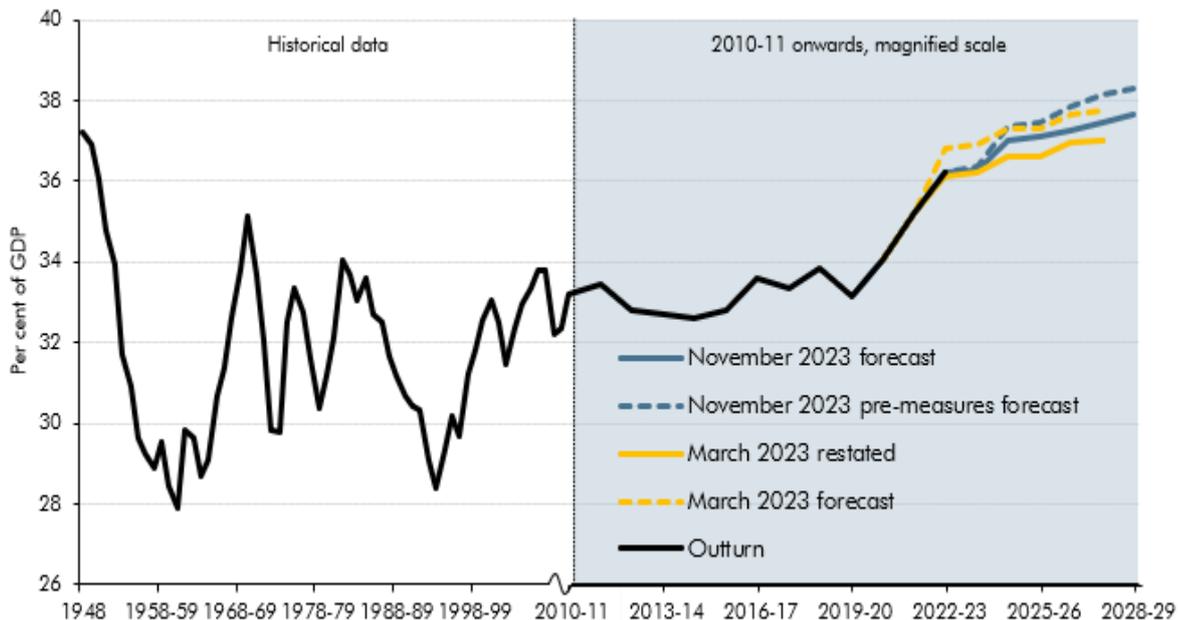


Note: On the left-hand chart, successive pairs of lighter-shaded areas around our forecast represent 20 per cent probability bands. The right-hand chart shows the distribution of forecast errors for every Autumn forecast since 2003. Source: ONS, OBR

Fiscal Outlook – Public Sector Receipts

Total public sector receipts in 2022-23 as a share of GDP reached 40.1%, a 3.2% increase on pre pandemic level of 36.8% in 2019-20. Public sector receipts are forecast to continue grow faster than GDP reaching 41.6% by 2028-29. National account taxes¹ equate to 36.2% of GDP in 2022-23 (an increase of 1% on 2021-22), and marginally higher than the restated forecast for 2022-23 in March 2023. The share of national account taxes is forecast to reach a post-war high of 37.7% of GDP in 2028-29, 4.5% above the pre pandemic level in 2019-20 of 33.1%. The share of national account taxes as % of GDP is shown in the following chart 8 from EFO report.

Chart 8 – National Account Taxes as a share of GDP



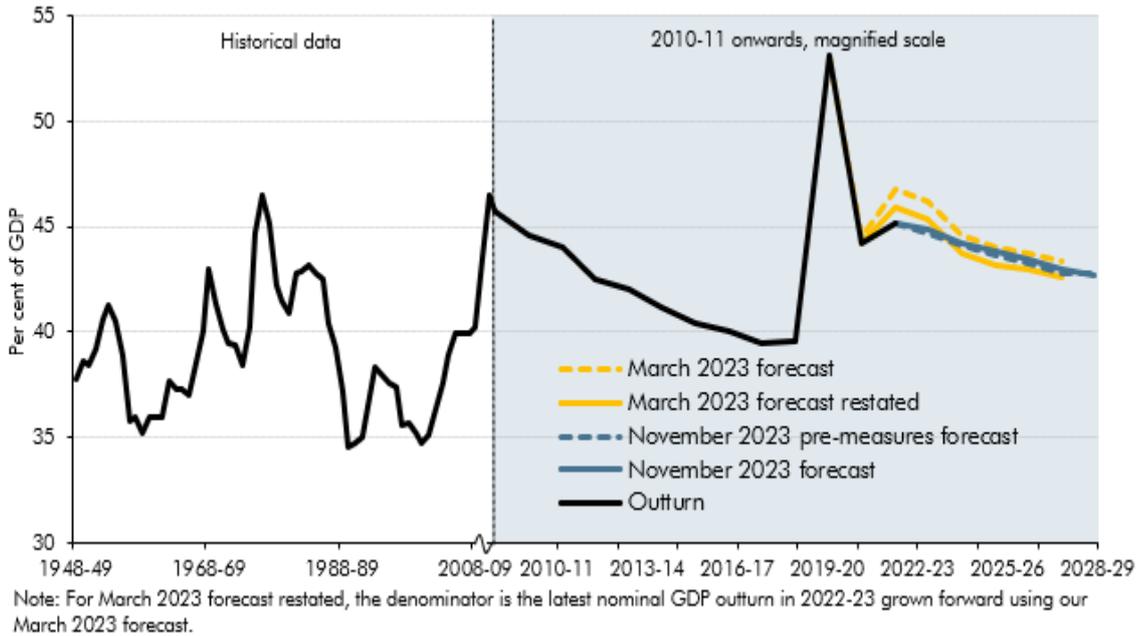
Note: For March 2023 forecast restated, the denominator is the latest nominal GDP outturn in 2022-23 grown forward using our March 2023 forecast. Source: ONS, OBR

¹ National account taxes are a slightly narrower measure of public sector receipts and are more comparable over longer historical periods as they exclude public sector gross operation surplus, interest and dividend receipts and other non-tax receipts.

Fiscal Outlook – Public Sector Expenditure

Total public spending in 2022-23 as share of GDP reached 45.1%, an increase of 0.9% on 2021-22, and 0.8% lower than the restated forecast for 2022-23 in March 2023. Total public sector spending is forecast to fall marginally to 44.8% of GDP in 2023-24 as the unwinding of energy support measures is largely offset by higher welfare costs. Public sector spending as a share of GDP is forecast to fall further each year over the forecast period as a share of GDP from 44.2% in 2024-25 to 42.7% in 2028-29. The share of public sector spending as % of GDP is shown in following chart 9 from the EFO report.

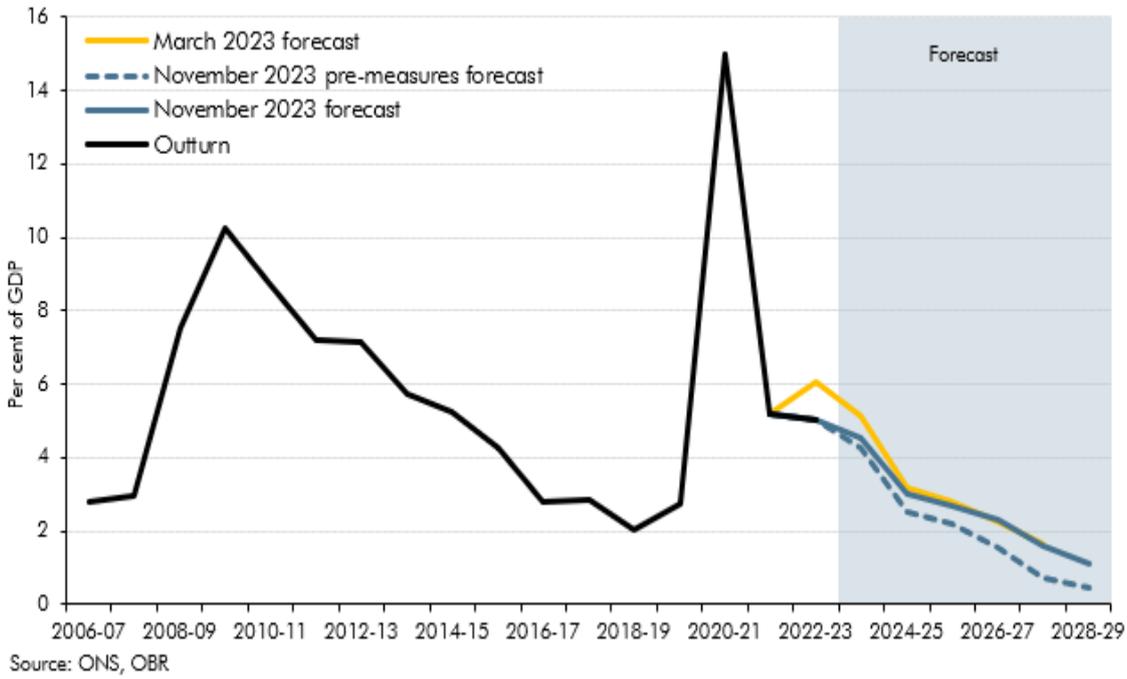
Chart 9 – Public Sector Expenditure as share of GDP



Fiscal Context – Public Sector Borrowing and Total Debt

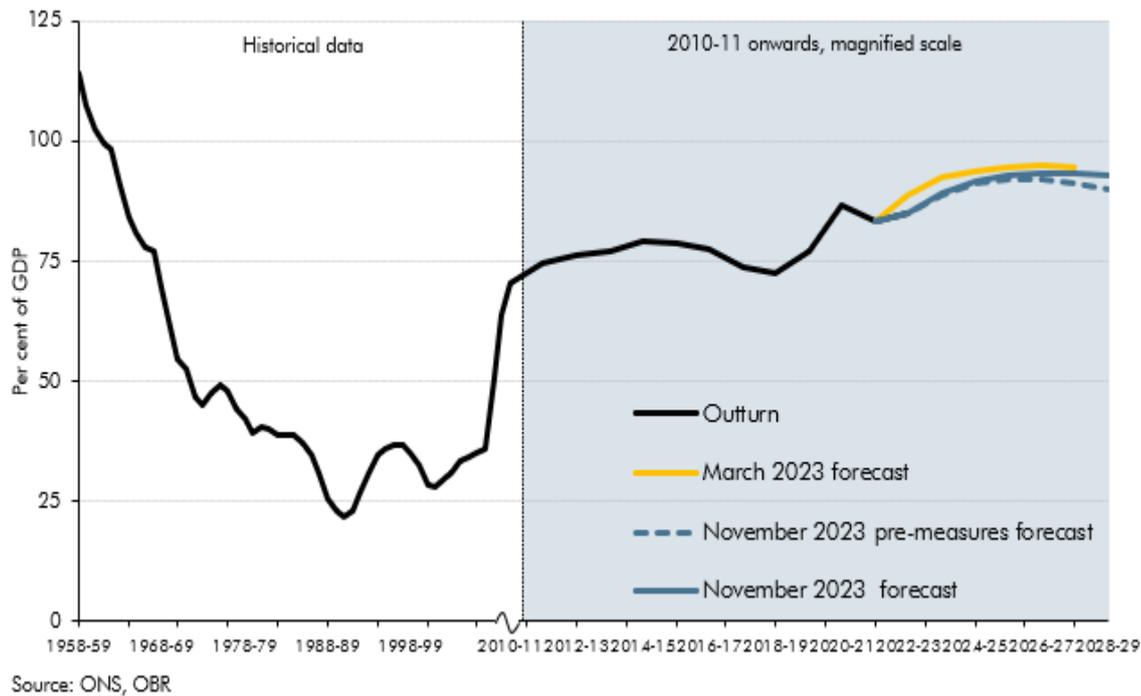
Public sector net borrowing in 2022-23 was £128.3bn (5.0% of GDP), this is a reduction from 5.2% in 2021-22. Net borrowing is forecast to fall to £123.9bn in 2023-24 (4.5% of GDP), this is 0.6% lower than the March 2023 forecast for 2023-24 of 5.1%. Net borrowing is forecast to fall further over the forecast period to £35bn by 2028-29 (1.1% of GDP). Public sector borrowing as % of GDP is shown in following chart 10 from the EFO report.

Chart 10 – Public Sector Net Borrowing



Public sector net accumulated debt was £2,251bn in 2022-23 (84.9% of GDP), an increase from 83.2% in 2021-22 but less than the March 2023 forecast for 2022-23 of 88.9%. Total debt is forecast to increase through the period to £2,458bn in 2023-24 (89.0% of GDP) to £2,845bn in 2026-27 (93.2% of GDP) and to £3,039bn by 2029-29 (92.8% of GDP). The improvement in 2023-24 is due to higher than forecast GDP and compared to the March 2023 forecast total debt as % of GDP is forecast lower in every year. Public sector net debt (excluding Bank of England) as a % of GDP is shown in the following chart 11 from the EFO report.

Chart 11 – Public Sector Net Debt (excluding Bank of England)



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Treasury Management Strategy

Introduction

1. Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has 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 financial risk are therefore central to the Council's prudent financial management.
2. Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires the Council to approve a Treasury Management Strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
3. Investments held for service purposes or for commercial profit are considered in the separate Appendix O - Investment Strategy.

External Context

Economic background

4. The following economic commentary is provided by the Council's treasury advisors, Link Group.
5. *The first half of 2023/24 saw:*
 - *Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.*
 - *Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.*
 - *CPI inflation falling from 8.7% in April to 6.7% in September, its lowest rate since February 2022, but still the highest in the G7.*
 - *Core CPI inflation declining to 6.1% in September from 7.1% in April and May, a then 31 years high.*
 - *A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose by 7.8% for the period June to August, excluding bonuses).*
6. *The registering of 0% GDP for Q3 suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.*

7. *The fall in the composite Purchasing Managers Index from 48.6 in August to 46.7 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0% q/q rise in real GDP in the period July to September, being followed by a contraction in the next couple of quarters.*
8. *The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.*
9. *As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.*
10. *The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.*
11. *But the cooling in labour market conditions still has not fed through to an easing in wage growth. The headline 3myy rate rose 7.8% for the period June to August, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular annual average total pay growth for the private sector was 7.1% in June to August 2023, for the public sector this was 12.5% and is the highest total pay annual growth rate since comparable records began in 2001. However, this is affected by the NHS and civil service one-off non-consolidated payments made in June, July and August 2023. The Bank of England's prediction was for private sector wage growth to fall to 6.9% in September.*
12. *CPI inflation declined from 6.8% in July to 6.7% in August and September, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.1%. That reverses all the rise since March.*
13. *In its latest monetary policy meeting on 02 November, the Bank of England left interest rates unchanged at 5.25%. The vote to keep rates on hold was a split vote, 6-3. It is clear that some members of the MPC are still concerned about the stickiness of inflation.*

14. Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. In terms of messaging, the Bank once again said that “further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures”, citing the rise in global bond yields and the upside risks to inflation from “energy prices given events in the Middle East”. So, like the Fed, the Bank is keeping the door open to the possibility of further rate hikes. However, it also repeated the phrase that policy will be “sufficiently restrictive for sufficiently long” and that the “MPC’s projections indicate that monetary policy is likely to need to be restrictive for an extended period of time”. Indeed, Governor Bailey was at pains in his press conference to drum home to markets that the Bank means business in squeezing inflation out of the economy.
15. This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates in the future.
16. Currently, the Fed has pushed up US rates to a range of 5.25% to 5.5%, whilst the MPC followed by raising Bank Rate to 5.25%. EZ rates have also increased to 4% with further tightening a possibility.
17. Ultimately, however, from a UK perspective it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

Interest rate forecast

18. The Council has appointed Link Group as its treasury advisor and part of their service is to assist the formulation of a view on interest rates. Link provided the following forecasts on 07 November 2023. These are forecasts for Bank Rate and PWLB certainty rates (gilt yields plus 80 bps).

Link Group Interest Rate View 07.11.23	Dec -23	Mar -24	Jun -24	Sep -24	Dec -24	Mar -25	Jun -25	Sep -25	Dec -25	Mar -26	Jun -26	Sep -26	Dec -26
Bank Rate	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
5yr PWLB	5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10yr PWLB	5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25yr PWLB	5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50yr PWLB	5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

19. Link forecast that the MPC will keep Bank Rate at 5.25% for the remainder of 2023 and the first half of 2024 to combat on-going inflationary and wage pressures. Link Group do not think that the MPC will increase Bank Rate above 5.25%, but it is possible.
20. The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of Link Group forecasts, as inflation starts to fall through the remainder of 2023 and into 2024.

21. These interest rate forecasts are a central estimate, not a prediction, and there are upside and downside risks, which could alter the eventual path of interest rates.

Local Context

22. The following table summarises the Council's balance sheet for the current (2023/24) and previous financial year and provides a forecast for the medium term.

Balance sheet summary and forecast

	31.3.23	31.3.24	31.3.25	31.3.26	31.3.27
	Actual	Estimate	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m
Total CFR	1,292.4	1,271.6	1,314.6	1,300.4	1,264.0
Other long-term liabilities and adjustments	-164.6	-157.3	-149.2	-140.0	-130.8
Loans CFR	1,127.8	1,114.3	1,165.4	1,160.4	1,133.2
External borrowing	-802.4	-771.9	-742.6	-710.3	-685.1
Internal borrowing	325.4	342.4	422.8	450.1	448.1
Less balance sheet resources	-821.6	-769.8	-777.6	-792.8	-824.0
Treasury investments	496.2	427.4	354.8	342.7	376.0

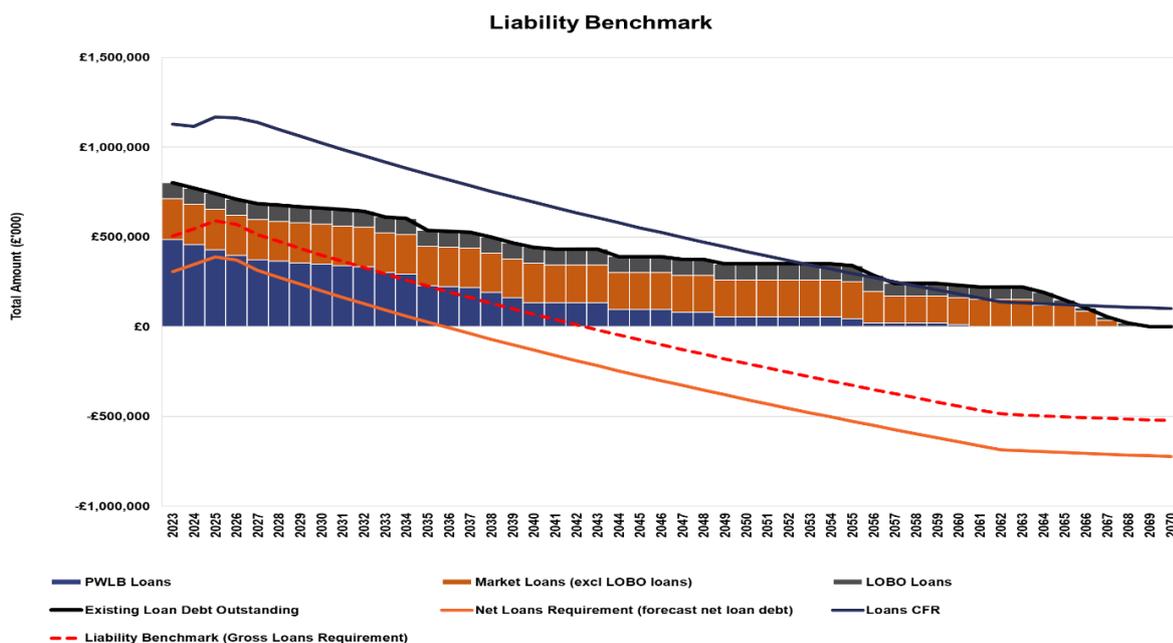
23. The Council's capital expenditure plans are the key driver of treasury management activity and the starting point for the treasury management strategy is the Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure, which has not immediately been paid for through a revenue or capital resource, will increase the CFR. The Council's current capital expenditure and financing plans are set out in the Capital Strategy at appendix M.
24. The CFR does not increase indefinitely, due the requirement to make a minimum revenue provision, a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used. The MRP charge is not shown separately here but is factored into the CFR.
25. The Total CFR includes any other long-term liabilities (e.g., PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Authority's borrowing requirement, these types of schemes include a borrowing facility by the PFI, PPP lease provider and so the Authority is not required to separately borrow for these schemes. For the purposes of determining the treasury management strategy, other long-term liabilities are removed to arrive at the Loans CFR.
26. The Council has externally borrowed £802.4m (as at 31 March 2023) to meet most of the borrowing requirement implied by the Loans CFR, and this figure will decline gradually over the medium term as external loans mature and are repaid (assuming no additional external borrowing is undertaken).

27. The balance of the Loans CFR borrowing requirement is met through internal borrowing, namely the temporary use of the Council's balance sheet resources on lieu of investment. The Council's internal borrowing is forecast to rise over the medium term, compensating for the change in external borrowing noted above.
28. Balance sheet resources represent the Council's underlying capacity for investment (mostly reserves, provisions and working capital). Balance sheet resources exceed internal borrowing and therefore the Council is forecast to continue to have positive external investment balances for the foreseeable future.
29. The current borrowing and investment balances, as at 30 November 2023, when the Council held £776.0m of external borrowing and £508.5m of treasury investments, are set out in further detail in Annex A.

Liability benchmark

30. To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £200m at each year-end to maintain sufficient liquidity but minimise credit risk.
31. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the minimum cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.
32. The liability benchmark is shown in the below chart. The chart illustrates the maturity profile of the Council's existing borrowing and assumes no new capital expenditure funded by borrowing beyond 2026/27.

Figure 1: Liability Benchmark Chart



33. The chart shows the overall borrowing requirement (the Loans CFR), which is projected to increase moderately over the medium term in line with the authority's plans, before declining over the long term as the annual minimum revenue provision (MRP) charge gradually reduces the Council's borrowing requirement. The borrowing requirement is currently met by a combination of fixed rate loans, LOBO loans and internal borrowing.
34. The Council could theoretically reduce its investment balances to zero and maximise the use of internal borrowing before acquiring any external borrowing. The net loans requirement (orange solid line) represents the minimum amount of external borrowing required under this strategy. However, such an approach would naturally involve an intolerable level of liquidity risk, and therefore a minimum liquidity requirement (assessed at £200m) is added to the net loans requirement to arrive at the liability benchmark itself. In effect, the liability benchmark represents the minimum amount of debt that the Council requires to meet its borrowing requirement and to provide sufficient liquidity for day-to-day cash flow.
35. The chart demonstrates that the Council's existing stock of external debt, exceeds the minimum amount required based on current financial plans, and therefore the authority does not have a need to enter into new external borrowing. The liability benchmark is forecast to rise over the medium term due to a combined increase in capital expenditure and reduction in available balance sheet resources (usable reserves, mainly) before declining over the long term. At the same time external debt is forecast to decline as individual loans expire.
36. Although not shown in figure 1, both the Loans CFR and the liability benchmark are likely to increase in later years as new capital expenditure cycles are approved.

Borrowing Strategy

37. On 30 November 2023, the Council had £776.0m external debt, including £28.1m attributable to Medway Council, as part of its strategy for funding previous years' capital programmes. This represents a decrease of £26.5m on 31 March 2023 and reflects the Council's strategy of maintaining borrowing below the underlying levels.
38. The balance sheet forecast in table 1 shows that the Council does not expect to need to undertake additional borrowing in 2024-25. The Council may borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing set out in the Capital Strategy (Appendix M).

Objective

39. The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Strategy

40. Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
41. The Council is currently maintaining an under-borrowed position. This means that the underlying borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated through to the second half of 2024.
42. By doing so, the Council is able to reduce net borrowing costs and reduce investment counterparty exposure. Internal borrowing is not cost free as it is at the expense of investment returns foregone and neither does it remove the need for Minimum Revenue Provision (MRP) to be made.
43. Given borrowing rates are forecast to decline over the medium term, consideration will also be given to short term rather than long term external borrowing should liquidity considerations necessitate any additional external borrowing (although it is not the Council's central expectation that borrowing will be required for liquidity reasons).
44. Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years. The Corporate Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.*
 - *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*
45. The Council also retains the option to arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
46. Any decisions will be reported to the Treasury Management Group and the Governance and Audit Committee at the next available opportunity.

Sources of borrowing

47. The Council has previously raised the majority of its long-term borrowing from the PWLB and is likely to continue with this practice but will consider long-term loans from other sources including banks, pension funds and local authorities, and will investigate the

possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code.

48. The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the Kent Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local Council bond issues
- UK Infrastructure Bank

49. PWLB lending arrangements have changed, and loans are no longer available to local authorities planning to buy investment assets primarily for yield. The Council does not intend to borrow to invest primarily for financial return and will retain its access to PWLB loans.

Other sources of debt finance

50. In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire-purchase
- Private Finance Initiative
- sale and leaseback

LOBO (Lender's Option Borrower's Option) loans

51. The Council holds £90m of LOBO loans (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. LOBOs totalling £40m have option dates during 2024/25, and with interest rates having risen recently, there is a reasonable chance that lenders will exercise their options. If they do, the Council will likely take the option to repay LOBO loans to reduce refinancing risk in later years.

Debt rescheduling

52. The PWLB allows councils to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

53. Any decisions involving the repayment of LOBO loans or debt rescheduling will be reported to the Treasury Management Group and the Governance and Audit Committee at the next available opportunity.

Policy on Borrowing in Advance of Need

54. The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Treasury Investment Strategy

55. The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. Since the beginning of April 2023, the Council's cash balance has ranged between £470.5m and £640.5m; investment balances are forecast to be around £427.4m at the end of 2023/24 and approximately £354.8m at the end of 2024/25.

56. **Objectives:** The CIPFA Code requires the Council to invest its treasury 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, the liquidity of investments and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) risks when investing.

57. **Strategy:** As demonstrated by the liability benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and to mitigate the negative impact of inflation on the value of the Council's long-term resources.

58. **ESG policy:** The Council is committed to responsible treasury management and to being a good steward of the assets in which it invests. As stated in paragraph 1 above, the successful identification, monitoring and control of financial risk are central to the Council's prudent financial management, and this includes the identification and management of environment, social and governance (ESG) risks that arise in the course of carrying out treasury management activities. Therefore, the Council integrates ESG considerations into its treasury management decision-making process.

59. The framework for evaluating investment opportunities is still developing. When investing in banks and funds, and after satisfying security, liquidity and yield considerations, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code

60. Assets within the strategic pooled funds portfolio are managed by third-party investment managers responsible for the day-to-day investment decisions, including undertaking voting and engagement activities on behalf of the Council. The Council incorporates analysis of ESG integration and active ownership capabilities when selecting and monitoring investment managers.
61. The Council requires its investment managers to engage with companies to monitor and develop their management of ESG issues in order to enhance the value of the Council's investments. The Council also requires feedback from the investment managers on the activities they undertake and regularly reviews this feedback through meetings and reporting.
62. **Business models:** Under IFRS 9, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties

63. The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the limits shown.

	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	unlimited	
UK Local Authorities	10 years	£25m	
Kent local authorities for cashflow purposes only	1 year		£70m
Other Government entities	25 years	£20m	£30m
UK banks and building societies (unsecured) *	13 months	£20m	Unlimited
Council's banking services provider *	Overnight	£20m	
Overseas banks (unsecured) *	13 months	£20m	£30m country limit
Money Market Funds *	n/a	£20m per fund or 0.5% of the fund size if lower	
Cash plus / short term bond funds		£20m per fund	
Secured investments *	25 years	£20m	£150m
Corporates (non-financials)	5 years	£2m per issuer	£20m
Registered Providers (unsecured) *	5 years	£10m	£50m
Loans incl. to developers in the No Use Empty programme			£40m
Strategic pooled funds and real estate investment trusts	n/a		£250m
- Absolute Return funds		£25m per fund	
- Multi Asset Income funds		£25m per fund	

- Property funds		£75m or 5% of total fund value if greater	
- Bond funds		£25m per fund	
- Equity Income Funds		£25m per fund	
- Real Estate Investment Trusts		£25m per fund	

64. This table should be read in conjunction with the notes below.

* Minimum credit rating: Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

65. **Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

66. **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used.

67. **Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Unsecured investments with banks rated below the agreed minimum rating of A- are restricted to overnight deposits with the Council's current banking services provider.

68. **Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing. As providers of public services, they retain the likelihood of receiving government support if needed.

69. **Money Market Funds:** Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to Money Market Funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

70. **Pooled investment funds:** Bond, equity, multi-asset and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
71. **Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.
72. **Other investment:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.
73. **Operational bank accounts:** The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

Risk assessment and credit ratings

74. Credit ratings are obtained and monitored by the Council's treasury advisors, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
 - any existing investments that can be recalled or sold at no cost will be, and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
75. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that entity until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments

76. The Council understands that credit ratings are good but not perfect predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the entities in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from Link Group, the Council's treasury

management advisor. No investments will be made with an entity if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

77. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government or with other local authorities. This may cause investment returns to fall but will protect the principal sum invested.

Investment limits

78. The Council may invest its surplus funds with any of the counterparty types listed above subject to the cash limits per counterparty and the durations shown in the table at paragraph 63.

Liquidity management

79. The Council forecasts its cash flow requirements to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

80. The Council will spread its liquid cash over several bank accounts and money market funds to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Prudential Indicators

81. The Council measures and manages its exposures to treasury management risks using the following indicators.

82. **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	Minimum Level
Portfolio average credit rating	AA-

83. **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	Minimum Level
Total cash available within 3 months	£75m

84. **Interest rate exposure:** The 2021 CIPFA Prudential Code removes the requirement to set treasury indicators for fixed and variable interest rate exposure. Instead, the Council is required to set out how it intends to manage interest rate exposure.

This organisation will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements and management information arrangements.

It will achieve this by the prudent use of its approved instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates.

85. **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:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	100%	0%
12 months and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and within 20 years	50%	0%
20 years and within 40 years	50%	0%
40 years and longer	50%	0%

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

86. **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 prudential limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2024-25	2025-26	2026-27	No fixed date
Limit on principal invested beyond year end	£150m	£100m	£50m	£250m

Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

87. **Liability indicator:** see paragraph 32 above.

Related Matters

88. The CIPFA Code requires the Council to include the following in its Treasury Management Strategy.
89. **Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over councils' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
90. The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be considered when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
91. Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
92. In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.
93. **Markets in Financial Instruments Directive:** The Council has opted up to professional client status with its providers of financial services, including advisors, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Corporate Director of Finance believes this to be the most appropriate status.
94. **IFRS 9 Statutory Override:** Under the accounting standard IFRS 9, entities are required to recognise the revenue impact arising from the movement in value of investments held at fair value. The MHCLG (DLUHC) initially enacted a statutory over-ride from 1 April 2018 for a five-year period until 31 March 2023 following the introduction of IFRS 9 in respect of the requirement for any unrealised capital gains or losses on marketable pooled funds to be chargeable in year. This was subsequently extended to 31 March 2025 and has the effect of allowing any unrealised capital gains or losses arising from qualifying investments to be held on the balance sheet until 31 March 2025. The Council currently holds investment assets which fall under the statutory override (the strategic pooled funds) and it manages the risk arising from expiry of the statutory override on a corporate basis.

Financial Implications

95. The budget for net investment income in 2024-25 is £13.0m, based on an average investment portfolio of £426m at an average interest rate of 4.88%.¹ The budget for debt interest payable in 2024-25 is £32.5m, based on an average debt portfolio of £748.3m at an average interest rate of 4.35%. If actual levels of investments and borrowing, or actual interest rates, differ from forecast, performance against budget will be correspondingly different.

Other Options Considered

96. The CIPFA Code does not prescribe any particular Treasury Management Strategy for councils to adopt. The Corporate Director of Finance, having consulted the Treasury Management Group, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income in the long term	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income in the long term though potentially not in the short term	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

¹ Gross investment income for 2024-25 is estimated to be £20.8m including £7.8m attributable to other bodies.

Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management.

Training was most recently undertaken by members on 23 November 2023 and further training will be arranged as required.

Annex A – Existing Investment & Debt Portfolio Position

	30-Nov-23	30-Nov-23
	Actual Portfolio	Average Rate
	£m	%
External borrowing		
Public Works Loan Board	460.12	4.40
LOBO loans from banks	90.00	4.15
Banks and other lenders (Fixed term)	216.10	4.54
Streetlighting Project	9.79	2.55
Total external borrowing	776.01	4.39
Treasury investments		
Bank Call Accounts	1.00	1.92
Covered bonds (secured)	97.25	4.80
Government (incl. local authorities)	88.80	5.25
Money Market Funds	134.76	5.33
Equity	1.30	
No Use Empty Loans	16.55	4.50
Total internally managed investments	339.66	5.14
Pooled investments funds		
- Property	55.19	5.05
- Multi Asset	53.52	5.00
- Absolute Return	5.19	2.26
- Equity UK	30.21	6.24
- Equity Global	24.74	4.17
Total pooled investments	168.85	5.09
Total treasury investments	508.51	5.12
Net debt	267.50	

GLOSSARY

Local Authority Treasury Management Terms

Bond	A certificate of long-term debt issued by a company, government, or other institution, which is tradable on financial markets
Borrowing	Usually refers to the stock of outstanding loans owed and bonds issued.
CFR	Capital Financing Requirement. 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.
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.
Deposit	A regulated placing of cash with a financial institution. Deposits are not tradable on financial markets.
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.
Equity	An investment which usually confers ownership and voting rights
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.
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
LIBID	London interbank bid rate - the benchmark interest rate at which banks bid to borrow cash from other banks, traditionally 0.125% lower than LIBOR.
LIBOR	London interbank offer rate - the benchmark interest rate at which banks offer to lend cash to other banks. Published every London working day at 11am for various currencies and terms. Due to be phased out by 2022.
LOBO	Lender's Option Borrower's option
MMF	Money Market Funds. A collective investment scheme which invests in a range of short-term assets providing high credit quality and high liquidity. Usually refers to 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
Pooled Fund	Scheme in which multiple investors hold units or shares. The investment assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'pooled funds').
Prudential Code	Developed by CIPFA and introduced in April 2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice. Local authorities are required by law to have regard to the Prudential Code. The Code was update din 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.

REIT	Real estate investment trust – a company whose main activity is owning investment property and is therefore similar to a property fund in many ways
Share	An equity investment, which usually also confers ownership and voting rights
Short-term	Usually means less than one year
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
Total return	The overall return on an investment, including interest, dividends, rent, fees and capital gains and losses.
Weighted average life (WAL)	The weighted average time for principal repayment, that is, the average time it takes for every dollar of principal to be repaid. The time weights are based on the principal payments,
Weighted average maturity (WAM)	The weighted average maturity or WAM is the weighted average amount of time until the securities in a portfolio mature.

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From: Dan Watkins, Cabinet Member for Adult Social Care and Public Health
Richard Smith, Corporate Director Adult Social Care and Health

To: Adult Social Care Cabinet Committee – 18 January 2024

Subject: **SS14142 Older Persons Residential and Nursing Contract Extension**

Key decision: 24/00002

Classification: Appendix (Exempt from publication by Schedule 12A to the Local Government Act 1972, as it contains commercially sensitive information)

Past Pathway of report: None

Future Pathway of report: Cabinet Member decision

Electoral Division: All

Summary The current Older Persons Residential and Nursing (OPRN) contract is due to end on 31 March 2024, with no further provision for extension.

The report sets out the anticipated activity required to ensure future care services for older people are fit for purpose and deliver on the council's ambitions of developing new models of care, as prioritised Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy Kent. This is within the context of a complex and fragile care market reflecting cost of living and inflationary pressure, workforce pressures and an increase in complexity of need.

External expertise has been procured to carry out a detailed assessment of the cost of care while exploring and determining the best contracting models that support an integrated approach to future health and social care models. The outcome of this exercise, which will not be completed until March 2024, will support the redesign of regulated adult care and support services, including residential and nursing care accommodation for older people, while ensuring appropriate engagement regarding the new transformative service models with both the care market and people who draw on care and support.

Given the scale of the current contract and the anticipated impact of new models of care, it is recommended that the current Older Persons Residential and Nursing contract is extended for a maximum of up to two years from 1 April 2024 to 31 March 2026. This will secure the safe continuation of provision whilst the assessment and review are undertaken, the findings are fully considered, and a new service put in place no later than 1 April 2026.

Recommendation(s): The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make **RECOMMENDATIONS** to the Cabinet Member for Adult Social Care and Public Health on the proposed decision (attached as Appendix A) to:

- a) **EXTEND** the current Older Persons Residential and Nursing contract for up to a maximum of two years (1 April 2024 to 31 March 2026); and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

1 Introduction

- 1.1 The current Older Persons Residential and Nursing Care contract commenced on 1 April 2016, for an initial period of four years, with the option to extend for two 24-month periods. Both extension periods have been exhausted and the contract has no provision for a further extension beyond 31 March 2024.
- 1.2 There is an opportunity to utilise external expertise to reshape the service following an external assessment, in order to achieve the council's ambitions on New Models of Care as set out in the council's strategy Securing Kent's Future.
- 1.3 A contract extension of up to a maximum of two years, will enable the council to take best advantage of this opportunity.
- 1.4 External legal advice has been sought and the risk of extending an open Dynamic Purchasing System (DPS) is considered to be relatively low with the application of the principle in Regulation 34 (28). The council will ensure that existing and new suppliers are treated equally.
- 1.5 A contract Waiver (attached as exempt Appendix 1) report was considered at Commissioning and Procurement Oversight Board (CPOB) and agreed by Finance, Legal and Procurement.

2 Background

- 2.1 The total cost of the contract (1 April 2016) was set at £800m (£100m p/a). However, as the paper sets out, various market pressures and increase in demand and complexity of care have resulted in an increased spend on the service. Robust actions are being put in place to reduce this spend wherever possible.
- 2.2 There are currently 270 residential and nursing care homes in Kent, of which, 66% (179 care homes) are on the Dynamic Purchasing System (DPS). There are also an additional 16 out of county care homes that are on the DPS.
- 2.3 Kent County Council (KCC) is presently supporting over 3370 people across both contracted and non contracted care homes. The proportion of placements

- to contracted and non-contracted homes has remained even over time. In 2022/2023 79% of KCC placements were made to contracted providers,
- 2.4 The contract is by way of an open DPS which allows the council to add new providers during the lifetime of the contract having passed the relevant selection criteria. The DPS and contract Lots provide a high level of flexibility that allows for market development and new purchasing opportunities if, and when required. For example, the block purchase of Designated Beds to support hospital discharge during the Covid-19 pandemic.
 - 2.5 The contract includes five Lots and each Lot has a separate specification and terms and conditions that sit under the terms and conditions of the main contract.
 - i. Lot 1 Care Quality Commission (CQC) Registered Residential Homes or “Care Homes without Nursing” for the provision of Long Term, Short Term and respite care services;
 - ii. Lot 2 CQC Registered Nursing Homes or “Care Homes with Nursing” for the provision of Long Term, Short Term and respite care services;
 - iii. Lot 3 Providers of Bariatric care services (including Physical Disability);
 - iv. Lot 4 Call off Block Contract for the provision of multiples of two beds for short term respite care services across Kent; and
 - v. Lot 5 Residential or Nursing Care Home providers able to offer ‘day’ services.
 - 2.6 The service should be considered in the context of the significant external and internal pressures on the service which have significantly changed from when the contract was initiated in 2016. These pressures include:
 - The demand for care and support for people with a greater level of complexity of need.
 - Inflationary pressures and financial sustainability issues.
 - Increased placement costs seen across Kent and nationally.
 - Workforce pressures and the recruitment and retention of high-quality staff
 - Quality issues resulting in poor CQC rating and contract suspensions.

3 The current position

- 3.1 The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.
- 3.2 Framing Kent’s Future and Securing Kent’s Future and the Adult Social Care Making a Difference Everyday Strategy Kent identify New Models of Care and Support as a key priority by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

- 3.3 To help achieve this, the council has procured external expertise to undertake three distinct pieces of work that will help with the redesign of a new service:
1. A comprehensive assessment, along the lines of the 'cost of care' exercise to examine the pattern of current and future demands. This will lead to determination of the appropriate fee setting mechanism and contractual models for supporting needs and aspirations, which will be more in line with peoples' preferences but at the right price.
 2. To determine how a new service will support the delivery of the ambitions of the Integrated Care Board (ICB) to embed collaboration across the health and social care system and to support sustainability and efficiency within the sector by considering factors such as pooled budgets and contracting models.
 3. To consider a joined-up contract model that aims to reduce the residential care market while considering associated pressures and demand for other adult social care service provisions such as the homecare market.
- 3.4 Outcomes to be achieved:
- The Older Person: To ensure people of Kent are in the right place with the right care and receive seamless high-quality, cost-effective care and positive outcomes.
 - Quality of Care: Sustainable range of regulated care services that provides consistent high quality, safe and supportive care that meets people's needs in a regulated care service that is rated by CQC as outstanding or good.
 - Value for Money: Ensures competition within the market that drives up quality alongside achieving cost efficiencies and ensuring value for money.
- 3.5 This will help inform the commissioning intentions for adult social care services and provide commissioners with the required information to design new specifications and a robust commissioning and procurement process.
- 3.6 The commissioning exercise will include extensive engagement with people who use care and support services to develop a new specification which ensures high quality and cost-effective services in the future.
- 3.7 The council will develop alternative care and support offers which support people to remain in their own home for longer. These include an enhanced technology offer, integrated reablement service, homecare offer, increasing direct payments and support that can be purchased such as personal assistants and niche services delivered by the voluntary sector and micro providers.
- 3.8 Following on from the cost of care review a new pricing model and contract fee mechanism will be developed to ensure best value for future placements. The extension will allow this activity to be completed.
- 3.9 The council will work closely with the market to ensure better value for the council and achieve savings where appropriate. This will include consider how

to best utilise the Lots as part of the present contract model to make cost efficiencies for example, the utilisation of block contracts.

- 3.10 We will work to increase membership of the current framework and will review all off-framework placements regarding price, volume and value for money and seek to negotiate on this basis.
- 3.11 An extension to the current contract is required to allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence April 2024 once the extension to the contract has been implemented.
- 3.12 The proposed extension period will be put in place for a maximum of up to two years. However, a robust reprocurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.
- 3.13 Subject to the outcome of the work currently being undertaken by consultants, we expect to commence the procurement process in April 2024 with a view to implement from early in 2025.
- 3.14 A programme plan detailing the re-design and procurement timeline will be developed and shared with members of the committee once the consultancy project has been completed.

4 The consequences of not extending the contract

- 4.1 The council can choose not to extend the current contract. However, there are significant risks to choosing this option and no benefits have been identified.
- 4.2 Risks are set out below and detailed further in Exempt Appendix 1 Waiver Report.
 - 4.2.1 Legal and Policy: The council commissions residential and nursing care services for older persons from the independent sector to meet the needs of individuals deemed to be eligible in accordance with and following a Care Act assessment. If the contract ends the council will be pressured to fully meet its statutory obligation under the Care Act with regards to providing a high quality, safe service that is at an affordable price.
 - 4.2.2 Financial: A lack of robust fee setting mechanisms and contractual leverage may result in a significant increase in placement costs which will be challenging to control. Savings targets set out by the council and to be met through greater partnership working and negotiation will be difficult to achieve through spot purchasing agreements and providers will be within their right to give notice on individual placements that may be hard to source at an affordable price.

- 4.2.3 Reputational: A shift to partnership working with providers will be challenged as the expectation from providers is that the contractual arrangements with the authority will be maintained due to the mutual benefits to both parties. People using this service expect a robust oversight of the service and the perception will be that this is not the case if the service is not part of a KCC Contract.
- 4.2.4 Resource Implications: If the contract ends there will be a requirement for the review, renegotiation and repurchasing of all individual placements with new contract and terms and conditions established. This will also require significant system and process updates.

5 Financial Implications

- 5.1 The total cost of the current Older Persons Residential and Nursing contract was set at approximately £800m (£100m per annum). However, due to the factors set out above, the annual cost has increased to £160m per annum. The approximate total cost of the proposed two-year extension period therefore is £304m (this takes account of the savings target on the spend on Older Persons Residential and Nursing Care Home services of 5% set for 2024/2025).
- 5.2 Dedicated commissioning and finance resources will be required to ensure a collaborative approach to determine a robust fee model and pricing guide and the identification of any financial risk.
- 5.3 This is a demand driven service and due to increases in complexity, increased demand and fee rates in excess of inflation, spend has increased year on year. Mitigations will be put in place to help limit the increased spend through the development of a robust savings action plan during the contract extension period. This will require a collaborative approach across KCC and NHS Kent and Medway ICB colleagues and proactively engaging with providers to determine fair costs for both legacy and new placements.

6 Legal implications

- 6.1 The Older People Residential Care, Nursing Care and Respite Care Services was procured as a Dynamic Purchasing Framework. The original Contract Notice which was advertised in the Official Journal of the EU, allowed for a contract term of four years, from 1 April 2016 to 31 March 2020. It also allowed for two 24-month extensions, from 1 April 2020 to 31 March 2022 and 1 April 2022 to 31 March 2024.
- 6.2 Both contract extensions have been exercised and the current extension period is due to expire on 31 March 2024.
- 6.3 Under Regulation 34 (Dynamic Purchasing Systems), Contracting Authorities, are permitted to extend the period of validity of Dynamic Purchasing Systems (DPS). Regulation 34 (27) requires that Contracting Authorities to indicate the period of validity of the dynamic purchasing system in the call for competition,

and Regulation 34 (28) requires Contracting Authorities to notify any change in the period of validity, using the following standard forms: —

(a) where the period of validity is changed without terminating the system, the form used initially for the call for competition for the dynamic purchasing system;

6.4 As the UK has now exited the EU, there is no requirement for Contracting Authorities to notify the Commission. However, a change to the period of validity of the DPS, may be notified through a contract award notice under Regulation 50.

6.5 Additionally, the period for Expressions of Interests for the DPS in the original tender was from 5 April 2016 to 5 April 2024. By extending the DPS, the intention is to extend the Expression of Interest window further, thus ensuring that new suppliers will be able to apply to be placed on the DPS, thereby ensuring that no potential supplier is deprived of the opportunity to participate in the DPS.

6.6 Regulation 72 (Modification of Contracts during their term) permits Contracting Authorities to modify contracts and framework agreements, without a new procurement procedure, 72(1)(b) for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—

(i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or

(ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority,

provided that any increase in price does not exceed 50% of the value of the original contract. The value of the original contract was £800m

6.7 An extension to the DPS is necessary to enable the council to undertake a detailed Cost of Care review of residential, nursing and respite care provision, which is likely to be completed by 28 February 2024. As such, the council will not be in a position to undertake a reprocurement, based on the outcome of the review, in time for a new service to be in place by 1 April 2024. Therefore, a change is not proposed at this time for economic or technical reasons. Any procurement of the service, prior to the completion of the Cost of Care review, will cause significant inconvenience and substantial duplication of cost, as the procurement will need to be undertaken again on completion of the Cost of Care review. It is also unlikely that a procurement will attract market interest, as providers may be reluctant to bid, prior to the completion of the Cost of Care review.

6.8 Commissioners received legal advice stating there remains a certain level of risk highlighted in terms of extending. However, provided the council ensure

that existing and new suppliers are treated equally in terms of the extension the likelihood of a risk of a provider challenging the extension of an open DPS may be considered relatively low with the application of the principle in Regulation 34 (28).

7 Equalities implications

- 7.1 To ensure KCC's statutory obligations under the Equalities Act 2010 are met, a full Equality Impact Assessment has been undertaken for recommissioning purposes (attached as appendix 1). This has also been considered for the purposes of the contract extension and no major issues were identified. This will be refreshed to encompass any new negative or positive impacts identified due to the new service model.
- 7.2 New providers joining the DPS during the contract extension will need to continue to demonstrate that they have policies and procedures in place that ensure their compliance with Equality Act 2010.

8 Data Protection Implications

- 8.1 A Data Protection Impact Assessment (DPIA) has been completed and no anticipated new data protection implications have been identified. Providers tendering for the contract extension will be expected to undertake a DPIA as part of their tender submission.

9 Conclusions

- 9.1 The current Older Persons Residential and Nursing contract commenced on 1 April 2016, for an initial period of four years, with the option to extend for two 24-month periods. Both extension periods have been exhausted and the contract has no provision for a further extension beyond 31 March 2024.
- 9.2 External expertise has been procured to support the redesign of accommodation services for older people in Kent. Given the scale of the current contract and the anticipated impact of new models of care, it is recommended that the current Older Persons Residential and Nursing (OPRN) Contract is extended for a maximum of up to two years from 1 April 2024 to 31 March 2026. This will secure the safe continuation of provision whilst the proposed findings from the consultants are fully considered, and a new service put in place no later than 1 April 2026.

10. Recommendations

10.1 Recommendation(s): The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make **RECOMMENDATIONS** to the Cabinet Member for Adult Social Care and Public Health on the proposed decision (attached as Appendix A) to:

- a) **EXTEND** the current Older Persons Residential and Nursing Care contract for up to a maximum of two years (1 April 2024 to 31 March 2026); and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

11. Background Documents

None

12. Report Author

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KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

**Cabinet Member for
Adult Social Care and Public Health**

DECISION NO:

24/00002

For publication Yes

Key decision: Yes

Title of Decision: SS14142 OLDER PERSONS RESIDENTIAL AND NURSING CONTRACT EXTENSION

Decision: As Cabinet Member for Adult Social Care and Public Health, I propose to:
a) **EXTEND** the current Older Persons Residential and Nursing contract for up to a maximum of two years (1 April 2024 to 31 March 2026);and
b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

Reason(s) for decision: The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.

Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy Kent identify New Models of Care and Support as a key priority by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

To help achieve this, the council has procured external expertise to undertake three distinct pieces of work that will help with the redesign of a new service. This will help inform the commissioning intentions for adult social care services and provide commissioners with the required information to design new specifications and a robust commissioning and procurement process.

The commissioning exercise will include extensive engagement with people who use care and support services to develop a new specification which ensures high quality and cost-effective services in the future.

The council will develop alternative care and support offers which support people to remain in their own home for longer. These include an enhanced technology offer, integrated reablement service, homecare offer, increasing direct payments and support that can be purchased such as personal assistants and niche services delivered by the voluntary sector and micro providers.

Following on from the cost of care review a new pricing model and contract fee mechanism will be developed to ensure best value for future placements. The extension will allow this activity to be completed.

The council will work closely with the market to ensure better value for the council and achieve savings where appropriate. This will include consider how to best utilise the Lots as part of the present contract model to make cost efficiencies for example, the utilisation of block contracts.

We will work to increase membership of the current framework and will review all off-framework placements regarding price, volume and value for money and seek to negotiate on this basis. An extension to the current contract is required to allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence April 2024 once the extension to the contract has been implemented.

The proposed extension period will be put in place for a maximum of up to two years. However, a robust reprourement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.

Subject to the outcome of the work currently being undertaken by consultants, we expect to commence the procurement process in April 2024 with a view to implement from early in 2025.

The proposed decision supports objective 2 of Securing Kent's Future to deliver savings from identified opportunity areas to set a sustainable 2024/25 budget and MTFP and priority 4 of Framing Kent's Future – New Models of Care and Support

Financial Implications: The total cost of the current Older Persons Residential and Nursing contract was set at approximately £800m (£100m per annum). However, due to the factors set out above, the annual cost has increased to £160m per annum. The approximate total cost of the proposed two-year extension period therefore is £304m (this takes account of the savings target on the spend on Older Persons Residential and Nursing Care Home services of 5% set for 2024/2025).

Dedicated commissioning and finance resources will be required to ensure a collaborative approach to determine a robust fee model and pricing guide and the identification of any financial risk.

This is a demand driven service and due to increases in complexity, increased demand and fee rates in excess of inflation, spend has increased year on year. Mitigations will be put in place to help limit the increased spend through the development of a robust savings action plan during the contract extension period. This will require a collaborative approach across KCC and NHS Kent and Medway ICB colleagues and proactively engaging with providers to determine fair costs for both legacy and new placements.

Legal implications: The Older People Residential Care, Nursing Care and Respite Care Services was procured as a Dynamic Purchasing Framework. The original Contract Notice which was advertised in the Official Journal of the EU, allowed for a contract term of four years, from 1 April 2016 to 31 March 2020. It also allowed for two 24-month extensions, from 1 April 2020 to 31 March 2022 and 1 April 2022 to 31 March 2024.

Both contract extensions have been exercised and the current extension period is due to expire on 31 March 2024.

Under Regulation 34 (Dynamic Purchasing Systems), Contracting Authorities, are permitted to extend the period of validity of Dynamic Purchasing Systems (DPS). Regulation 34 (27) requires that Contracting Authorities to indicate the period of validity of the dynamic purchasing system in the call for competition, and Regulation 34 (28) requires Contracting Authorities to notify any change in the period of validity, using the following standard forms: —

(a) where the period of validity is changed without terminating the system, the form used initially for the call for competition for the dynamic purchasing system;

As the UK has now exited the EU, there is no requirement for Contracting Authorities to notify the Commission. However, a change to the period of validity of the DPS, may be notified through a contract award notice under Regulation 50.

Additionally, the period for Expressions of Interests for the DPS in the original tender was from 5 April 2016 to 5 April 2024. By extending the DPS, the intention is to extend the Expression of Interest window further, thus ensuring that new suppliers will be able to apply to be placed on the DPS, thereby ensuring that no potential supplier is deprived of the opportunity to participate in the DPS.

Regulation 72 (Modification of Contracts during their term) permits Contracting Authorities to modify contracts and framework agreements, without a new procurement procedure, 72(1)(b) for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—

(i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or

(ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority,

provided that any increase in price does not exceed 50% of the value of the original contract. The value of the original contract was £800m

An extension to the DPS is necessary to enable the council to undertake a detailed Cost of Care review of residential, nursing and respite care provision, which is likely to be completed by 28 February 2024. As such, the council will not be in a position to undertake a reprocurement, based on the outcome of the review, in time for a new service to be in place by 1 April 2024. Therefore, a change is not proposed at this time for economic or technical reasons. Any procurement of the service, prior to the completion of the Cost of Care review, will cause significant inconvenience and substantial duplication of cost, as the procurement will need to be undertaken again on completion of the Cost of Care review. It is also unlikely that a procurement will attract market interest, as providers may be reluctant to bid, prior to the completion of the Cost of Care review.

Commissioners received legal advice stating there remains a certain level of risk highlighted in terms of extending. However, provided the council ensure that existing and new suppliers are treated equally in terms of the extension the likelihood of a risk of a provider challenging the extension of an open DPS may be considered relatively low with the application of the principle in Regulation 34 (28).

Equalities implications: To ensure KCC's statutory obligations under the Equalities Act 2010 are met, a full Equality Impact Assessment (EqIA) has been undertaken for recommissioning purposes. This has also been considered for the purposes of the contract extension and no major issues were identified. This will be refreshed to encompass any new negative or positive impacts identified due to the new service model.

New providers joining the DPS during the contract extension will need to continue to demonstrate that they have policies and procedures in place that ensure their compliance with Equality Act 2010.

Data Protection Implications: A Data Protection Impact Assessment (DPIA) has been completed and no anticipated new data protection implications have been identified. Providers tendering for the contract extension will be expected to undertake a DPIA as part of their tender submission.

Cabinet Committee recommendations and other consultation: The proposed decision will be discussed at the Adult Social Care Cabinet Committee on 18 January 2024 and the outcome included in the paperwork which the Cabinet Member will be asked to sign.

Any alternatives considered and rejected: The council can choose not to extend the current contract and let it end on 31 March 2024. However, there are significant risks to choosing this option and no benefits have been identified. The risks are set out below:

Legal and Policy: The council commissions residential and nursing care services for older persons from the independent sector to meet the needs of individuals deemed to be eligible in accordance with and following a Care Act assessment. If the contract ends the council will be pressured to fully meet its statutory obligation under the Care Act with regards to providing a high quality, safe service that is at an affordable price.

Financial: A lack of robust fee setting mechanisms and contractual leverage may result in a significant increase in placement costs which will be challenging to control. Savings targets set out by the council and to be met through greater partnership working and negotiation will be difficult to achieve through spot purchasing agreements and providers will be within their right to give notice on individual placements that may be hard to source at an affordable price.

Reputational: A shift to partnership working with providers will be challenged as the expectation from providers is that the contractual arrangements with the authority will be maintained due to the mutual benefits to both parties. People using this service expect a robust oversight of the service and the perception will be that this is not the case if the service is not part of a KCC Contract.

Resource Implications: If the contract ends there will be a requirement for the review, renegotiation and repurchasing of all individual placements with new contract and terms and conditions established. This will also require significant system and process updates.

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

.....
signed

.....
date

EQIA Submission – ID Number

Section A

EQIA Title

Recommissioning of the Older Persons Residential and Nursing Contract

Responsible Officer

Stella Ajuwa - ST SC

Type of Activity

Service Change

No

Service Redesign

No

Project/Programme

No

Commissioning/Procurement

Commissioning/Procurement

Strategy/Policy

No

Details of other Service Activity

No

Accountability and Responsibility

Directorate

Adult Social Care and Health

Responsible Service

Strategic and Corporate Services

Responsible Head of Service

Simon Mitchell - ST SC

Responsible Director

Clare Maynard - ST SC

Aims and Objectives

The Council has a statutory duty to provide services to those people who require care. The Authority currently commissions a range of adult social care services from the independent sector to meet the needs of individuals deemed to be eligible in accordance with the Care Act 2014 following a Care Act assessment. The Older Persons Residential and Nursing care services fall under the Adult Social Care function within the Council.

The current Older Persons Residential and Nursing Contract started 1 April 2016 and is due to expire on 31st March 2024. The aim of the recommissioning is to ensure the right residential and nursing accommodation is available for the people of Kent.

As part of the recommissioning, an equality impact analysis was carried out which identified both positive and negative impacts on the intended client group. As the contract is mainly for people aged 65 years and over with support needs including disabilities, the analysis highlighted a need to have mitigations in place to manage the changes the recommissioning of the contract will bring. This includes having an open DPS model to encourage current providers to retender for the contract thereby minimising disruption, working closely with operational teams to manage anxieties and working with placement teams on the repurchasing of a new service within the new contract.

On the other hand, there will also be positive impacts of the recommissioning as clients in need of residential and nursing accommodation will be able to have their needs met in an appropriate setting.

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?

Adult Social Care and Health Colleagues
Short Term Pathways
Providers- Partially done
Service users- To be done

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

No

Are there any positive impacts for all or any of the protected groups as a result of the activity that you are doing?

Yes

Details of Positive Impacts

Age: Contract is mostly for persons aged 65 years and the recommissioning will ensure that people in need of care homes across Kent can do so at a fair price. The recommissioning will also consider current gaps in service provision such as those in need of a bariatric service as well as a separate health lot that will enable quicker discharges into the community

Disability: People's health and disability needs can be met within the most appropriate setting as contract will have a range of bed types dedicated to their needs. The contract also aims to ensure that there are outcomes focused KPIs that will require providers to evidence how they are delivering good quality care.

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

Possible risk that some providers may choose not to tender for new service or may not be successful with their application to join the DPS

Current residents may experience anxiety as a result of the recommissioning activity as it may bring on change

Mitigating Actions for Age
Open DPS Model to allow for providers to join at anytime and attract new business
Negotiations and support to providers who are unsuccessful
Involve residents and carry out engagement to reduce anxieties
Responsible Officer for Mitigating Actions – Age
Heidi Ward
20. Negative impacts and Mitigating actions for Disability
Are there negative impacts for Disability?
Yes
Details of Negative Impacts for Disability
Possible risk that some providers may choose not to tender for new service or may not be successful with their application to join the DPS leading to less providers
Current residents with disabilities may experience anxiety as a result of the recommissioning activity as it may bring on change
Mitigating actions for Disability
Open DPS Model to allow for providers to join at anytime and attract new business
Negotiations and support to providers who are unsuccessful
Involve residents and carry out engagement activities to reduce anxieties
Responsible Officer for Disability
Heidi Ward
21. Negative Impacts and Mitigating actions for Sex
Are there negative impacts for Sex
No. Note: If Question 21a is "No", Questions 21b,c,d will state "Not Applicable" when submission goes for approval
Details of negative impacts for Sex
Not Completed
Mitigating actions for Sex
Not Completed
Responsible Officer for Sex
Not Completed
22. Negative Impacts and Mitigating actions for Gender identity/transgender
Are there negative impacts for Gender identity/transgender
No. Note: If Question 22a is "No", Questions 22b,c,d will state "Not Applicable" when submission goes for approval
Negative impacts for Gender identity/transgender
Not Completed
Mitigating actions for Gender identity/transgender
Not Completed
Responsible Officer for mitigating actions for Gender identity/transgender
Not Completed
23. Negative impacts and Mitigating actions for Race
Are there negative impacts for Race
No. Note: If Question 23a is "No", Questions 23b,c,d will state "Not Applicable" when submission goes for approval
Negative impacts for Race
Not Completed

Mitigating actions for Race
Not Completed
Responsible Officer for mitigating actions for Race
Not Completed
24. Negative impacts and Mitigating actions for Religion and belief
Are there negative impacts for Religion and belief
No. Note: If Question 24a is "No", Questions 24b,c,d will state "Not Applicable" when submission goes for approval
Negative impacts for Religion and belief
Not Completed
Mitigating actions for Religion and belief
Not Completed
Responsible Officer for mitigating actions for Religion and Belief
Not Completed
25. Negative impacts and Mitigating actions for Sexual Orientation
Are there negative impacts for Sexual Orientation
No. Note: If Question 25a is "No", Questions 25b,c,d will state "Not Applicable" when submission goes for approval
Negative impacts for Sexual Orientation
Not Completed
Mitigating actions for Sexual Orientation
Not Completed
Responsible Officer for mitigating actions for Sexual Orientation
Not Completed
26. Negative impacts and Mitigating actions for Pregnancy and Maternity
Are there negative impacts for Pregnancy and Maternity
No. Note: If Question 26a is "No", Questions 26b,c,d will state "Not Applicable" when submission goes for approval
Negative impacts for Pregnancy and Maternity
Not Completed
Mitigating actions for Pregnancy and Maternity
Not Completed
Responsible Officer for mitigating actions for Pregnancy and Maternity
Not Completed
27. Negative impacts and Mitigating actions for Marriage and Civil Partnerships
Are there negative impacts for Marriage and Civil Partnerships
No. Note: If Question 27a is "No", Questions 27b,c,d will state "Not Applicable" when submission goes for approval
Negative impacts for Marriage and Civil Partnerships
Not Completed
Mitigating actions for Marriage and Civil Partnerships
Not Completed
Responsible Officer for Marriage and Civil Partnerships
Not Completed
28. Negative impacts and Mitigating actions for Carer's responsibilities
Are there negative impacts for Carer's responsibilities
No. Note: If Question 28a is "No", Questions 28b,c,d will state "Not Applicable" when submission goes for approval
Negative impacts for Carer's responsibilities
Not Completed

Mitigating actions for Carer's responsibilities

Not Completed

Responsible Officer for Carer's responsibilities

Not Completed

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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From: Dan Watkins, Cabinet Member for Adult Social Care and Public Health
Richard Smith, Corporate Director Adult Social Care and Health

To: Adult Social Care Cabinet Committee – 18 January 2024

Subject: **CARE AND SUPPORT IN THE HOME CONTRACT EXTENSION**

Key decision: 24/00003

Classification: Unrestricted

Past Pathway of report: N/A

Future Pathway of report: Cabinet Member decision

Electoral Division: All

Summary Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy Kent identify New Models of Care and Support as a key priority by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

To help achieve this, the council has procured external expertise to carry out a detailed assessment of the cost of care while exploring and determining the best contracting models which support an integrated approach to future health and social care models. The outcome of this assessment will not be completed until March 2024.

The current Care and Support in the Home contract is due to end on 7 April 2024, with provision for an extension of up to three years. Given the scale of the current contract and the anticipated impact of new models of care, it is recommended that the contract is extended, this will secure the safe continuation of provision whilst the assessment and review is undertaken, the findings are fully considered, and a new service put in place.

Recommendations: The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make **RECOMMENDATIONS** to the Cabinet Member for Adult Social Care and Public Health on the proposed decision (Attached as Appendix A) to:

- a) **EXTEND** the Care and Support in the Home contract, for a maximum of up to three years from 1 April 2024 to 31 March 2027; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and

entering into required contracts or other legal agreements, as necessary to implement the decision.

1 Introduction

- 1.1 The Care and Support in the Home commenced in 2019, for an initial period of four years, with options to extend. The current Care and Support in the Home contract is due to end on 7 April 2024 and there is an optional three-year extension built into the contract, which could take the contract through to 7 April 2027.
- 1.2 The contract is by way of closed framework with 30 providers on the framework. However, this contract and the provider market have been significantly impacted through the COVID period, with a large proportion of off framework providers (over 100) now being used.
- 1.3 There are currently on average 72,000 calls per week to people who are supported.
- 1.4 The contract includes provision to cover domiciliary care, supporting independence services (SIS), Extra Care background support hours, Care and Support in Prisons. The contract is divided by geographical provision (clusters) to cover Urban and Rural areas.

2 Background

- 2.1 The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission (CQC) clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.
- 2.2 Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy Kent identify New Models of Care and Support as a key priority by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.
- 2.3 To help achieve this, the council has procured external expertise to undertake three distinct pieces of work that will help with the redesign of a new service:
 1. A comprehensive assessment, along the lines of the 'cost of care' exercise to examine the pattern of current and future demands. This will lead to determination of the appropriate fee setting mechanism and contractual models for supporting needs and aspirations, which will be more in line with peoples' preferences but at the right price.
 2. To determine how a new service will support the delivery of the ambitions of the Integrated Care Board (ICB) to embed collaboration across the health and social care system and to support sustainability and efficiency

within the sector by considering factors such as pooled budgets and contracting models.

3. To consider a joined-up contract model that aims to reduce the residential care market while considering associated pressures and demand for other adult social care service provisions such as the homecare market.

2.4 Outcomes to be achieved:

- The Older Person: To ensure people of Kent are in the right place with the right care and receive seamless high-quality, cost-effective care and positive outcomes.
- Quality of Care: Sustainable range of regulated care services that provides consistent high-quality, safe and supportive care which meets people's needs in a regulated care service that is rated by CQC as outstanding or good.
- Value for Money: Ensures competition within the market that drives up quality alongside achieving cost efficiencies and ensuring value for money.

2.5 This will help inform the commissioning intentions for adult social care services and provide commissioners with the required information to design new specifications and a robust commissioning and procurement process.

2.6 The commissioning exercise will include extensive engagement with people who use care and support services to develop a new specification which ensures high quality and cost-effective services in the future.

2.7 This is a demand driven service and due to increases in complexity, increased demand and fees in excess of that funded for inflation, spend has grown year on year. It is recognised that during the contract extension period mitigations will be put in place to help halt the increased spend to the service through the development of a robust savings action plan. This will require a collaborative approach across Kent County Council (KCC) and NHS Kent and Medway ICB colleagues and proactively engaging with providers to determine fair costs for both legacy and new placements.

2.8 The council will need to consider looking to develop alternative care and support offers which support people to remain in their own home for longer. These include an enhanced technology offer, integrated reablement service, homecare offer, increasing direct payments and support that can be purchased such as personal assistants and niche services delivered by the voluntary sector and micro providers.

2.9 Commissioners will develop new models, supported by the cost of care exercise completed by the external consultants, which will ensure best value for future services. The extension will allow this activity to be completed.

2.10 An extension to the current contract is required to allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be

finalised until March 2024. This will enable a full procurement process to commence once the extension to the contract has been implemented.

- 2.11 The proposed contract extension will be put in place for a maximum of three years. However, a robust reprocurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.
- 2.12 Subject to the outcome of the work currently being undertaken by consultants, we expect to commence the procurement process in April 2024 with a view to implement from early in 2025.
- 2.13 A programme plan detailing the re-design and procurement timeline will be developed and shared with members of the committee once the consultancy project has been completed.

3. The consequences of not extending the current contract

- 3.1 The council can choose not to extend the current contract. However, there are significant risks, as set out below, to choosing this option and no benefits have been identified.
- 3.2 Legal and Policy: The council commissions services from the independent sector to meet the needs of individuals deemed to be eligible in accordance with and following a Care Act assessment. If the contract ends the council will be pressured to fully meet its statutory obligation under the Care Act with regards to providing a high quality, safe service that is at an affordable price.
- 3.3 Financial: A lack of robust fee setting mechanisms and contractual leverage may result in a significant increase in placement costs which will be challenging to control. Savings targets set out by the council and to be met through greater partnership working and negotiation will be difficult to achieve through spot purchasing agreements and providers will be within their right to give notice on individual placements that may be hard to source at an affordable price.
- 3.4 Reputational: A shift to partnership working with providers will be challenged as the expectation from providers is that the contractual arrangements with the council will be maintained due to the mutual benefits to both parties. People using this service expect a robust oversight of the service and the perception will be that this is not the case if the service is not part of a KCC Contract.
- 3.5 Resource Implications: If the contract ends there will be a requirement for the review, renegotiation, and repurchasing of all individual placements with new contract and terms and conditions established. This will also require significant system and process updates.

4. Financial Implications

4.1 The initial contract cost is set out below along with the current cost. Various market pressures and increase in demand and complexity of care has resulted in an increased spend on the service. Robust actions are being put in place to limit this spend.

Contract	Initial contract cost advertised (per annum)	2022/23 spend
Care and Support in the Home	£110,000,000	£76,000,000

4.2 Dedicated commissioning and finance resources will be required to ensure a collaborative approach to determine a robust fee model and pricing guide and the identification of any financial risk.

5. Legal implications

5.2 The extension is necessary to enable the council to undertake a detailed Cost of Care review, which is likely to be completed by 28 February 2024. As such, the council will not be in a position to undertake a reprocurement, based on the outcome of the review, in time for a new service to be in place in 2024. Therefore, a change is not proposed at this time for economic or technical reasons. Any procurement of the service, prior to the completion of the Cost of Care review, will cause significant inconvenience and substantial duplication of cost. It is also unlikely that a procurement will attract market interest, as providers may be reluctant to bid, prior to the completion of the Cost of Care review.

5.3 An extension is available to be utilised in the contract. The extension was included in the Contract/PIN Notice advertising the original procurement of the service and therefore the extension is permissible and compliant under PCR 2015 regulations.

6. Equalities implications

6.2 To ensure KCC’s statutory obligations under the Equalities Act 2010 are met, a full Equality Impact Assessment (EqIA) has been undertaken for recommissioning purposes (Attached as Appendix 1). This has also been considered for the purposes of the contract extension and no major issues were identified. This will be refreshed to encompass any new negative or positive impacts identified due to the new service model.

7. Data Protection Implications

7.2 A Data Protection Impact Assessment has been completed and no anticipated new data protection implications have been identified.

8. Conclusions

- 8.1 The Care and Support in the Home commenced in 2019, for an initial period of four years, with options to extend. The current Care and Support in the Home contract end date is 7 April 2024 and there is an optional three-year extension built into the contract, which could take the contract through to 7 April 2027.
- 8.2 External expertise has been procured to support the redesign of services for people in Kent. Given the scale of the current contract and the anticipated impact of new models of care, it is recommended that the current Care and Support in the Home contract is extended for a maximum of up to three years from 1 April 2024 to 31 March 2027. This will secure the safe continuation of provision whilst the proposed findings from the consultants is fully considered and new services put in place.

9. Recommendations

9.1 Recommendations: The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make **RECOMMENDATIONS** to the Cabinet Member for Adult Social Care and Public Health on the proposed decision (attached as appendix A) to:

a) **EXTEND** the Care and Support in the Home contract, for a maximum of up to three years from 1 April 2024 to 31 March 2027; and

b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decisions.

10. Background Documents

None

11. Report Author

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KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

**Cabinet Member for
Adult Social Care and Public Health**

DECISION NO:

23/00003

For publication Yes

Key decision: Yes

Title of Decision: CARE AND SUPPORT IN THE HOME CONTRACT EXTENSION

Decision: As Cabinet Member for Adult Social Care and Public Health, I propose to:

- a) **EXTEND** the Care and Support in the Home contract, for a maximum of up to three years from 1 April 2024 to 31 March 2027; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

Reasons for decision: The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission (CQC) clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.

Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy, identify New Models of Care and Support as key priorities by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

To help achieve this, the council has procured external expertise to undertake three distinct pieces of work that will help with the redesign of a new service. This will help inform the commissioning intentions for adult social care services and provide commissioners with the required information to design new specifications and a robust commissioning and procurement process.

The commissioning exercise will include extensive engagement with people who use care and support services to develop a new specification which ensures high quality and cost-effective services in the future.

This is a demand driven service and due to increases in complexity, increased demand and fees in excess of that funded for inflation, spend has grown year on year. It is recognised that during the contract extension period mitigations will be put in place to help halt the increased spend to the service through the development of a robust savings action plan. This will require a collaborative approach across Kent County Council and NHS Kent and Medway Integrated Care Board colleagues and proactively engaging with providers to determine fair costs for both legacy and new placements.

The council will need to consider looking to develop alternative care and support offers which support people to remain in their own home for longer. These include an enhanced technology offer, integrated reablement service, homecare offer, increasing direct payments and support that can be purchased such as personal assistants and niche services delivered by the voluntary sector and micro providers.

Commissioners will develop new models, supported by the cost of care exercise completed by the external consultants, which will ensure best value for future services. The extension will allow this activity to be completed.

The Contract is by way of closed framework with 30 providers on the framework. However this contract and the provider market has been significantly impacted through the COVID period, with a large proportion of off framework providers (over 100) now being used.

There are currently on average 72,000 calls per week to people that are supported.

The contract includes provision to cover domiciliary care, supporting independence services (SIS), Extra Care background support hours, Care and Support in Prisons. The contract is divided by geographical provision (clusters) to cover Urban and Rural areas.

The Care and Support in the Home commenced in 2019, for an initial period of four years, with options to extend. The current Care and Support in the Home contract end date is 7 April 2024 and there is an optional three-year extension built into the contract, which could take the contract through to 7 April 2027.

An extension to the current contract is required to allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence once the extension to the contract has been implemented.

The proposed contract extension will be put in place for a maximum of three years. However, a robust reprocurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.

Subject to the outcome of the work currently being undertaken by consultants, we expect to commence the procurement process in April 2024 with a view to implement from early in 2025.

Financial Implications: The initial contract cost is set out below along with the current cost. Various market pressures and increase in demand and complexity of care has resulted in an increased spend on the service. Robust actions are being put in place to curb this spend.

Contract	Initial contract cost advertised (per annum)	2022/23 spend
Care and Support in the Home	£110,000,000	£76,000,000

Dedicated commissioning and finance resources will be required to ensure a collaborative approach to determine a robust fee model and pricing guide and the identification of any financial risk.

Legal implications: An extension is necessary to enable the council to undertake a detailed Cost of Care review, which is likely to be completed by 28 February 2024. As such, the council will not be in a position to undertake a reprocurement, based on the outcome of the review, in time for a new service to be in place in 2024. Therefore, a change is not proposed at this time for economic or technical reasons. Any procurement of the service, prior to the completion of the Cost of Care review, will cause significant inconvenience and substantial duplication of cost. It is also unlikely that a procurement will attract market interest, as providers may be reluctant to bid, prior to the completion of the Cost of Care review.

An extension is available to be utilised in the contract. The extension was included in the Contract / PIN Notice advertising the original procurement of this service and therefore the extension is permissible and compliant under PCR 2015 regulations.

Equalities implications: To ensure KCC's statutory obligations under the Equalities Act 2010 are met, a full Equality Impact Assessment (EqIA) has been undertaken for recommissioning purposes. This has also been considered for the purposes of the contract extension and no major issues were identified. This will be refreshed to encompass any new negative or positive impacts identified due to the new service model.

Data Protection Implications: A Data Protection Impact Assessment has been completed and no anticipated new data protection implications have been identified.

Cabinet Committee recommendations and other consultation: The proposed decision will be discussed at the Adult Social Care Cabinet Committee on 18 January 2024 and the outcome included in the paperwork which the Cabinet Member will be asked to sign.

Any alternatives considered and rejected: The council can choose not to extend the current contract. However, there are significant risks, as set out below, to choosing this option and no benefits have been identified.

Legal and Policy: The council commissions services from the independent sector to meet the needs of individuals deemed to be eligible in accordance with and following a Care Act assessment. If the contract ends the council will be pressured to fully meet its statutory obligation under the Care Act with regards to providing a high quality, safe service that is at an affordable price.

Financial: A lack of robust fee setting mechanisms and contractual leverage may result in a significant increase in placement costs which will be challenging to control. Savings targets set out by the council and to be met through greater partnership working and negotiation will be difficult to achieve through spot purchasing agreements and providers will be within their right to give notice on individual placements that may be hard to source at an affordable price.

Reputational: A shift to partnership working with providers will be challenged as the expectation from providers is that the contractual arrangements with the authority will be maintained due to the mutual benefits to both parties. People using this service expect a robust oversight of the service and the perception will be that this is not the case if the service is not part of a KCC Contract.

Resource Implications: If the contract ends there will be a requirement for the review, renegotiation, and repurchasing of all individual placements with new contract and terms and conditions established. This will also require significant system and process updates.

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

.....
signed

.....
date

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EQIA Submission Draft Working Template

If required, this template is for use prior to completing your EQIA Submission in the EQIA App.

You can use it to understand what information is needed beforehand to complete an EQIA submission online, and also as a way to collaborate with others who may be involved with the EQIA.

Note: You can upload this into the App when complete if it contains more detailed information than the App asks for and you wish to retain this detail.

Section A

1. Name of Activity (EQIA Title):

Proposed extensions for the following ASC contracts:

- Care and Support in the Home Contract
- Learning Disability, Physical Disability and Mental Health Residential Care Home Services
- Supported Living Contract

2. Directorate

Adult Social Care and Health

3. Responsible Service/Division

Adults and Integrated Commissioning

Accountability and Responsibility

4. Officer completing EQIA

Note: This should be the name of the officer who will be submitting the EQIA onto the App.

Simon Mitchell

5. Head of Service

Note: This should be the Head of Service who will be approving your submitted EQIA.

Simon Mitchell

6. Director of Service

Note: This should be the name of your responsible director.

Richard Ellis

The type of Activity you are undertaking

7. What type of activity are you undertaking?

Service Change – operational changes in the way we deliver the service to people. Answer Yes/No

No

Service Redesign – restructure, new operating model or changes to ways of working. Answer Yes/No

No

Project/Programme – includes limited delivery of change activity, including partnership projects, external funding projects and capital projects. Answer Yes/No

No

Commissioning/Procurement – means commissioning activity which requires commercial judgement. Answer Yes/No

Yes

Strategy /Policy – includes review, refresh or creating a new document. Answer Yes/No
No
Other – Please add details of any other activity type here.
8. Aims and Objectives and Equality Recommendations – Note: You will be asked to give a brief description of the aims and objectives of your activity in this section of the App, along with the Equality recommendations. You may use this section to also add any context you feel may be required.
<p>The following contracts all commenced in 2019, for an initial period of four years, with options to extend.</p> <ul style="list-style-type: none"> • The Care and Support in the Home contract end date is 7 April 2024 and there is an optional three-year extension built into the contract, which could take the contract through to 7 April 2027. • The Supported Living contract end date is 14 June 2024 and there is an optional 3-year extension built into the contract, which could take the contract through to 14 June 2027. • The Learning Disability, Physical Disability and Mental Health Residential Care Home Services contract ends on 14 June 2024 and there are two, 2-year extensions built into the contract, which could take the contract through to 14 June 2028. The decision seeks to utilise the first of these two-year extensions from 15 June 2024 to 14 June 2026. <p>An extension to the current contract is required to allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence once the extension to the contract has been implemented.</p> <p>The proposed contract extension will be put in place for a maximum of three years. However, a robust reprocurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.</p> <p>Subject to the outcome of the work currently being undertaken by consultants, we expect to commence the procurement process in April 2024 with a view to implement from early in 2025.</p> <p>The proposed decision supports objective 2 of Securing Kent’s Future to deliver savings from identified opportunity areas to set a sustainable 2024/25 budget and MTFP and priority 4 of Framing Kent’s Future – New Models of Care and Support.</p> <p>The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission (CQC) clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.</p> <p>Framing Kent’s Future and Securing Kent’s Future and the Adult Social Care Making a Difference Everyday Strategy, identify New Models of Care and Support as key priorities by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.</p>
Section B – Evidence
<i>Note: For questions 9, 10 & 11 at least one of these must be a 'Yes'. You can continue working on the EQIA in the App, but you will not be able to submit it for approval without this information.</i>
9. Do you have data related to the protected groups of the people impacted by this activity? Answer: Yes/No
Yes
10. Is it possible to get the data in a timely and cost effective way? Answer: Yes/No
Yes
11. Is there national evidence/data that you can use? Answer: Yes/No
Yes

12. Have you consulted with Stakeholders? <i>Answer: Yes/No</i> <i>Stakeholders are those who have a stake or interest in your project which could be residents, service users, staff, members, statutory and other organisations, VCSE partners etc.</i>
Yes
13. Who have you involved, consulted and engaged with? <i>Please give details in the box provided. This may be details of those you have already involved, consulted and engaged with or who you intend to do so with in the future. If the answer to question 12 is 'No', please explain why.</i>
<ul style="list-style-type: none"> • Strategic Partners (Providers) • NHS • KCC Adult Social Care • KCC Legal team
14. Has there been a previous equality analysis (EQIA) in the last 3 years? <i>Answer: Yes/No</i>
No
15. Do you have evidence/data that can help you understand the potential impact of your activity? <i>Answer: Yes/No</i>
No
Uploading Evidence/Data/related information into the App <i>Note: At this point, you will be asked to upload the evidence/ data and related information that you feel should sit alongside the EQIA that can help understand the potential impact of your activity. Please ensure that you have this information to upload as the Equality analysis cannot be sent for approval without this.</i>
Section C – Impact
16. Who may be impacted by the activity? <i>Select all that apply.</i>
Service users/clients - <i>Answer: Yes/No</i>
Yes
Residents/Communities/Citizens - <i>Answer: Yes/No</i>
Yes
Staff/Volunteers - <i>Answer: Yes/No</i>
Yes
17. Are there any positive impacts for all or any of the protected groups as a result of the activity that you are doing? <i>Answer: Yes/No</i>
Yes
18. Please give details of Positive Impacts
Current services remain unchanged or affected
Negative Impacts and Mitigating Actions The questions in this section help to think through positive and negative impacts for people affected by your activity. Please use the Evidence you have referred to in Section B and explain the data as part of your answer.
19. Negative Impacts and Mitigating actions for Age
a) Are there negative impacts for Age? <i>Answer: Yes/No</i> <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Age

Current services remain unchanged or affected
c) Mitigating Actions for Age
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Age
Commissioner and Provider
20. Negative Impacts and Mitigating actions for Disability
a) Are there negative impacts for Disability? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Disability
Current services remain unchanged or affected
c) Mitigating Actions for Disability
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Disability
Commissioner and Provider
21. Negative Impacts and Mitigating actions for Sex
a) Are there negative impacts for Sex? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Sex
Current services remain unchanged or affected
c) Mitigating Actions for Sex
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Sex
Commissioner and Provider
22. Negative Impacts and Mitigating actions for Gender identity/transgender
a) Are there negative impacts for Gender identity/transgender? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Gender identity/transgender
Current services remain unchanged or affected
c) Mitigating actions for Gender identity/transgender
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Gender identity/transgender
Commissioner and Provider
23. Negative Impacts and Mitigating actions for Race
a) Are there negative impacts for Race? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Race
Current services remain unchanged or affected
c) Mitigating Actions for Race
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions – Race
Commissioner and Provider
24. Negative Impacts and Mitigating actions for Religion and belief
a) Are there negative impacts for Religion and Belief? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Religion and belief
Current services remain unchanged or affected

c) Mitigating Actions for Religion and belief
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Religion and belief
Commissioner and Provider
25. Negative Impacts and Mitigating actions for Sexual Orientation
a) Are there negative impacts for sexual orientation. Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Sexual Orientation
Current services remain unchanged or affected
c) Mitigating Actions for Sexual Orientation
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Sexual Orientation
Commissioner and Provider
26. Negative Impacts and Mitigating actions for Pregnancy and Maternity
a) Are there negative impacts for Pregnancy and Maternity? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Pregnancy and Maternity
Current services remain unchanged or affected
c) Mitigating Actions for Pregnancy and Maternity
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Pregnancy and Maternity
Commissioner and Provider
27. Negative Impacts and Mitigating actions for marriage and civil partnerships
a) Are there negative impacts for Marriage and Civil Partnerships? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Marriage and Civil Partnerships
Current services remain unchanged or affected
c) Mitigating Actions for Marriage and Civil Partnerships
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Marriage and Civil Partnerships
Commissioner and Provider
28. Negative Impacts and Mitigating actions for Carer's responsibilities
a) Are there negative impacts for Carer's responsibilities? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Carer's Responsibilities
Current services remain unchanged or affected
c) Mitigating Actions for Carer's responsibilities
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Carer's Responsibilities
Commissioner and Provider

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From: Dan Watkins, Cabinet Member for Adult Social Care and Public Health
Richard Smith, Corporate Director Adult Social Care and Health

To: Adult Social Care Cabinet Committee – 18 January 2024

Subject: **LEARNING DISABILITY, PHYSICAL DISABILITY AND MENTAL HEALTH RESIDENTIAL CARE HOME SERVICES – CONTRACT EXTENSION**

Decision Number 24/00004

Classification: Unrestricted

Past Pathway of report: N/A

Future Pathway of report: Cabinet Member decision

Electoral Division: All

Summary Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy Kent identify New Models of Care and Support as a key priority by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

To help achieve this, the council has procured external expertise to carry out a detailed assessment of the cost of care while exploring and determining the best contracting models which support an integrated approach to future health and social care models. The outcome of this assessment will not be completed until March 2024.

The current Residential Care Home Services (Learning Disability, Physical Disability and Mental Health) contract is due to end on 14 June 2024 and there are two, two-year extensions built into the contract. Given the scale of the current contract and the anticipated impact of new models of care, it is recommended that the contract is extended, this will secure the safe continuation of provision whilst the assessment and review are undertaken, the findings are fully considered, and a new service put in place.

The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make **RECOMMENDATIONS** to the Cabinet Member for Adult Social Care and Public Health on the proposed decision (Attached as Appendix A) to:

a) **EXTEND** the Residential Care Home Services (Learning Disability, Physical Disability and Mental Health) contract for a maximum of up to two years from 15 June 2024 to 14 June 2026; and

b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decisions.

1 Introduction

- 1.1 The Learning Disability, Physical Disability and Mental Health Residential Care Home Services contract commenced in 2019, for an initial period of four years, with options to extend.
- 1.2 The current Learning Disability, Physical Disability and Mental Health Residential Care Home Services contract is due to end on 14 June 2024 and there are two, two-year extensions built into the contract. It is proposed to use the first of these two-year extensions to extend the current contract from 15 June 2024 to 14 June 2026.
- 1.3 There are currently 881 people placed in a residential care home setting through this contract, and a further 523 people placed in residential care homes outside of the contract. Not all placements and/or homes will be within Kent.
- 1.4 The contract is by way of an open Dynamic Purchasing System (DPS) that allows the council to add new providers during the lifetime of the contract having passed the relevant selection criteria. The DPS provides a high level of flexibility that allows for market development and new purchasing opportunities if, and when required.
- 1.5 The service/contract above should be considered in the context of the external and internal pressures which have significantly changed from when the contract was initiated in 2019. These pressures include:
 - The demand for care and support for people with a greater level of complexity of need.
 - Inflationary pressures and financial sustainability issues.
 - Increased placement costs seen across Kent and nationally.
 - Workforce pressures and the recruitment and retention of high quality staff
 - Quality issues resulting in poor CQC rating and contract suspensions.

2 Background

- 2.1 The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission (CQC) clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.
- 2.2 Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy, identify New Models of Care and Support as key priorities by recognising the importance of health and social

care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

- 2.3 To help achieve this, the council has procured external expertise to undertake three distinct pieces of work that will help with the redesign of a new service:
1. A comprehensive assessment, along the lines of the 'cost of care' exercise to examine the pattern of current and future demands. This will lead to determination of the appropriate fee setting mechanism and contractual models for supporting needs and aspirations, which will be more in line with peoples' preferences but at the right price.
 2. To determine how a new service will support the delivery of the ambitions of the Integrated Care Board (ICB) to embed collaboration across the health and social care system and to support sustainability and efficiency within the sector by considering factors such as pooled budgets and contracting models.
 3. To consider a joined up contract model that aims to reduce the residential care market while considering associated pressures and demand for other adult social care service provisions such as the homecare market.
- 2.4 Outcomes to be achieved:
- The Older Person: To ensure people of Kent are in the right place with the right care and receive seamless high-quality, cost-effective care and positive outcomes.
 - Quality of Care: Sustainable range of regulated care services that provides consistent high quality, safe and supportive care that meets people's needs in a regulated care service that is rated by CQC as outstanding or good.
 - Value for Money: Ensures competition within the market that drives up quality alongside achieving cost efficiencies and ensuring value for money.
- 2.5 This will help inform the commissioning intentions for adult social care services and provide commissioners with the required information to design new specifications and a robust commissioning and procurement process.
- 2.6 The commissioning exercise will include extensive engagement with people who use care and support services to develop a new specification which ensures high quality and cost-effective services in the future.
- 2.7 This is a demand driven service and due to increases in complexity, increased demand and fees in excess of that funded for inflation, spend has grown year on year. It is recognised that during the contract extension period mitigations will be put in place to help halt the increased spend to the service through the development of a robust savings action plan. This will require a collaborative approach across KCC and NHS Kent and Medway ICB colleagues and proactively engaging with providers to determine fair costs for both legacy and new placements.

- 2.8 The council will need to consider looking to develop alternative care and support offers which support people to remain in their own home for longer. These include an enhanced technology offer, integrated reablement service, homecare offer, increasing direct payments and support that can be purchased such as personal assistants and niche services delivered by the voluntary sector and micro providers.
- 2.9 Commissioners will develop new models, supported by the cost of care exercise completed by the external consultants, which will ensure best value for future services. The extension will allow this activity to be completed.
- 2.10 An extension to the current contract is required to allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence once the extension to the contract has been implemented.
- 2.11 The proposed extension period will be put in place for a maximum of up to two years. However, a robust reprocurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.
- 2.12 Subject to the outcome of the work currently being undertaken by consultants, we expect to commence the procurement process in April 2024 with a view to implement from early in 2025.
- 2.13 A programme plan detailing the re-design and procurement timeline will be developed and shared with members of the committee once the consultancy project has been completed.

3. The consequences of not extending the current contract

- 3.1 The council can choose not to extend the current contract. However, there are significant risks, as set out below, to choosing this option and no benefits have been identified.
- 3.2 Legal and Policy: The council commissions services from the independent sector to meet the needs of individuals deemed to be eligible in accordance with and following a Care Act assessment. If the contract ends the council will be pressured to fully meet its statutory obligation under the Care Act with regards to providing a high quality, safe service that is at an affordable price.
- 3.3 Financial: A lack of robust fee setting mechanisms and contractual leverage may result in a significant increase in placement costs which will be challenging to control. Savings targets set out by the council and to be met through greater partnership working and negotiation will be difficult to achieve through spot purchasing agreements and providers will be within their right to give notice on individual placements that may be hard to source at an affordable price.

- 3.4 Reputational: A shift to partnership working with providers will be challenged as the expectation from providers is that the contractual arrangements with the Council will be maintained due to the mutual benefits to both parties. People using this service expect a robust oversight of the service and the perception will be that this is not the case if the service is not part of a KCC contract.
- 3.5 Resource Implications: If the contract ends there will be a requirement for the review, renegotiation, and repurchasing of all individual placements with new contract and terms and conditions established. This will also require significant system and process updates.

4. Financial Implications

- 4.1 The initial contract cost is set out below along with the current cost. Various market pressures and increase in demand and complexity of care has resulted in an increased spend on the service. Robust actions are being put in place to limit this spend.

Contract	Initial contract cost advertised (per annum)	2022/2023 spend
Learning Disability, Physical Disability and Mental Health Residential Care Home Services	£108,000,000	£138,000,000

- 4.2 Dedicated commissioning and finance resources will be required to ensure a collaborative approach to determine a robust fee model and pricing guide and the identification of any financial risk.

5. Legal implications

- 5.1 An extension is necessary to enable the council to undertake a detailed Cost of Care review, which is likely to be completed by 28 February 2024. As such, the council will not be in a position to undertake a reprocurement, based on the outcome of the review, in time for a new service to be in place in 2024. Therefore, a change is not proposed at this time for economic or technical reasons. Any procurement of the service, prior to the completion of the Cost of Care review, will cause significant inconvenience and substantial duplication of cost. It is also unlikely that a procurement will attract market interest, as providers may be reluctant to bid, prior to the completion of the Cost of Care review.
- 5.2 An extension is available to be utilised in the contract. The extension was included in the Contract/PIN Notice advertising the original procurement of the service and the extension is permissible and compliant under PCR 2015 regulations.

6. Equalities implications

- 6.1 To ensure KCC's statutory obligations under the Equalities Act 2010 are met, a full Equality Impact Assessment (EqIA) has been undertaken for recommissioning purposes (Attached as Appendix 1). This has also been considered for the purposes of the contract extension and no major issues were identified. This will be refreshed to encompass any new negative or positive impacts identified due to the new service model.

7. Data Protection Implications

- 7.1 A Data Protection Impact Assessment has been completed and no anticipated new data protection implications have been identified.

8. Conclusions

- 8.1 The Learning Disability, Physical Disability and Mental Health Residential Care Home Services contract commenced in 2019, for an initial period of four years, with options to extend. The current Learning Disability, Physical Disability and Mental Health Residential Care Home Services contract is due to end on 14 June 2024 and there are two, two-year extensions built into the contract.
- 8.2 External expertise has been procured to support the redesign of services for people in Kent. Given the scale of the current contract and the anticipated impact of new models of care, it is recommended that the current Learning Disability, Physical Disability and Mental Health Residential Care Home Services contract is extended for a maximum of up to two years from 15 June 2024 to 14 June 2026. This will secure the safe continuation of provision whilst the proposed findings from the consultants is fully considered and new services put in place.

9. Recommendations

- 9.1 Recommendations: The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make **RECOMMENDATIONS** to the Cabinet Member for Adult Social Care and Public Health on the proposed decision (Attached as Appendix A) to:
- a) **EXTEND** the Residential Care Home Services (Learning Disability, Physical Disability and Mental Health) Contract for a maximum of up to two years from 15 June 2024 to 14 June 2026; and
 - b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decisions.

10. Background Documents

None

11. Report Author

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Relevant Director

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KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Cabinet Member for
Adult Social Care and Public Health

DECISION NO:

24/00004

For publication: Yes

Key decision: YES

Title of Decision: LEARNING DISABILITY, PHYSICAL DISABILITY AND MENTAL HEALTH RESIDENTIAL CARE HOME SERVICES – CONTRACT EXTENSION

Decision: As Cabinet Member for Adult Social Care and Public Health, I propose to:
a) **EXTEND** the Learning Disability, Physical Disability and Mental Health Residential Care Home Services contract for a maximum of up to two years from 15 June 2024 to 14 June 2026; and
b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

Reason(s) for decision: The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission (CQC) clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.

Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy, identify New Models of Care and Support as key priorities by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

To help achieve this, the council has procured external expertise to undertake three distinct pieces of work that will help with the redesign of a new service. This will help inform the commissioning intentions for adult social care services and provide commissioners with the required information to design new specifications and a robust commissioning and procurement process.

The commissioning exercise will include extensive engagement with people who use care and support services to develop a new specification which ensures high quality and cost-effective services in the future.

This is a demand driven service and due to increases in complexity, increased demand and fees in excess of that funded for inflation, spend has grown year on year. It is recognised that during the contract extension period mitigations will be put in place to help halt the increased spend to the service through the development of a robust savings action plan. This will require a collaborative approach across Kent County Council (KCC) and NHS Kent and Medway Integrated Care Board (ICB) colleagues and proactively engaging with providers to determine fair costs for both legacy and new placements.

The council will need to consider looking to develop alternative care and support offers which support people to remain in their own home for longer. These include an enhanced technology offer, integrated reablement service, homecare offer, increasing direct payments and support that can be

purchased such as personal assistants and niche services delivered by the voluntary sector and micro providers.

Commissioners will develop new models, supported by the cost of care exercise completed by the external consultants, which will ensure best value for future services. The extensions will allow this activity to be completed.

The current Learning Disability, Physical Disability and Mental Health Residential Care Home Services contract ends on 14 June 2024 and there are two, 2-year extensions built into the contract, which could take the contract through to 14 June 2028. This decision seeks to utilise the first of these two-year extensions from 15 June 2024 to 14 June 2026.

An extension to the current contract will allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence once the extension to the contract has been implemented.

The proposed extension will be put in place for a maximum of up to two years. However, a robust reprocurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.

There are currently 881 people placed in a residential care home setting through this contract, and a further 523 people placed in residential care homes outside of the contract. Not all placements and/or homes will be within Kent.

The contract is by way of an open Dynamic Purchasing System (DPS) that allows the council to add new providers during the lifetime of the contract having passed the relevant selection criteria. The DPS provides a high level of flexibility that allows for market development and new purchasing opportunities if, and when required.

The services/contract should be considered in the context of the external and internal pressures which have significantly changed from when the contract was initiated in 2019.

Pressures include:

- The demand for care and support for people with a greater level of complexity of need.
- Inflationary pressures and financial sustainability issues.
- Increased placement costs seen across Kent and nationally.
- Workforce pressures and the recruitment and retention of high-quality staff
- Quality issues resulting in poor Care CQC rating and contract suspensions.

The proposed decision supports objective 2 of Securing Kent's Future to deliver savings from identified opportunity areas to set a sustainable 2024/25 budget and MTFP and priority 4 of Framing Kent's Future – New Models of Care and Support.

Financial Implications: The initial contract cost is set out below along with the current cost. Various market pressures and increase in demand and complexity of care has resulted in an increased spend on the service. Robust actions are being put in place to limit this spend.

Contract	Initial contract cost advertised (per annum)	2022/23 spend
Residential Care Home Services (Learning Disability, Physical Disability & Mental Health)	£108,000,000	£138,000,000

Dedicated commissioning and finance resources will be required to ensure a collaborative approach to determine a robust fee model and pricing guide and the identification of any financial risk.

Legal implications: An extension is necessary to enable the council to undertake a detailed Cost of Care review, which is likely to be completed by 28 February 2024. As such, the council will not be in a position to undertake a reprocurement, based on the outcome of the review, in time for a new service to be in place in 2024. Therefore, a change is not proposed at this time for economic or technical reasons. Any procurement of the service, prior to the completion of the Cost of Care review, will cause significant inconvenience and substantial duplication of cost. It is also unlikely that a procurement will attract market interest, as providers may be reluctant to bid, prior to the completion of the Cost of Care review.

An extension is available to be utilised and the extension was included in the Contract/PIN Notice advertising the original procurement of this service and therefore the extension is permissible and compliant under PCR 2015 regulations.

Equalities implications: To ensure KCC's statutory obligations under the Equalities Act 2010 are met, a full Equality Impact Assessment (EqIA) has been undertaken for recommissioning purposes. This has also been considered for the purposes of the contract extension and no major issues were identified. This will be refreshed to encompass any new negative or positive impacts identified due to the new service model.

Data Protection Implications: A Data Protection Impact Assessment has been completed and no anticipated new data protection implications have been identified.

Cabinet Committee recommendations and other consultation: The proposed decision will be discussed at the Adult Social Care Cabinet Committee on 18 January 2024 and the outcome included in the paperwork which the Cabinet Member will be asked to sign.

Any alternatives considered and rejected: The council can choose not to extend the current contract. However there are significant risks, as set out below, to choosing this option and no benefits have been identified.

Legal and Policy: The council commissions services from the independent sector to meet the needs of individuals deemed to be eligible in accordance with and following a Care Act assessment. If the contract ends the council will be pressured to fully meet its statutory obligation under the Care Act with regards to providing a high quality, safe service that is at an affordable price.

Financial: A lack of robust fee setting mechanisms and contractual leverage may result in a significant increase in placement costs which will be challenging to control. Savings targets set out by the council and to be met through greater partnership working and negotiation will be difficult to achieve through spot purchasing agreements and providers will be within their right to give notice on individual placements that may be hard to source at an affordable price.

Reputational: A shift to partnership working with providers will be challenged as the expectation from providers is that the contractual arrangements with the authority will be maintained due to the mutual benefits to both parties. People using this service expect a robust oversight of the service and the perception will be that this is not the case if the service is not part of a KCC contract.

Resource Implications: If the contract ends there will be a requirement for the review, renegotiation, and repurchasing of all individual placements with new contract and terms and conditions established. This will also require significant system and process updates.

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

.....
signed

.....
date

EQIA Submission Draft Working Template

If required, this template is for use prior to completing your EQIA Submission in the EQIA App.

You can use it to understand what information is needed beforehand to complete an EQIA submission online, and also as a way to collaborate with others who may be involved with the EQIA.

Note: You can upload this into the App when complete if it contains more detailed information than the App asks for and you wish to retain this detail.

Section A

1. Name of Activity (EQIA Title):

Proposed extensions for the following ASC contracts:

- Care and Support in the Home Contract
- Learning Disability, Physical Disability and Mental Health Residential Care Home Services
- Supported Living Contract

2. Directorate

Adult Social Care and Health

3. Responsible Service/Division

Adults and Integrated Commissioning

Accountability and Responsibility

4. Officer completing EQIA

Note: This should be the name of the officer who will be submitting the EQIA onto the App.

Simon Mitchell

5. Head of Service

Note: This should be the Head of Service who will be approving your submitted EQIA.

Simon Mitchell

6. Director of Service

Note: This should be the name of your responsible director.

Richard Ellis

The type of Activity you are undertaking

7. What type of activity are you undertaking?

Service Change – operational changes in the way we deliver the service to people. Answer Yes/No

No

Service Redesign – restructure, new operating model or changes to ways of working. Answer Yes/No

No

Project/Programme – includes limited delivery of change activity, including partnership projects, external funding projects and capital projects. Answer Yes/No

No

Commissioning/Procurement – means commissioning activity which requires commercial judgement. Answer Yes/No

Yes

Strategy /Policy – includes review, refresh or creating a new document. Answer Yes/No
No
Other – Please add details of any other activity type here.
8. Aims and Objectives and Equality Recommendations – Note: You will be asked to give a brief description of the aims and objectives of your activity in this section of the App, along with the Equality recommendations. You may use this section to also add any context you feel may be required.
<p>The following contracts all commenced in 2019, for an initial period of four years, with options to extend.</p> <ul style="list-style-type: none"> • The Care and Support in the Home contract end date is 7 April 2024 and there is an optional three-year extension built into the contract, which could take the contract through to 7 April 2027. • The Supported Living contract end date is 14 June 2024 and there is an optional 3-year extension built into the contract, which could take the contract through to 14 June 2027. • The Learning Disability, Physical Disability and Mental Health Residential Care Home Services contract ends on 14 June 2024 and there are two, 2-year extensions built into the contract, which could take the contract through to 14 June 2028. The decision seeks to utilise the first of these two-year extensions from 15 June 2024 to 14 June 2026. <p>An extension to the current contract is required to allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence once the extension to the contract has been implemented.</p> <p>The proposed contract extension will be put in place for a maximum of three years. However, a robust reprocurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.</p> <p>Subject to the outcome of the work currently being undertaken by consultants, we expect to commence the procurement process in April 2024 with a view to implement from early in 2025.</p> <p>The proposed decision supports objective 2 of Securing Kent’s Future to deliver savings from identified opportunity areas to set a sustainable 2024/25 budget and MTFP and priority 4 of Framing Kent’s Future – New Models of Care and Support.</p> <p>The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission (CQC) clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.</p> <p>Framing Kent’s Future and Securing Kent’s Future and the Adult Social Care Making a Difference Everyday Strategy, identify New Models of Care and Support as key priorities by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.</p>
Section B – Evidence
<i>Note: For questions 9, 10 & 11 at least one of these must be a 'Yes'. You can continue working on the EQIA in the App, but you will not be able to submit it for approval without this information.</i>
9. Do you have data related to the protected groups of the people impacted by this activity? Answer: Yes/No
Yes
10. Is it possible to get the data in a timely and cost effective way? Answer: Yes/No
Yes
11. Is there national evidence/data that you can use? Answer: Yes/No
Yes

<p>12. Have you consulted with Stakeholders? <i>Answer: Yes/No</i> <i>Stakeholders are those who have a stake or interest in your project which could be residents, service users, staff, members, statutory and other organisations, VCSE partners etc.</i></p>
Yes
<p>13. Who have you involved, consulted and engaged with? <i>Please give details in the box provided. This may be details of those you have already involved, consulted and engaged with or who you intend to do so with in the future. If the answer to question 12 is 'No', please explain why.</i></p>
<ul style="list-style-type: none"> • Strategic Partners (Providers) • NHS • KCC Adult Social Care • KCC Legal team
<p>14. Has there been a previous equality analysis (EQIA) in the last 3 years? <i>Answer: Yes/No</i></p>
No
<p>15. Do you have evidence/data that can help you understand the potential impact of your activity? <i>Answer: Yes/No</i></p>
No
<p>Uploading Evidence/Data/related information into the App <i>Note: At this point, you will be asked to upload the evidence/ data and related information that you feel should sit alongside the EQIA that can help understand the potential impact of your activity. Please ensure that you have this information to upload as the Equality analysis cannot be sent for approval without this.</i></p>
<p>Section C – Impact</p>
<p>16. Who may be impacted by the activity? <i>Select all that apply.</i></p>
Service users/clients - <i>Answer: Yes/No</i>
Yes
Residents/Communities/Citizens - <i>Answer: Yes/No</i>
Yes
Staff/Volunteers - <i>Answer: Yes/No</i>
Yes
<p>17. Are there any positive impacts for all or any of the protected groups as a result of the activity that you are doing? <i>Answer: Yes/No</i></p>
Yes
<p>18. Please give details of Positive Impacts</p>
Current services remain unchanged or affected
<p>Negative Impacts and Mitigating Actions The questions in this section help to think through positive and negative impacts for people affected by your activity. Please use the Evidence you have referred to in Section B and explain the data as part of your answer.</p>
<p>19. Negative Impacts and Mitigating actions for Age</p>
<p>a) Are there negative impacts for Age? <i>Answer: Yes/No</i> <i>(If yes, please also complete sections b, c, and d).</i></p>
No
<p>b) Details of Negative Impacts for Age</p>

Current services remain unchanged or affected
c) Mitigating Actions for Age
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Age
Commissioner and Provider
20. Negative Impacts and Mitigating actions for Disability
a) Are there negative impacts for Disability? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Disability
Current services remain unchanged or affected
c) Mitigating Actions for Disability
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Disability
Commissioner and Provider
21. Negative Impacts and Mitigating actions for Sex
a) Are there negative impacts for Sex? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Sex
Current services remain unchanged or affected
c) Mitigating Actions for Sex
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Sex
Commissioner and Provider
22. Negative Impacts and Mitigating actions for Gender identity/transgender
a) Are there negative impacts for Gender identity/transgender? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Gender identity/transgender
Current services remain unchanged or affected
c) Mitigating actions for Gender identity/transgender
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Gender identity/transgender
Commissioner and Provider
23. Negative Impacts and Mitigating actions for Race
a) Are there negative impacts for Race? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Race
Current services remain unchanged or affected
c) Mitigating Actions for Race
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions – Race
Commissioner and Provider
24. Negative Impacts and Mitigating actions for Religion and belief
a) Are there negative impacts for Religion and Belief? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Religion and belief
Current services remain unchanged or affected

c) Mitigating Actions for Religion and belief
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Religion and belief
Commissioner and Provider
25. Negative Impacts and Mitigating actions for Sexual Orientation
a) Are there negative impacts for sexual orientation. Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Sexual Orientation
Current services remain unchanged or affected
c) Mitigating Actions for Sexual Orientation
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Sexual Orientation
Commissioner and Provider
26. Negative Impacts and Mitigating actions for Pregnancy and Maternity
a) Are there negative impacts for Pregnancy and Maternity? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Pregnancy and Maternity
Current services remain unchanged or affected
c) Mitigating Actions for Pregnancy and Maternity
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Pregnancy and Maternity
Commissioner and Provider
27. Negative Impacts and Mitigating actions for marriage and civil partnerships
a) Are there negative impacts for Marriage and Civil Partnerships? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Marriage and Civil Partnerships
Current services remain unchanged or affected
c) Mitigating Actions for Marriage and Civil Partnerships
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Marriage and Civil Partnerships
Commissioner and Provider
28. Negative Impacts and Mitigating actions for Carer's responsibilities
a) Are there negative impacts for Carer's responsibilities? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Carer's Responsibilities
Current services remain unchanged or affected
c) Mitigating Actions for Carer's responsibilities
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Carer's Responsibilities
Commissioner and Provider

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From: Dan Watkins, Cabinet Member for Adult Social Care and Public Health
Richard Smith, Corporate Director Adult Social Care and Health

To: Adult Social Care Cabinet Committee – 18 January 2024

Subject: **SUPPORTED LIVING – CONTRACT EXTENSION**

Key decision: 24/00005

Classification: Unrestricted

Past Pathway of report: N/A

Future Pathway of report: Cabinet Member decision

Electoral Division: All

Summary: Framing Kent’s Future and Securing Kent’s Future and the Adult Social Care Making a Difference Everyday Strategy Kent identify New Models of Care and Support as a key priority by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

To help achieve this, the council has procured external expertise to carry out a detailed assessment of the cost of care while exploring and determining the best contracting models which support an integrated approach to future health and social care models. The outcome of this assessment will not be completed until March 2024.

The current Supported Living contract is due to end on 30 June 2024, with provision for an extension of up to three years. Given the scale of the current contract and the anticipated impact of new models of care, it is recommended that the contract is extended, this will secure the safe continuation of provision whilst the assessment and review is undertaken, the findings are fully considered, and a new service put in place.

The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make **RECOMMENDATIONS** to the Cabinet Member for Adult Social Care and Public Health on the proposed decisions to:

- a) **EXTEND** the Supported Living contract, for a maximum of up to three years from 15 June 2024 to 14 June 2027; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

1 Introduction

- 1.1 The Supported Living contract commenced in 2019, for an initial period of four years. The current contract is due to end on 14 June 2024 and there is an optional three-year extension built into the contract, which could take the contract through to 14 June 2027.
- 1.2 Supported Living is intended to allow people with disabilities and other long-term conditions to remain independent and have their own home. The features of the contract include access to suitable housing, which is paid for by the resident, and providing support to help with everyday life activities or in the event of physical or mental health challenges. The contracting arrangements offer access to anyone over the age of 18 years old, as this is the legal age that a person can sign a tenancy agreement.
- 1.3 The contract is a closed framework with 94 providers contracted to provide support to adults across Kent through approximately 700 properties.
- 1.4 When the contract went live (in 2019) there were 500 properties on the framework. The Supported Accommodation Team has added approximately 250 properties to the framework providers' portfolios and ensuring these are of a good standard by checking that all new properties meet the minimum design specification (developed in 2017 and in line with housing legislation), introduced at the point of tender, as well as due diligence checks to ensure safety.

2. Background

- 2.1 The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission (CQC) clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.
- 2.2 Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy Kent identify New Models of Care and Support as a key priority by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

- 2.3 To help achieve this, the council has procured external expertise to undertake three distinct pieces of work that will help with the redesign of a new service:
1. A comprehensive assessment, along the lines of the 'cost of care' exercise to examine the pattern of current and future demands. This will lead to determination of the appropriate fee setting mechanism and contractual models for supporting needs and aspirations, which will be more in line with peoples' preferences but at the right price.
 2. To determine how a new service will support the delivery of the ambitions of the Integrated Care Board (ICB) to embed collaboration across the health and social care system and to support sustainability and efficiency within the sector by considering factors such as pooled budgets and contracting models.
 3. To consider a joined-up contract model which aims to reduce the residential care market while considering associated pressures and demand for other adult social care service provisions such as the homecare market.

2.4 Outcomes to be achieved

- The Older Person: To ensure the people of Kent are in the right place with the right care and receive seamless high-quality, cost-effective care and positive outcomes.
 - Quality of Care: Sustainable range of regulated care services that provides consistent high-quality, safe and supportive care which meets people's needs in a regulated care service that is rated by CQC as outstanding or good.
 - Value for Money: Ensures competition within the market that drives up quality alongside achieving cost efficiencies and ensuring value for money.
- 2.5 This will help inform the commissioning intentions for adult social care services and provide commissioners with the required information to design new specifications and a robust commissioning and procurement process.
- 2.6 The commissioning exercise will include extensive engagement with people who use care and support services to develop a new specification which ensures high-quality and cost-effective services in the future.
- 2.7 This is a demand driven service and due to increases in complexity, increased demand and fees in excess of that funded for inflation, spend has grown year on year. It is recognised that during the contract extension period mitigations will be put in place to help halt the increased spend to the service through the development of a robust savings action plan. This will require a collaborative approach across Kent County Council (KCC) and NHS Kent and Medway ICB colleagues and proactively engaging with providers to determine fair costs for both legacy and new placements.

- 2.8 The council will need to consider looking to develop alternative care and support offers which support people to remain in their own home for longer. These include an enhanced technology offer, integrated reablement service, homecare offer, increasing direct payments and support that can be purchased such as personal assistants and niche services delivered by the voluntary sector and micro providers.
- 2.9 Commissioners will develop new models, supported by the cost of care exercise completed by the external consultants, which will ensure best value for future services. The contract extension will allow this activity to be completed.
- 2.10 An extension to the current contract is required to allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence once the extension to the contract has been implemented.
- 2.11 The proposed extension periods will be put in place for a maximum of up to three years. However, a robust reprocurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.
- 2.12 Subject to the outcome of the work currently being undertaken by consultants, we expect to commence the procurement process in April 2024 with a view to implement from early in 2025.
- 2.13 A programme plan detailing the re-design and procurement timeline will be developed and shared with members of the committee once the consultancy project has been completed.

3. The consequences of not extending the current contract

- 3.1 The council can choose not to extend the current contract. However, there are significant risks, as set out below, to choosing this option and no benefits have been identified.
- 3.2 Legal and Policy: The council commissions services from the independent sector to meet the needs of individuals deemed to be eligible in accordance with and following a Care Act assessment. If the contract ends the council will be pressured to fully meet its statutory obligation under the Care Act with regards to providing a high quality, safe service that is at an affordable price.
- 3.3 Financial: A lack of robust fee setting mechanisms and contractual leverage may result in a significant increase in placement costs which will be challenging to control. Savings targets set out by the council and to be met through greater partnership working and negotiation will be difficult to achieve through spot purchasing agreements and providers will be within their right to give notice on individual placements that may be hard to source at an affordable price.

- 3.4 Reputational: A shift to partnership working with providers will be challenged as the expectation from providers is that the contractual arrangements with the council will be maintained due to the mutual benefits to both parties. People using this service expect a robust oversight of the service and the perception will be that this is not the case if the service is not part of a KCC Contract.
- 3.5 Resource Implications: If the contract ends there will be a requirement for the review, renegotiation, and repurchasing of all individual placements with new contract and terms and conditions established. This will also require significant system and process updates.

4. Financial Implications

- 4.1 The initial contract cost is set out below along with the current cost. Various market pressures and increase in demand and complexity of care has resulted in an increased spend on the service. Robust actions are being put in place to limit this spend.

Contract	Initial contract cost advertised (per annum)	2022/23 spend
Supported Living	£68,000,000	£138,000,000

- 4.2 Dedicated commissioning and finance resources will be required to ensure a collaborative approach to determine a robust fee model and pricing guide and the identification of any financial risk.

5. Legal implications

- 5.2 An extension is necessary to enable the council to undertake a detailed Cost of Care review, which is likely to be completed by 28 February 2024. As such, the council will not be in a position to undertake a reprocurement, based on the outcome of the review, in time for a new service to be in place in 2024. Therefore, a change is not proposed at this time for economic or technical reasons. Any procurement of the service, prior to the completion of the Cost of Care review, will cause significant inconvenience and substantial duplication of cost. It is also unlikely that a procurement will attract market interest, as providers may be reluctant to bid, prior to the completion of the Cost of Care review.
- 5.3 An extension is available to be utilised in the contract. The extension was included in the Contract/PIN Notice advertising the original procurement of the service and therefore the extension is permissible and compliant under PCR 2015 regulations.

6. Equalities implications

- 6.1 To ensure KCC’s statutory obligations under the Equalities Act 2010 are met, a full Equality Impact Assessment (EqIA) has been undertaken for recommissioning purposes (Attached as Appendix1). This has also been

considered for the purposes of the contract extension and no major issues were identified. This will be refreshed to encompass any new negative or positive impacts identified due to the new service model.

7. Data Protection Implications

7.1 A Data Protection Impact Assessment has been completed and no anticipated new data protection implications have been identified.

8. Conclusions

8.1 The Supported Living contract commenced in 2019, for an initial period of four years. The current contract is due to end on 14 June 2024 and there is an optional three-year extension built into the contract, which could take the contract through to 14 June 2027.

8.2 External expertise has been procured to support the redesign of services for people in Kent. Given the scale of the current contract and the anticipated impact of new models of care, it is recommended that the current contract is extended for a maximum of up to three years from 15 June 2024 to 14 June 2027. This will secure the safe continuation of provision whilst the proposed findings from the consultants is fully considered and new services put in place.

9. Recommendations

9.1 Recommendations: The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make **RECOMMENDATIONS** to the Cabinet Member for Adult Social Care and Public Health on the proposed decisions to:

- a) **EXTEND** the Supported Living contract, for a maximum of up to three years from 15 June 2024 to 14 June 2027; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decisions.

10. Background Documents

None

11. Report Author

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Relevant Director

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KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Cabinet Member for
Adult Social Care and Public Health

DECISION NO:

24/00005

For publication Yes

Key decision: Yes

Title of Decision: SUPPORTED LIVING – CONTRACT EXTENSION

Decision: As Cabinet Member for Adult Social Care and Public Health, I propose to:

- a) **EXTEND** the Supported Living contract, for a maximum of up to three years from 15 June 2024 to 14 June 2027; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

Reason(s) for decision: Reason for the decision: The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.

Framing Kent's Future and Securing Kent's Future and the Adult Social Care Making a Difference Everyday Strategy Kent identify New Models of Care and Support as a key priority by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.

To help achieve this, the council has procured external expertise to undertake three distinct pieces of work that will help with the redesign of a new service. This will help inform the commissioning intentions for adult social care services and provide commissioners with the required information to design new specifications and a robust commissioning and procurement process.

The commissioning exercise will include extensive engagement with people who use care and support services to develop a new specification which ensures high quality and cost-effective services in the future.

This is a demand driven service and due to increases in complexity, increased demand and fees in excess of that funded for inflation, spend has grown year on year. It is recognised that during the contract extension period mitigations will be put in place to help halt the increased spend to the service through the development of a robust savings action plan. This will require a collaborative approach across Kent County Council (KCC) and NHS Kent and Medway Integrated Care Board (ICB) colleagues and proactively engaging with providers to determine fair costs for both legacy and new placements.

The council will need to consider looking to develop alternative care and support offers which support people to remain in their own home for longer. These include an enhanced technology offer, integrated reablement service, homecare offer, increasing direct payments and support that can be

purchased such as personal assistants and niche services delivered by the voluntary sector and micro providers.

Commissioners will develop new models, supported by the cost of care exercise completed by the external consultants, which will ensure best value for future services. The extension will allow this activity to be completed.

Supported Living is intended to allow people with disabilities and other long-term conditions to remain independent and have their own home. The features of the contract include suitable housing, paid for by the resident with support to help with everyday life activities or in the event of physical or mental health challenges. The contracting arrangements offer access to anyone over the age of 18 years old, as this is the legal age that a person can sign a tenancy agreement.

The contract is a closed framework with 94 providers contracted to provide support to adults across Kent through approximately 700 properties.

When the contract went live (in 2019) there were 500 properties on the framework. The Supported Accommodation Team in Commissioning have added approximately 250 properties to the framework providers' portfolios and ensuring these are of a good standard by checking that all new properties meet the minimum design specification (developed in 2017 and in line with housing legislation), introduced at the point of tender, as well as due diligence checks to ensure safety.

The current contract end date is 14 June 2024 and there is an optional 3-year extension built into the contract, which could take the contract through to 14 June 2027.

An extension to the current contract is required to allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence once the extensions to the contract has been implemented.

The proposed extension will be put in place for a maximum of up to three years. However, a robust procurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.

Subject to the outcome of the work currently being undertaken by consultants, we expect to commence the procurement process in April 2024 with a view to implement from early in 2025.

The proposed decision supports objective 2 of Securing Kent's Future to deliver savings from identified opportunity areas to set a sustainable 2024/25 budget and MTFP and priority 4 of Framing Kent's Future – New Models of Care and Support.

Financial Implications: The initial contract cost is set out below along with the current cost. Various market pressures and increase in demand and complexity of care has resulted in an increased spend on the service. Robust actions are being put in place to limit this spend.

Contract	Initial contract cost advertised (per annum)	2022/23 spend
Supported Living	£68,000,000	£138,000,000

Dedicated commissioning and finance resources will be required to ensure a collaborative approach to determine a robust fee model and pricing guide and the identification of any financial risk.

Legal Implications: An extension is necessary to enable the council to undertake a detailed Cost of Care review, which is likely to be completed by 28 February 2024. As such, the council will not be in

a position to undertake a reprocurement, based on the outcome of the review, in time for a new service to be in place in 2024. Therefore, a change is not proposed at this time for economic or technical reasons. Any procurement of the service, prior to the completion of the Cost of Care review, will cause significant inconvenience and substantial duplication of cost. It is also unlikely that a procurement will attract market interest, as providers may be reluctant to bid, prior to the completion of the Cost of Care review.

An extension is available to be utilised in the contract. The extension was included in the Contract / PIN Notice advertising the original procurement of this service and therefore the extension is permissible and compliant under PCR 2015 regulations.

Equalities implications: To ensure KCC's statutory obligations under the Equalities Act 2010 are met, a full Equality Impact Assessment (EqIA) has been undertaken for recommissioning purposes. This has also been considered for the purposes of the contract extension and no major issues were identified. This will be refreshed to encompass any new negative or positive impacts identified due to the new service model.

Data Protection Implications: A Data Protection Impact Assessment has been completed and no anticipated new data protection implications have been identified.

Cabinet Committee recommendations and other consultation: The proposed decision will be discussed at the Adult Social Care Cabinet Committee on 18 January 2024 and the outcome included in the paperwork which the Cabinet Member will be asked to sign.

Any alternatives considered and rejected: The council can choose not to extend the current contract. However, there are significant risks, as set out below, to choosing this option and no benefits have been identified.

Legal and Policy: The council commissions services from the independent sector to meet the needs of individuals deemed to be eligible in accordance with and following a Care Act assessment. If the contract ends the council will be pressured to fully meet its statutory obligation under the Care Act with regards to providing a high quality, safe service that is at an affordable price.

Financial: A lack of robust fee setting mechanisms and contractual leverage may result in a significant increase in placement costs which will be challenging to control. Savings targets set out by the council and to be met through greater partnership working and negotiation will be difficult to achieve through spot purchasing agreements and providers will be within their right to give notice on individual placements that may be hard to source at an affordable price.

Reputational: A shift to partnership working with providers will be challenged as the expectation from providers is that the contractual arrangements with the council will be maintained due to the mutual benefits to both parties. People using this service expect a robust oversight of the service and the perception will be that this is not the case if the service is not part of a KCC Contract.

Resource Implications: If the contract ends there will be a requirement for the review, renegotiation, and repurchasing of all individual placements with new contract and terms and conditions established. This will also require significant system and process updates.

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

.....
signed

.....
date

EQIA Submission Draft Working Template

If required, this template is for use prior to completing your EQIA Submission in the EQIA App.

You can use it to understand what information is needed beforehand to complete an EQIA submission online, and also as a way to collaborate with others who may be involved with the EQIA.

Note: You can upload this into the App when complete if it contains more detailed information than the App asks for and you wish to retain this detail.

Section A

1. Name of Activity (EQIA Title):

Proposed extensions for the following ASC contracts:

- Care and Support in the Home Contract
- Learning Disability, Physical Disability and Mental Health Residential Care Home Services
- Supported Living Contract

2. Directorate

Adult Social Care and Health

3. Responsible Service/Division

Adults and Integrated Commissioning

Accountability and Responsibility

4. Officer completing EQIA

Note: This should be the name of the officer who will be submitting the EQIA onto the App.

Simon Mitchell

5. Head of Service

Note: This should be the Head of Service who will be approving your submitted EQIA.

Simon Mitchell

6. Director of Service

Note: This should be the name of your responsible director.

Richard Ellis

The type of Activity you are undertaking

7. What type of activity are you undertaking?

Service Change – operational changes in the way we deliver the service to people. Answer Yes/No

No

Service Redesign – restructure, new operating model or changes to ways of working. Answer Yes/No

No

Project/Programme – includes limited delivery of change activity, including partnership projects, external funding projects and capital projects. Answer Yes/No

No

Commissioning/Procurement – means commissioning activity which requires commercial judgement. Answer Yes/No

Yes

Strategy /Policy – includes review, refresh or creating a new document. Answer Yes/No
No
Other – Please add details of any other activity type here.
8. Aims and Objectives and Equality Recommendations – Note: You will be asked to give a brief description of the aims and objectives of your activity in this section of the App, along with the Equality recommendations. You may use this section to also add any context you feel may be required.
<p>The following contracts all commenced in 2019, for an initial period of four years, with options to extend.</p> <ul style="list-style-type: none"> • The Care and Support in the Home contract end date is 7 April 2024 and there is an optional three-year extension built into the contract, which could take the contract through to 7 April 2027. • The Supported Living contract end date is 14 June 2024 and there is an optional 3-year extension built into the contract, which could take the contract through to 14 June 2027. • The Learning Disability, Physical Disability and Mental Health Residential Care Home Services contract ends on 14 June 2024 and there are two, 2-year extensions built into the contract, which could take the contract through to 14 June 2028. The decision seeks to utilise the first of these two-year extensions from 15 June 2024 to 14 June 2026. <p>An extension to the current contract is required to allow the external consultants to complete the assessment and for the new service to be procured. However, it is anticipated that the exercise carried out by external experts will not be finalised until March 2024. This will enable a full procurement process to commence once the extension to the contract has been implemented.</p> <p>The proposed contract extension will be put in place for a maximum of three years. However, a robust reprocurement exercise is to be completed as quickly as possible and break clauses will be written into the contract extension to allow the council to terminate the contract when appropriate and to fit in with the mobilisation of a new contract.</p> <p>Subject to the outcome of the work currently being undertaken by consultants, we expect to commence the procurement process in April 2024 with a view to implement from early in 2025.</p> <p>The proposed decision supports objective 2 of Securing Kent’s Future to deliver savings from identified opportunity areas to set a sustainable 2024/25 budget and MTFP and priority 4 of Framing Kent’s Future – New Models of Care and Support.</p> <p>The Care Act 2014 gave local authorities in England, the NHS and the Care Quality Commission (CQC) clear legal responsibilities for managing different elements of the adult social care market that include considering need, provider sustainability, value for money and integration.</p> <p>Framing Kent’s Future and Securing Kent’s Future and the Adult Social Care Making a Difference Everyday Strategy, identify New Models of Care and Support as key priorities by recognising the importance of health and social care integration, building effective strategic partnerships with our providers through coproduction whilst being innovative in the way we look to redesign services to improve quality and importantly respond to budget constraints.</p>
Section B – Evidence
<i>Note: For questions 9, 10 & 11 at least one of these must be a 'Yes'. You can continue working on the EQIA in the App, but you will not be able to submit it for approval without this information.</i>
9. Do you have data related to the protected groups of the people impacted by this activity? Answer: Yes/No
Yes
10. Is it possible to get the data in a timely and cost effective way? Answer: Yes/No
Yes
11. Is there national evidence/data that you can use? Answer: Yes/No
Yes

<p>12. Have you consulted with Stakeholders? <i>Answer: Yes/No</i> <i>Stakeholders are those who have a stake or interest in your project which could be residents, service users, staff, members, statutory and other organisations, VCSE partners etc.</i></p>
Yes
<p>13. Who have you involved, consulted and engaged with? <i>Please give details in the box provided. This may be details of those you have already involved, consulted and engaged with or who you intend to do so with in the future. If the answer to question 12 is 'No', please explain why.</i></p>
<ul style="list-style-type: none"> • Strategic Partners (Providers) • NHS • KCC Adult Social Care • KCC Legal team
<p>14. Has there been a previous equality analysis (EQIA) in the last 3 years? <i>Answer: Yes/No</i></p>
No
<p>15. Do you have evidence/data that can help you understand the potential impact of your activity? <i>Answer: Yes/No</i></p>
No
<p>Uploading Evidence/Data/related information into the App <i>Note: At this point, you will be asked to upload the evidence/ data and related information that you feel should sit alongside the EQIA that can help understand the potential impact of your activity. Please ensure that you have this information to upload as the Equality analysis cannot be sent for approval without this.</i></p>
<p>Section C – Impact</p>
<p>16. Who may be impacted by the activity? <i>Select all that apply.</i></p>
Service users/clients - <i>Answer: Yes/No</i>
Yes
Residents/Communities/Citizens - <i>Answer: Yes/No</i>
Yes
Staff/Volunteers - <i>Answer: Yes/No</i>
Yes
<p>17. Are there any positive impacts for all or any of the protected groups as a result of the activity that you are doing? <i>Answer: Yes/No</i></p>
Yes
<p>18. Please give details of Positive Impacts</p>
Current services remain unchanged or affected
<p>Negative Impacts and Mitigating Actions The questions in this section help to think through positive and negative impacts for people affected by your activity. Please use the Evidence you have referred to in Section B and explain the data as part of your answer.</p>
<p>19. Negative Impacts and Mitigating actions for Age</p>
<p>a) Are there negative impacts for Age? <i>Answer: Yes/No</i> <i>(If yes, please also complete sections b, c, and d).</i></p>
No
<p>b) Details of Negative Impacts for Age</p>

Current services remain unchanged or affected
c) Mitigating Actions for Age
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Age
Commissioner and Provider
20. Negative Impacts and Mitigating actions for Disability
a) Are there negative impacts for Disability? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Disability
Current services remain unchanged or affected
c) Mitigating Actions for Disability
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Disability
Commissioner and Provider
21. Negative Impacts and Mitigating actions for Sex
a) Are there negative impacts for Sex? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Sex
Current services remain unchanged or affected
c) Mitigating Actions for Sex
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Sex
Commissioner and Provider
22. Negative Impacts and Mitigating actions for Gender identity/transgender
a) Are there negative impacts for Gender identity/transgender? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Gender identity/transgender
Current services remain unchanged or affected
c) Mitigating actions for Gender identity/transgender
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Gender identity/transgender
Commissioner and Provider
23. Negative Impacts and Mitigating actions for Race
a) Are there negative impacts for Race? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Race
Current services remain unchanged or affected
c) Mitigating Actions for Race
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions – Race
Commissioner and Provider
24. Negative Impacts and Mitigating actions for Religion and belief
a) Are there negative impacts for Religion and Belief? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Religion and belief
Current services remain unchanged or affected

c) Mitigating Actions for Religion and belief
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Religion and belief
Commissioner and Provider
25. Negative Impacts and Mitigating actions for Sexual Orientation
a) Are there negative impacts for sexual orientation. Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Sexual Orientation
Current services remain unchanged or affected
c) Mitigating Actions for Sexual Orientation
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Sexual Orientation
Commissioner and Provider
26. Negative Impacts and Mitigating actions for Pregnancy and Maternity
a) Are there negative impacts for Pregnancy and Maternity? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Pregnancy and Maternity
Current services remain unchanged or affected
c) Mitigating Actions for Pregnancy and Maternity
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Pregnancy and Maternity
Commissioner and Provider
27. Negative Impacts and Mitigating actions for marriage and civil partnerships
a) Are there negative impacts for Marriage and Civil Partnerships? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Marriage and Civil Partnerships
Current services remain unchanged or affected
c) Mitigating Actions for Marriage and Civil Partnerships
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Marriage and Civil Partnerships
Commissioner and Provider
28. Negative Impacts and Mitigating actions for Carer's responsibilities
a) Are there negative impacts for Carer's responsibilities? Answer: Yes/No <i>(If yes, please also complete sections b, c, and d).</i>
No
b) Details of Negative Impacts for Carer's Responsibilities
Current services remain unchanged or affected
c) Mitigating Actions for Carer's responsibilities
Current services remain unchanged or affected
d) Responsible Officer for Mitigating Actions - Carer's Responsibilities
Commissioner and Provider

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From: Dan Watkins, Cabinet Member for Adult Social Care and Public Health
Richard Smith, Corporate Director Adult Social Care and Health

To: Adult Social Care Cabinet Committee – 18 January 2024

Subject: **Kent Enablement at Home Service Expansion**

Decision Number 24/00006

Classification: Unrestricted

Past Pathway of report: N/A

Future Pathway of report: Cabinet Member Decision

Electoral Division: All

Summary: An urgent out of Cabinet Committee cycle decision was taken in December 2023 by the Leader to extend the current contract for the Discharge to Assess Service. This is currently provided in the main by Hilton Nursing Services. The time would be used to develop an alternative service model.

The purpose of this paper sets out proposals to recruit additional staff to the existing Kent Enablement at Home (KEAH) Service and support them to take on activity from the Discharge to Assess Service by 30 September 2024. This proposal will deliver cost efficiencies when compared to existing costs and activity.

Recommendations: The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make **RECOMMENDATIONS** to the Cabinet Member for Adult Social Care and Public Health on the proposed decision (Attached as appendix A) to:

- a) **APPROVE** the expansion of the Kent Enablement at Home Service and support activity transfers to enable the safe decommissioning the Discharge to Assess Service; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

1. Introduction

- 1.1 It is the ambition of Kent County Council (KCC) for the people in Kent to have home-based care and support services, in line with Home First principles and KCC's Making a Difference Every Day Adult Social Care Strategy.

- 1.2 Discharge to Assess Services enable the council to deliver towards this ambition. The pathway relates to people being discharged from hospital with home-based support; all people needing such support should be offered reablement and rehabilitation and, where necessary, time for assessment and future care planning. This includes people whose package of care is being restarted after lapsing during their hospital stay.
- 1.3 The Discharge to Assess service supports people who need ongoing care and support. It is essential in ensuring people recover at home following discharge from hospital and are supported until further assessment can be undertaken if required and alleviates blockages in patient flow through the system and prevents unnecessary delayed discharges; as such, it is essential that any new model of service delivery adequately supports both the process and the person.
- 1.4 The Discharge to Assess service contract was commissioned by KCC and forms part of Discharge Services, for people discharged from hospital who need support to recover at home. Across Kent, there are a few services that align with the pathway, commissioned by NHS Kent and Medway and other health partners.
- 1.5 In December 2023, the Discharge to Assess service was overspent against the KCC budget. A decision was taken to extend the current contract by nine months, to 30 September 2024, to allow time for an alternative model to be agreed and mobilised. A new model has been agreed between KCC and the Integrated Commissioning Board (ICB) and time is needed to implement this.
- 1.6 The new model will provide an integrated enablement and rehabilitation offer. The new proposed model will build capacity to create one simpler pathway and will help people in hospital return home faster whilst supporting recovery and retaining independence. The service will deliver reablement, personal care and support nutrition, while also monitoring the person's condition. They will also contribute to an overall plan of care in their own home. The new team will work in a therapeutic way with oversight from therapists the aim being to assess the long-term care needs at home.
- 1.7 The new model will differ from the current offer of a 7-14 day support period, to an offer of up to six weeks. This will lead to an improvement in outcomes anticipated by moving this service in house, as there will be more continuity of provision for people on their discharge from hospital.
- 1.8 It is proposed that the activity from the Discharge to Assess Service will transfer over to Kent Enablement at Home (KEaH) in a phased way to allow recruitment of additional staff. Recruitment will commence in January 2024.
- 1.9 The recruitment schedule for KEaH assumes no staff will transfer over from the current Discharge to Assess provider. Please see Appendix 1 for recruitment schedule.
- 1.10 The new service model is dependent upon a revised staffing model and time is needed to recruit and train new staff to support transfer of activity safely. This

will be done in a phased way. Please see Appendix 2 for the KEaH additional staffing requirements and Appendix 3 for current activity in Hilton that will transfer to KEaH.

2. Financial Implications

- 2.1 The annual budget for the Discharge to Assess is £2,953,400 with additional budget of £732,600 for bridging. The service's forecast spend for 2023/2024 is £3,928,400.

Hilton Budget and Forecast - September position						
All numbers in £k						
		Contract	Bridging	subtotal	Additional	Total
Budget	Spend	2,953.4	732.6	3,686.0		3,686.0
Forecast	Spend	3,165.2	763.2	3,928.4	2,482.4	6,410.8
Variance		211.8	30.6	242.4	2,482.4	2,724.8
<i>NB Additional is included for completeness - we commission this on behalf of the ICB, and we are forecasting that the full costs of this is recharged to them</i>						

- 2.2 Historically, the ICB has financed additional Discharge to Assess capacities; the ability to incorporate additional funding will still be available within the extension period.
- 2.3 Anticipated costs, in the first year, to expand the KEaH service to take on additional activity and facilitate decommissioning of the Discharge to Assess Service will be achieved within the existing budget and opportunities for savings will be identified through the implementation and delivery of the new model.
- 2.4 Early financial modelling has indicated greater cost savings and efficiency potential by expanding the KEaH service and taking on additional staff rather than commissioning with market providers.

3. Legal implications

- 3.1 There are no legal implications. The KEaH service already exists and the proposal is to expand this service to accommodate activity transfers from an existing service that will be decommissioned by 30 September 2024.

4. Equalities implications

- 4.1 An Equalities Impact Assessment was completed in December 2023 (attached as Appendix 4) and this found no implications to protected groups.

5. Data Protection Implications

- 5.1 As an existing provider, KEaH has completed security questions in the 'risk assessment' and these questions consider the provider's information security management policies and processes and the technical security and design of their systems. Responses have been returned and scrutinised by the KCC Compliance and Risk Team.

6. Public Engagement

- 6.1 Public consultation has not been undertaken however, engagement with stakeholders will commence in January 2024 (including people with lived experience) and feedback from this will be incorporated into the new service model.

7. Conclusions

- 7.1 The contract with the current Discharge to Assess Service provider (Hilton Nursing Services) will end on 30 September 2024. An alternative service needs to be in place by then to ensure continuity of care.
- 7.2 The KEaH Service already exists and supports the Discharge to Assess model. A new staffing model and recruitment plan has been agreed.
- 7.3 The new service will deliver efficiencies for KCC.
- 7.4 The recruitment of additional staff to the KEaH service will enable the transfer of activity to this service from the current provider before 30 September 2024.

8. Recommendations

Recommendations: The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make **RECOMMENDATIONS** to the Cabinet Member for Adult Social Care and Public Health on the proposed decision (Attached as appendix A) to:

- a) **APPROVE** the expansion of the Kent Enablement at Home Service and support activity transfers to enable the safe decommissioning the Discharge to Assess Service; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

9. Report Author

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Relevant Director

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KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Cabinet Member for
Adult Social Care and Public Health

DECISION NO:

24/00006

For publication Yes

Key decision: Yes

Title of Decision: Kent Enablement at Home Service Expansion

Decision: As Cabinet Member for Adult Social Care and Public Health, I propose to:

- a) **APPROVE** the expansion of the Kent Enablement at Home Service and support activity transfers to enable the safe decommissioning the Discharge to Assess Service; and
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

a

Reason(s) for decision: It is the ambition of Kent County Council (KCC) for the people in Kent to have home-based care and support services, in line with Home First principles and KCC's Making a Difference Every Day Adult Social Care Strategy.

Discharge to Assess Services enable the council to deliver towards this ambition. The pathway relates to people being discharged from hospital with home-based support; all people needing such support should be offered reablement and rehabilitation and, where necessary, time for assessment and future care planning. This includes people whose package of care is being restarted after lapsing during their hospital stay.

The Discharge to Assess service supports people who need ongoing care and support. It is essential in ensuring people recover at home following discharge from hospital and are supported until further assessment can be undertaken if required. It alleviates blockages in patient flow through the system and prevents unnecessary delayed discharges; as such, it is essential that any new model of service delivery adequately supports both the process and the person.

The Discharge to Assess service contract was commissioned by KCC and forms part of Discharge Services, for people discharged from hospital who need support to recover at home. Across Kent, there are a few services that align with the pathway, commissioned by NHS Kent and Medway and other health partners.

In December 2023, the Discharge to Assess service was overspent against the KCC budget. A decision was made to extend the current contract by nine months, to 30 September 2024, to allow time for an alternative model to be agreed and mobilised.

A new model has now been agreed between KCC and the Integrated Care Board (ICB). Time is needed to implement this. The new model will provide an integrated enablement and rehabilitation offer. The new proposed model will build capacity to create one simpler pathway and will help people in hospital return home faster whilst supporting recovery and retaining independence. The service will deliver reablement, personal care and support nutrition, while also monitoring the person's condition. They will also contribute to an overall plan of care in their own home. The new team will work in a therapeutic way with oversight from therapists the aim being to assess the long-

term care needs at home.

The new model will differ from the current offer of a 7-14 day support period, to an offer of up to six weeks. This will lead to an improvement in outcomes anticipated by moving this service in house, as there will be more continuity of provision for people on their discharge from hospital.

It is proposed that the activity from the Discharge to Assess Service will transfer over to Kent Enablement at Home (KEaH) in a phased way to allow recruitment of additional staff. Recruitment will commence in February 2024.

The recruitment schedule for the KEaH Service assumes no staff will transfer over from the current Discharge to Assess provider.

Financial Implications: The annual budget for the Discharge to Assess is £2,953,400 with additional budget of £732,600 for bridging.

Anticipated costs, in the first year, to extend the KEaH service to take on additional activity and facilitate decommissioning of the Discharge to Assess Service will be achieved within the existing budget and opportunities for savings will be identified through the implementation and delivery of the new model.

Early financial modelling has indicated greater cost savings and efficiency potential by expanding the in-house service (KEaH) and taking on additional staff rather than commissioning with market providers.

Legal implications: The KEaH service already exists and the proposal is to expand this service to accommodate activity transfers from an existing service that will be decommissioned by 30 September 2024.

Equalities Implications: An Equalities Impact Assessment was completed in December 2023 and this found no implications to protected groups.

Data Protection Implications: As an existing provider, KEaH has completed security questions in the 'risk assessment' and these questions consider the provider's information security management policies and processes and the technical security and design of their systems. Responses have been returned and scrutinised by the KCC Compliance and Risk Team.

Cabinet Committee recommendations and other consultation: Public consultation has not been undertaken however, engagement with stakeholders will commence in January 2024 (including people with lived experience) and feedback from this will be incorporated into the new service model.

The proposed decision will be discussed at the Adult Social Care Cabinet Committee on 18 January 2024 and the outcome included in the paperwork which the Cabinet Member will be asked to sign.

Any alternatives considered and rejected:

Undertake a Competitive Tender – Co-design a completely new service with experts by experience.

This will take time, circa 12 to 18 months. The current service is over-spent against the budget and is likely to continue to be so for the duration of any service re-design. This will impact on the council's financial deficit. KEaH already contribute to the Discharge to Assess model. Across Kent, there are a few services that align with the Discharge to Assess pathway. This option will not address the disparate approach to the Discharge to Assess pathway. Commissioners are looking for a fully integrated enablement and rehabilitation offer and a simpler pathway that is easier for prescribers and people who use it.

Current Provider - Direct Award a new contract to the incumbent provider.

The incumbent service is over-spent against the budget and costs are likely to continue to increase. This service is financially unsustainable for the future.

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

.....
signed

.....
date

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Appendix 1

Recruitment Schedule to Increase Capacity in KEAH

Recruitment will commence in January 2024.

Although TUPE will apply, the incumbent provider have indicated their staff will still be needed after decommissioning of the Pathway 1 service. This schedule therefore assumes no staff will transfer.

If staff do wish to transfer to the new service, this could bring the schedule forward and support faster transfer of activity and decommissioning of the Hilton Service ahead of plan.

	Recruitment Plan	Start	End
1	Advertise new posts	02/01/2024	31/01/2024
2	Recruitment campaigns (N Kent; Swale; Maidstone; T Wells)	02/01/2024	29/02/2024
3	Select candidates for interview	01/03/2024	08/03/2024
4	Interviews	11/03/2024	29/03/2024
5	Comms to prescribers / other stakeholders re change in service	11/03/2024	06/05/2024
6	Appoint Successful candidates	01/04/2024	12/04/2024
7	On Boarding	01/04/2024	26/04/2024
8	New Staff start (assuming 1 month notice)	20/05/2024	31/05/2024
9	Training and Induction	03/06/2024	21/06/2024
10	Commence activity shifts from Hilton	24/06/2024	30/09/2024

* Assumes no TUPE arrangements

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Appendix 2

KEAH – Additional Staff Required to Support Service Transfer from Hilton Nursing Services

Number Of FTE Staff	Role	Grade
Permanent Staff		
5	Supervisors	KR7
30	Enablement Support Workers	KR5
2	BST Support	KR5
1	Locality Team Manager	KR9
Out of Hours Support (Careline - early mornings/weekends)		
1	BST Support	KR5
1	Locality Office	KR9
Consumables		
40	Laptops and Phones	
Mileage		
40	500 miles per month per person	
Recruitment Costs		

Caveats:

1. Hilton currently support 80-90 discharges per week on a ≤ 5 day service. The service has a quick turnaround and support the less complex people with low level needs. Only 5% of their workload are for people requiring double handed care. Hilton only offer area specific capacity.
2. KEAH support people for up to 6 weeks, with an average of 3 weeks stay and take on more diverse / complex people. Calculations are based on current activity levels and an average need for up to 3 weeks stay.
3. Calculations are based on the 2-month data received for September and October 2023, minus the number of people transferring across to KEAH. This calculated at just over 50% of initial figures.
4. The calculation is based on 'rough maths' as KCC do not hold specific data on level of need at the beginning of Hilton service and end of service transferring across to KEAH.
5. Ongoing review of activity will be required to ensure KEAH can respond in a timely manner to support discharges at all times of the year. There may be opportunity to reduce staffing capacity once there is more clarity on utilisation needs. This can be easily achieved by reducing vacancies as they arise.
6. The Locality Organiser will be the key link for hospital discharge hubs and planning and will also pick up the role for the longer-term plan. The Locality Officer post may reduce from 1 FTE to 0.5FTE as we transition.

Longer Term Plan (this will be worked up alongside the KEAH transition)

Kent County Council Adult Social Care and Kent Community Health (KCHFT) colleagues in East Kent, with the support of the acute trust for Therapy, are setting up a new Pathway 1 service. This service will be fully integrated to deliver both health and social care enablement support with a full MDT support wrap around. This service will initially be ICB funded and will be developed into a single Pathway 1 service. At the moment this is running as a small pilot team with capacity based on:

- 25 enablement support workers,
- 3 assessors
- 1 team manager
- 2 x Business support.

This team will support up to 30 discharges per week for 7-14 days. Admin and senior management are from existing structures (KCC & KCHFT).

If rolled out across the county it would be split funded across the health and social care system. New and existing posts would transfer into this Pathway 1 hospital discharge service in the longer term.

	Number of starts	Sum of days between Service Start & 5 day end	Average days between Service Start & 5 day end
September 2023	332	2188	6.6
October 2023	395	2677	6.8
Total	727	4865	6.7

Outcome	September 2023	October 2023	Total
Disclaimer Prior to Assessment	4	4	8
Independent	103	114	217
Independence whilst awaiting other services	2	2	4
KEaH bridging POC	1		1
Enablement to Reduce Ongoing Social Care Needs	130	142	272
Readmitted	42	46	88
POC Social Services	23	18	41
Enablement to Independence	7	12	19
Respite Bed	4	4	8
POC Private	7	13	20
RIP	2	1	3
SIS	5	31	36
Rehab Bed	1		1
Health/ CHC Pathway	1	6	7
Long Term Placement in Residential Home		2	2
Total	332	395	727

Bridging clients	unique count	Sum of number of bridging days
September 2023	119	880
Agreed for Enablement awaiting capacity	20	39
Agreed for Respite Bed awaiting capacity	1	17
Awaiting response from Enablement	88	706
Awaiting response from Social Services	10	118
October 2023	169	926
Agreed for Enablement awaiting capacity	27	39
Awaiting response from Enablement	134	820
Awaiting response from Social Services	8	67
Total	288	1806

where an end date was stated

5-Day Service End Date - used as had a date present for every row

There were 424 failed discharges or referrals in this period

	September 2023	October 2023	Total
East Kent	59	78	137
North Kent	75	99	174
Swale	27	27	54
West Kent Maidstone	68	88	156
West Kent Tunbridge	103	103	206
Total	332	395	727

EQIA Submission – ID Number

Section A

EQIA Title

Discharge to Assess - Transfer from Hilton Nursing Care to KEAH

Responsible Officer

Sharon Wilcock - CED SC

Type of Activity

Service Change

No

Service Redesign

No

Project/Programme

No

Commissioning/Procurement

Commissioning/Procurement

Strategy/Policy

No

Details of other Service Activity

No

Accountability and Responsibility

Directorate

Adult Social Care and Health

Responsible Service

Sharon Wilcock

Responsible Head of Service

Richard Ellis - AH EK

Responsible Director

Richard Smith - AH CDO

Aims and Objectives

To ensure people have the support they need at home upon discharge from hospital to ensure they regain their pre-admission independence.

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?

Not Applicable

Who have you involved, consulted and engaged with?

The service will not change.

Has there been a previous Equality Analysis (EQIA) in the last 3 years?

Yes

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 Staff/Volunteers
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
[Q17_DetailsOfPositiveImpacts]
Negative impacts and Mitigating Actions
19. Negative Impacts and Mitigating actions for Age
Are there negative impacts for age?
No
Details of negative impacts for Age
Not Applicable
Mitigating Actions for Age
Not Applicable
Responsible Officer for Mitigating Actions – Age
Not Applicable
20. Negative impacts and Mitigating actions for Disability
Are there negative impacts for Disability?
No
Details of Negative Impacts for Disability
Not Applicable
Mitigating actions for Disability
Not Applicable
Responsible Officer for Disability
Not Applicable
21. Negative Impacts and Mitigating actions for Sex
Are there negative impacts for Sex
No
Details of negative impacts for Sex
Not Applicable
Mitigating actions for Sex
Not Applicable
Responsible Officer for Sex
Not Applicable
22. Negative Impacts and Mitigating actions for Gender identity/transgender
Are there negative impacts for Gender identity/transgender
No
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
23. Negative impacts and Mitigating actions for Race

Are there negative impacts for Race
No
Negative impacts for Race
Not Applicable
Mitigating actions for Race
Not Applicable
Responsible Officer for mitigating actions for Race
Not Applicable
24. Negative impacts and Mitigating actions for Religion and belief
Are there negative impacts for Religion and belief
No
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
25. Negative impacts and Mitigating actions for Sexual Orientation
Are there negative impacts for Sexual Orientation
No
Negative impacts for Sexual Orientation
Not Applicable
Mitigating actions for Sexual Orientation
Not Applicable
Responsible Officer for mitigating actions for Sexual Orientation
Not Applicable
26. Negative impacts and Mitigating actions for Pregnancy and Maternity
Are there negative impacts for Pregnancy and Maternity
No
Negative impacts for Pregnancy and Maternity
Not Applicable
Mitigating actions for Pregnancy and Maternity
Not Applicable
Responsible Officer for mitigating actions for Pregnancy and Maternity
Not Applicable
27. Negative impacts and Mitigating actions for Marriage and Civil Partnerships
Are there negative impacts for Marriage and Civil Partnerships
No
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
28. Negative impacts and Mitigating actions for Carer's responsibilities
Are there negative impacts for Carer's responsibilities
No
Negative impacts for Carer's responsibilities
Not Applicable
Mitigating actions for Carer's responsibilities

Not Applicable
Responsible Officer for Carer's responsibilities
Not Applicable

From: Dan Watkins, Cabinet Member for Adult Social Care and Public Health
Richard Smith, Corporate Director Adult Social Care and Health

To: Adult Social Care Cabinet Committee – 18 January 2024

Subject: **SOCIAL PRESCRIBING AND COMMUNITY NAVIGATION STRATEGY**

Classification: Unrestricted

Past Pathway of report: N/A

Future Pathway of report: N/A

Electoral Division: All

Summary: The profile and level of investment in social prescribing and community navigation has increased considerably in recent times.

The Integrated Care Board and Local Authorities have been commissioning social prescribing and community navigation across Kent and Medway for a number of years, and Primary Care Networks have expanded their social prescribing workforce.

Recommendation(s): The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **COMMENT** on the Social Prescribing and Community Navigation Strategy attached as Appendix 1.

1. Introduction

- 1.1 The profile and level of investment in social prescribing and community navigation has increased considerably in recent times.
- 1.2 The Integrated Care Board (ICB) and local authorities (LAs) have been commissioning social prescribing and community navigation across Kent and Medway for a number of years, and Primary Care Networks (PCN) have expanded their social prescribing workforce.
- 1.3 This rapid progression has led to an increase in the number of providers and services such as Link Workers, Community Navigators and Community Wardens.
- 1.4 There has been a mixture of top down (such as NHS England) and bottom up (local pilots and projects, including grant funded programmes) development and funding with a variety of initiatives. In turn this has led to a number of challenges described by partners in the Kent and Medway system:

- An uncoordinated and fragmented approach across the Kent and Medway system
- Examples of duplication and confusion
- An uncoordinated approach to the voluntary and community sector (critical partners of the model as both providers of social prescribing services and providers of activities)
- Examples of geographical variation of provision
- Inequity in service provision and funding
- Variation in awareness of social prescribing services

- 1.5 Partners have come together across the system to develop and co-design a strategy, recognised and owned by all ICS partners to address inequalities in a coordinated way. The Social Prescribing and Community Navigation Strategy is attached as Appendix 1.
- 1.6 An executive summary (attached as Appendix 2) pulls out the 14 actions identified in the full strategy that will improve the provision and quality of social prescribing and community navigation in Kent and Medway.
- 1.7 The strategy was endorsed by the Integrated Care Board Management Team on 3 January 2024.
- 1.8 Implementation of the Social Prescribing and Community Navigation Strategy across Kent & Medway will be led by Health and Care Partnerships (HCP) to ensure there are local adjustments as required, but with an ICB oversight, to ensure equity across the Integrated Care System.

2. Recommendations

2.1 Recommendation(s): The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **COMMENT** on the Social Prescribing and Community Navigation Strategy attached as Appendix 1.

3. Background Documents

None

4. Relevant Director

Richard Ellis
 Director Adult and Integrated Commissioning
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Social Prescribing and Community Navigation Strategy



For the people of Kent and Medway

**Produced by Kent and Medway Social Prescribing and
Community Navigation Strategy Steering Group**

Document status	Final
Document version	v1.0
Target Audience / applicable to	All staff members involved in social prescribing and community navigation
Document prepared by	Kent and Medway ICB, Programme Manager, James Shaw-Cotterill
Document date	30/10/2023

Approval tracking sheet

Issued to / discussed by	Version	Date
K&M Social Prescribing and Community Navigation Strategy Board	0.20	06/06/2023
K&M Social Prescribing and Community Navigation Steering Group	0.25	04/07/2023
Kent County Council Adult Social Care Cabinet Committee	0.25	06/07/2023
Southeast Social Prescribing Strategic Meeting	0.25	07/07/2023
East Kent HCP Wellbeing Health and Improvement Partnership	0.25	11/07/2023
West Kent HCP Executive Group	0.25	13/07/2023
K&M Inequalities, Prevention and Population Health Subcommittee	0.25	17/07/2023
Medway and Swale HCP Health Inequalities Board	0.25	19/07/2023
Kent Green Social Prescribing Group	0.25	25/07/2023
North Kent HCP Clinical Professional Quality Senate	0.25	27/07/2023

Working together

Kent and Medway Integrated Care System (ICS) is a partnership of organisations working together at different levels of the system to:



- **improve** outcomes in population health and healthcare
- **tackle** inequalities in outcomes, experience and access
- **enhance** productivity and value for money
- **support** broader social and economic development.

Strategic importance

Social prescribing and community navigation **support** the long-term shifts and **core purposes** of an ICS, as listed above.

Our ICS Strategy recognises how beneficial it can be for residents wellbeing when they **connect** with community groups and services to support **mental** and **physical** health. Social prescribing and community navigation help people to make these **connections**.

This strategy sets out the **ambition** of partners across the Kent and Medway ICS to work in increasingly **collaborative** and **joined up** ways. To **build on** and **strengthen** the **community navigation** and **social prescribing services** and drive forward the **agreed goals, ambitions** and **priorities** set out in this strategy.

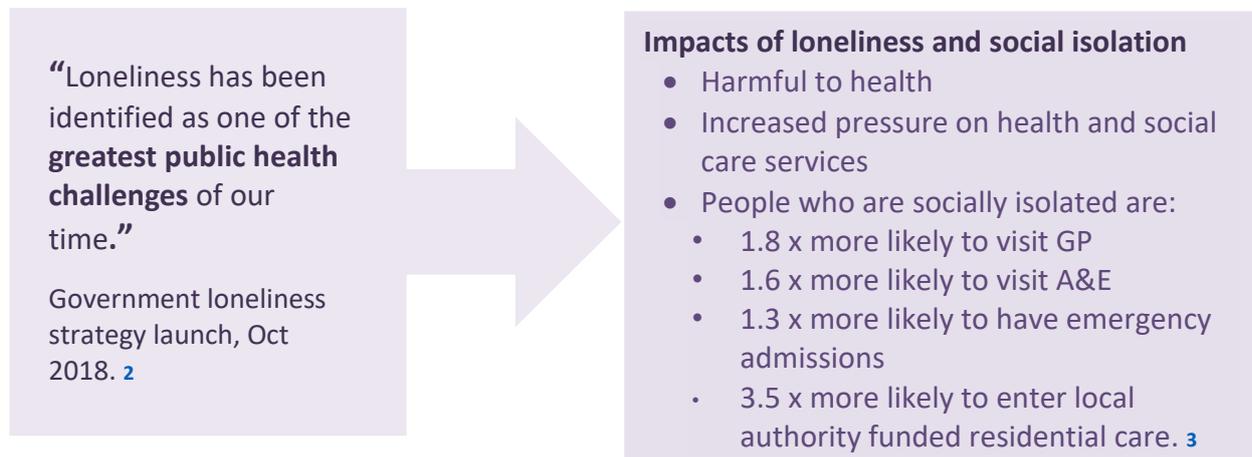
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1. Leadership and governance

1.1 National context

In 2019 the NHS Long Term Plan (LTP) set the ambition for all parts of the country to become integrated care systems (ICS). Following several years of development - The Health and Care Act (2022) established 42 ICSs across England, in law, on 1 July 2022. ICSs help to bring the **NHS, local government** and voluntary, community and social enterprise partners (**VCSE**) together to plan and deliver services, to **improve** the lives of people in their area. The LTP highlights the need for **closer** working across these sectors to both **improve** care and **support** and **address** the wider **determinants of health and wellbeing**. It is through the **support** of the VCSE sector that ICSs have been able to make considerable progress towards addressing health **inequalities** and supporting people with **complex multiple needs** and **reducing** loneliness and social isolation. ¹



	<p>Loneliness is linked to a greater risk of inactivity, smoking and risk-taking behavior, increased risk of coronary heart disease and stroke, an increased risk of depression, low self-esteem, reported sleep problems, stress response, risk of Alzheimer’s and cognitive decline. ⁴</p>
	<p>It is estimated that approximately 20% of patients consult their general practitioner (GP) for what is primarily a social problem. ⁵</p>
	<p>Up to a fifth of all UK adults feel lonely most or all of the time, with evidence showing loneliness can be as bad for health as obesity or smoking. ²</p>
	<p>Around 200,000 older people have not had a conversation with a friend or relative in more than a month. ²</p>



Jo Cox MP

“ Loneliness is a serious problem with long-lasting consequences ⁶ and only by **working together can we make a real difference** to the lives of those affected by it.⁷ ”

Loneliness and Social Isolation Select Committee Report, Kent County Council, March 2019. Page 38. Sharing the view of the late Jo Cox MP.

Everybody has a role to play in tackling **loneliness**, the **wider determinants of health and wellbeing**, and providing **personalised care**. A “**whole system**” approach is needed, with local authorities, health services, central government and the voluntary and private sectors all helping to create a more **connected society**.⁶

The Government loneliness strategy (October 2018) ⁴ recognises the importance of allowing people to **build** and **form relationships** and by doing so; **improve** the social relationships of people across the country, helping them to lead **healthier** and **happier** lives. Chapter two of the strategy is described as marking a turning point in the way public services and organisations promote social connections as a core part of their everyday role, **connecting** people to the **support** they need. It commits to improve how organisations and services connect people by ensuring all GP practices can offer **social prescribing services** and exploring how other frontline staff can also direct people to support.

What is social prescribing?

Social prescribing is an approach that **connects** people to activities, groups, and services in their community to **meet** the **practical, social, and emotional** needs that affect their **health and wellbeing**.

Local agencies such as local charities, social care, and health services refer people to a social prescribing link worker (SPLW). SPLWs give people time to focus on ‘**what matters to me**’ to coproduce a simple personalised care plan, and support people to take control of their health and wellbeing, the wider determinants of health.



SPLWs also support existing community groups to be accessible and sustainable, and help people to start new groups, working collaboratively with all local partners. Social prescribing is an **all age, whole population** approach that works particularly well for people who:

- have one or more **long term conditions**
- who need support with low level **mental health** issues
- who are **lonely** or **isolated**
- who have complex **social needs** which affect their wellbeing.

NHS England ⁸

1.1.2 The NHS Long Term Plan

NHS **England's Long Term Plan 9** (published in January 2019) set out a vision to give people more **personalised care 10** when they need it. This includes a wider, more diversified and accessible range of support across the country through **social prescribing**. **Link workers** within **Primary Care Networks (PCNs)** work with people to develop tailored plans and connect them to local groups and support services. NHS England committed to increase the number of **link workers** by funding over **1,000 additional trained social prescribing link workers** across the country by 2020/21 rising further by 2023, with the aim that over **900,000** people would be able to be referred to a **social prescribing scheme** by then. This means that more people will be **connected** with the care and support they need when they are experiencing loneliness, no matter where they live.

- Give people **more** personalised care
- **1,000** additional link workers by 20/21
- Over **900k** people referred by 2023/24
- **100%** reimbursement for link worker salary
- Funding from **1 July 2019** when reformed GP contract (5yr) began
- **Biggest** investment in social prescribing by **any** national health system.

1.1.3 Care Act

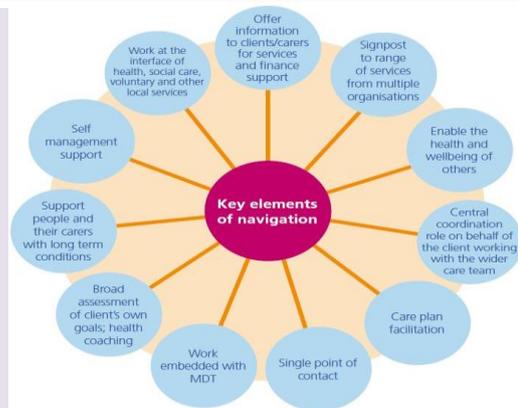
Social prescribing and community navigation **supports** a number of strategic aims and responsibilities for Local Authorities outlined within the Care Act 2014. Section 1 (promoting wellbeing) and Section 2 (prevention). The statutory requirements of the Care Act 2014 and amendments is to ensure that people have **access** to information and advice regarding their care and support. This information and advice requirements is for those who are eligible for care services and the whole population. It aims to facilitate a vibrant, diverse, and sustainable market for **high quality care** and **support** that **prevents** and **reduces** or **delays** the needs at key points. It also supports Health and Social Care Act 2012 and amendments (Feb 2022) by joining up of care for people, places, and populations, focusing on wellbeing, to **strengthen** how care and support is delivered and the tools to deliver on both.

Care Act aims:

- **Promote** individual well-being
- **Prevent**, reduce or delay need for care and support
- Ensure people have **access** to information and advice for their care and support
- **Join up** care
- **Strengthen** how care and support is delivered.

What is community navigation?

Community navigation is a **coordination process** and a key mechanism to help achieve **integrated** care provision and **improve** health and well-being. A person providing navigation is usually based in a multidisciplinary team, to help to identify and **signpost** people to available services, acting as link workers. They offer a service that is based on an equal relationship between the person receiving support and the link worker.



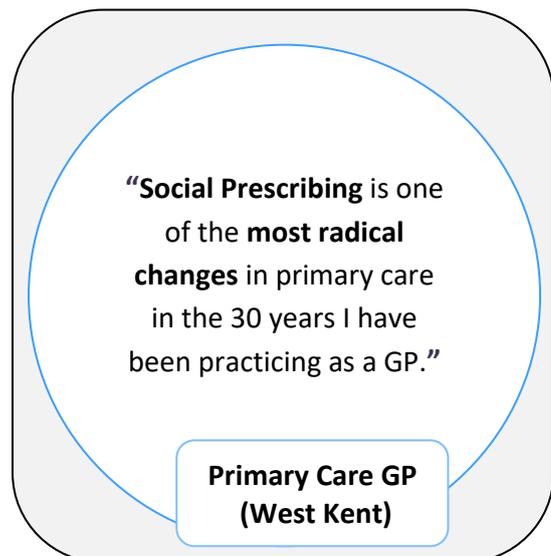
HEE Care Navigation Competency Framework 11 p6 (2.3)

1.2 Local Context - Kent and Medway

Our communities can provide us with **support, resilience**, and a feeling of **belonging** that help us to lead **healthy** and **fulfilled** lives and **reduce** the need for health and care services.

Alongside the role of public sector partners, it is often the informal support from the thousands of local organisations, community networks and local volunteers that help to make a community and create a sense of identity. As a system we recognise, value and support the **vital** role that these groups and individuals play, and will engage in a way that utilizes these community assets for our population's health and wellbeing.

Social prescribing and **community navigation** is helping to **connect** people to community-based support, services, resources, and groups in the local area. This is helping to **improve outcomes** for people, **supporting** people to **stay well, independent** and **resilient**, **reducing** social isolation and helping to **support physical** and **mental health**.



£17.6m invested
> 63,000* SP referrals delivered.
Ambition to deliver over 31,000 referrals per year at ICS level by 23/24.

Across Kent and Medway just over **£17.6m** has been invested into social prescribing and community navigation services (see section 2.1, figure 1), with an additional **£5.8m** invested in Universal Wellbeing Support in the Community. As of March 2023, over **63,000** people have been referred to a social prescribing service (*cumulative number of individuals who have been referred to a social prescribing service since April 2019). The ambition is to deliver **over 31,000** social prescribing referrals per year by 2023/24. Organisations are working in partnership to lead local implementation of social prescribing and community navigation. An important role for all partners across the ICS is to ensure there is a **consistent offer** for the whole population, **ease of access** and a way of understanding the uptake and impact of social prescribing and community navigation on **population health** outcomes.

1.2.1 Kent and Medway Integrated Care System (ICS)

System	1.9m people
---------------	--------------------

At a **system level** Kent and Medway was placed on a statutory footing on 1 July 2022, bringing together the different partner organisations within the Integrated Care System (ICS). **All** partners constitute the system. System-wide partners include **NHS Kent and Medway Integrated Care Board (ICB)**, **Kent County Council** and **Medway Council**, working with the **NHS Providers**, the **Voluntary, Community and Social Enterprise (VCSE)** sector and other partners to better **integrate** services and take a more **collaborative** approach. The ICB and Integrated Care Partnership (ICP) will set overall system strategy in collaboration with partners. Together they will manage resources and performance, share research and good practice, plan specialist services and drive strategic improvements.

Kent and Medway Integrated Care Partnership
Members include: Kent and Medway ICB, Kent County Council, Medway Council Health and Care Partnerships, District Councils, VCSE representative

NHS Kent and Medway Integrated Care Board
Responsible for the Joint Forward Plan

Kent County Council and Medway Council

NHS England

At a system level we must focus on the complex issues that can only be dealt with by acting together. We are facing a period of significant financial challenge and recognise the tangible benefits that can come from **closer working** with partners in **commissioning and delivery** of services. Effective and sustained achievement can only be realised through genuine **integrated collaboration** and **partnership** arrangements across all key stakeholders, including the substantial number of Voluntary Community Social Enterprise organisations. Therefore, we will position **VCSEs** as our **strategic partners** in various workstreams through the ICS by having an established **VCSE alliance** with formal agreements on how we will work together. Such as, a

Memorandum of Understanding
The MOU confirms that VCSE representatives will be involved in the development, governance, and delivery of the Kent and Medway Integrated Care Strategy and other related strategies and delivery plans, including the co-design of relevant activities, and thus play a key role in efforts to build a resilient local economy, address inequalities and inequity, and improve the health and wellbeing of people who live, work and study in Kent and Medway. The VCSE partnerships covered under this agreement include the Kent and Medway VCSE Steering Group and each Place Based Health & Care Partnership VCSE Alliance.

Memorandum of Understanding (MOU) outlining the working relationship and arrangements that we wish to achieve between the VCSE sector, the NHS and other partners, serving as a framework for collaboration and supporting delivery of the Kent and Medway Integrated Care Strategy and other related strategies and delivery plans across agreed partnerships.

Social prescribing and community navigation

Work has begun to co-ordinate the approach to social prescribing and community navigation at a system level. A workshop was held in February 2022 and the highest priority identified was the need for a social prescribing strategy. A strategy board was set up in June 2022 to set the strategic direction and a steering group began in July 2022 to take the work forward and develop this social

prescribing and community navigation strategy to provide a framework for social prescribing and community navigation across the Kent and Medway system.

1.2.2 Health Care Partnership (HCP)

Places	260,000 – 720,000 people
---------------	---------------------------------

There are 4 Place Based Health and Care Partnerships in Kent and Medway. These are alliances of health and care partners working together to design and deliver integrated services to improve outcomes for their populations within delegated responsibilities and budgets. The four Place Based Health and Care Partnerships include: **Dartford Gravesham and Swanley; East Kent; Medway and Swale; and West Kent.**

4 Place-based Health and Care Partnerships

12 District Borough Councils

Provider Collaboratives

HCPs are designing, commissioning, and delivering social prescribing and community navigation services. This is discussed further in the commissioning section of this strategy.

1.2.3 Primary Care Networks (PCNs) and Integrated Neighborhood Teams

Neighbourhoods	Typically, 30,000 – 50,000 people
-----------------------	------------------------------------------

These are local decision making and integrated teams, developed to meet the unique needs of their populations including: local health and care organisations, the VCSE, community groups, community assets and primary care networks. PCNs are collaborations of GP practices working together to meet the needs of their registered patients.

41 Primary Care Networks

Individual Providers
including voluntary and community services,
independent sector, NHS Trusts and NHS
Foundation Trusts

There are 41 PCNs across Kent and Medway. Following a national review by Claire Fuller PCNs have started to work with the full range of local partners in a local area to establish Integrated Neighborhood Teams to jointly address the needs of the local population together using their shared resources.

To support PCNs, the Government Additional Roles Reimbursement Scheme (ARRS) provides additional roles to help create bespoke multidisciplinary teams in practices. One of these ARRS roles is a social prescribing link worker (SPLW), funded since July 2019. In some areas PCNs have chosen to sub-contract to VCSE organisations to provide a social prescribing service, while in other areas the PCNs have chosen to employ Link Workers directly. **ACTION 1: As a system we will continue to support PCNs to maximise their use of ARRS social prescribing staff to effectively address patient demand, notably for those with complex health and care needs.**

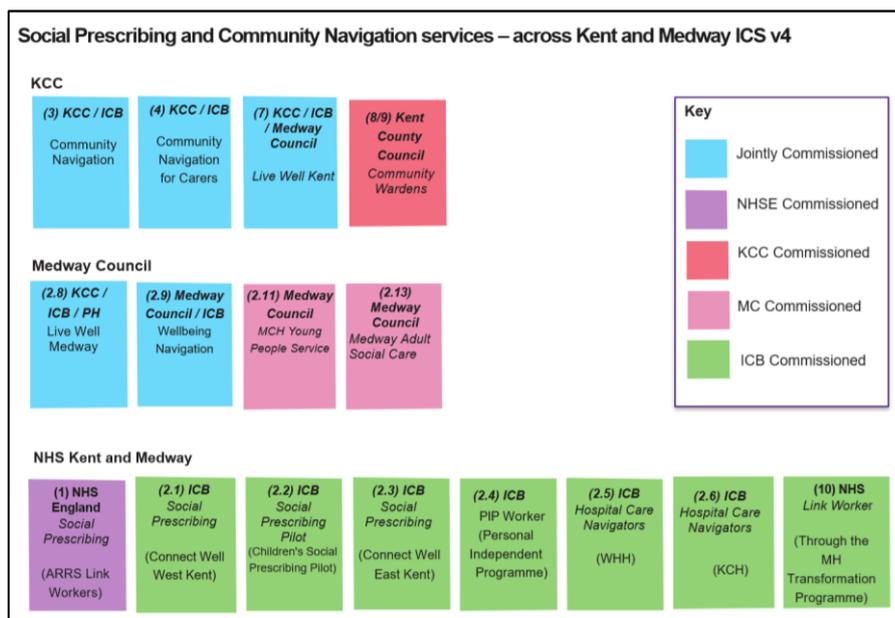
There are **92** SPLW funded through ARRS (as of March 2023), **73** community navigators and **64** Community Wardens.

2. Planning and commissioning

2.1 Planning and commissioning social prescribing and community navigation

As a system work has started to co-ordinate the approach to planning and commissioning social prescribing and community navigation across the ICS. Historically, due to the number of Kent and Medway commissioners, different approaches were taken to commissioning in different areas. Therefore, as part of producing this strategy, some mapping work was undertaken to look at what is commissioned, contract value, provider of the service and length of the contract. This identified a total annual investment of just over **£17.6m** in social prescribing and community navigation services (shown in figure 1, below). These are commissioned by Kent County Council, Medway Council, NHS Kent and Medway and NHS England. Community Navigation Services jointly commissioned by KCC, Medway Council and NHS Kent and Medway include the functions of both care navigation and social prescribing 12. In addition to the £17.6m mentioned, a further **£5.8m** is invested in the Community based Wellbeing Services to support people in the community, promote independence and keep people connected to where they live.

Figure 1: Commissioned services



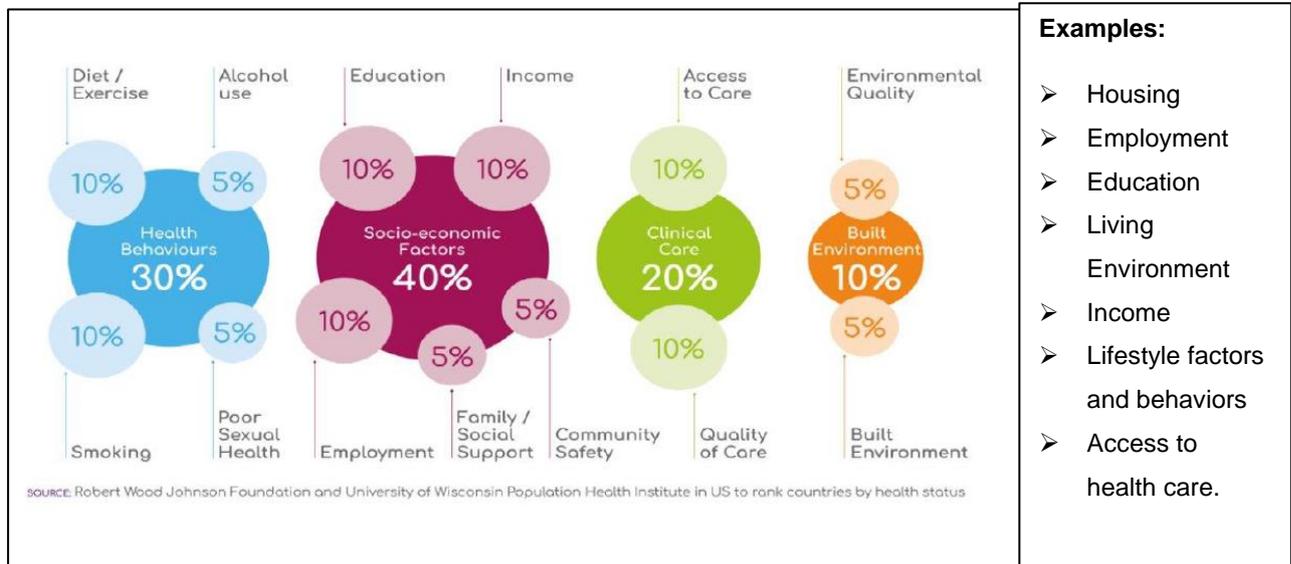
The mapping work demonstrated variation in funding and services commissioned across Kent and Medway. The ICS provides a unique opportunity to work together in different ways, coproduce plans, work in increasingly joined up ways, align commissioning and tackle inequalities. **ACTION 2: Kent and Medway will continue to coproduce plans and will undertake gap analysis to systematically identify inequalities in access to social prescribing and community navigation services, undertake needs assessment, and align commissioning to tackle inequalities in access to services. This will include looking at support, investment, and capacity building models, including VCSE.** There are several funding models and pilots in our system, such as Medway’s Community Navigation service, ensuring 5% of the contract value is ringfenced to support the VCSE to ensure sustainability and support activities to refer to. Medway and Swale’s social prescribing pilot supports the sector with money following the referral to the activity provider. Involve Kent VCSE Grants. Deal and Sandwich PCN pilot to set up activities and Kent’s VCSE Wellbeing contract.

2.1.1 Population health management

Population health is one of the core strategic aims for an ICS ¹³; to improve physical and mental health outcomes, promote wellbeing and reduce health **inequalities**, with a specific focus on the wider determinants of health. The **wider determinants of health** have a significant impact as only 20% of a person's health outcomes are attributed to the ability to access good quality healthcare, as shown in figure 2 below. Population health is a partnership approach to tackling the interdependent issues that affect people's health and wellbeing to address our populations most pressing needs.

Our vision is to ensure that Kent and Medway's population has the best health possible. Population Health Management uses historical and current data to understand what factors are driving poor health outcomes in different population groups, taking a broad view across the wider determinants. Local services can then design new **proactive** models of care, such as bespoke social prescribing and community navigation, which will improve health and wellbeing today as well as in future years.

Figure 2: Wider determinants of health



The overwhelming evidence is that the wider determinants of health such as **socioeconomic** factors, our **physical environment** and our **health behaviors** have the **most** impact on our health. Variation in peoples experience of wider determinants such as, **housing**, **education** or how safe they feel in their **community**, has a fundamental effect on health, creating health inequalities. These are the preventable, unfair and unjust differences in health status between groups, populations or individuals.

Housing

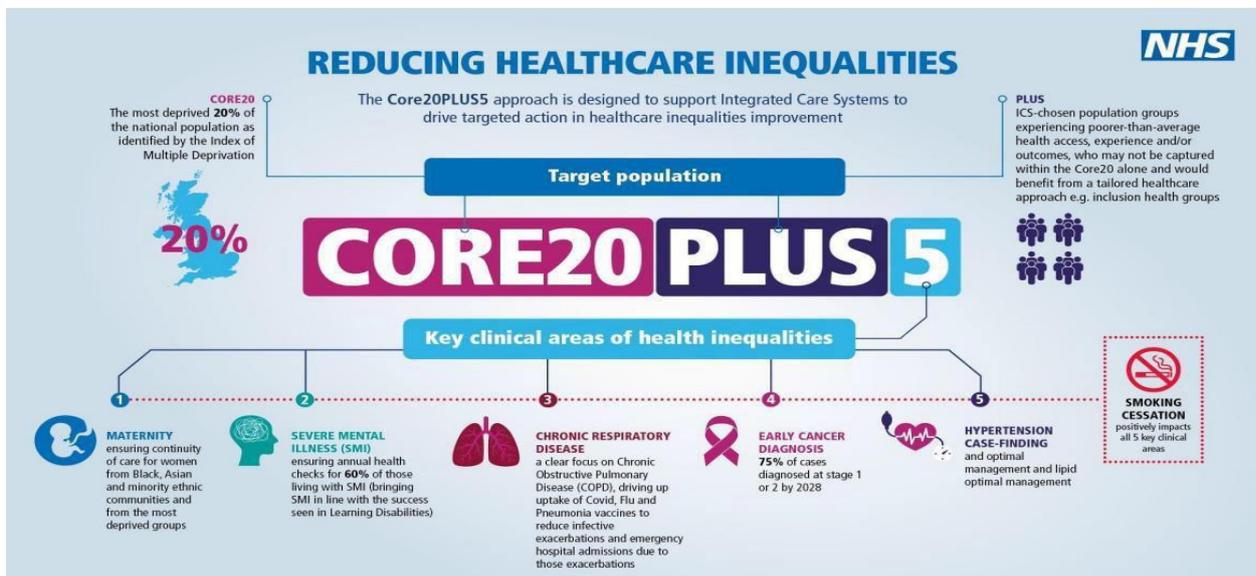
Adults and children who live in cold, damp housing may be more likely to develop **respiratory problems** over future years because their lungs are affected by the mould spores in their home. If we **improved** their housing now by working with partners such as local councils and housing associations, they may not end up with various health conditions in the future which can result in poor quality of life (conditions like asthma, chest infections, and other respiratory problems) and could avoid the need for multiple health and care services, helping to **reduce** health inequalities.

ACTION 3a: Kent and Medway ICS are committed to tackling health inequalities to improve the health of our population and we will continue to adopt the **Core20Plus5 model** to support our targeting of those most in need.

2.1.2 Reducing health inequalities in Kent and Medway

The NHS Long Term Plan emphasises the need to strengthen the NHS contribution to reduce health inequalities. **Core20PLUS5** is a national approach to support this priority at both national and ICS level for adults, children, and young people. The **Core 20** is the most deprived 20% of the population identified by the national **Index of Multiple Deprivation (IMD)**. The IMD has 7 domains with indicators accounting for a wide range of social determinants of health: income, employment, education, health, crime, barriers to housing and services and living environment. The **PLUS** population groups are locally identified **population groups** experiencing poorer-than-average health access, experience and/or outcomes, who could benefit from a tailored healthcare approach. The **5** sets out **five** clinical areas of focus which require accelerated improvement.

Figure 3: Core20PLUS5 model



Core20PLUS5 will support us to drive targeted action in improving healthcare inequalities. This aligns with our approach to population health management where we are identifying specific local population groups. **ACTION 3b: “Using population health management to target health inequalities in patient cohorts (including those identified through Core20Plus5) and then offering social prescribing to support them is extremely valuable. Proactive social prescribing is part of the 2023/24 GP contract” (K&M Link Worker).**

Social Prescribing support for those facing Health Inequalities

Working across West Kent, Involve Link workers supported 976 people facing **health inequalities through building links** and collaborating with networks, faith groups, communities, and voluntary organisations to **engage** people including BAME, unemployed, care experienced, gypsies and travellers, people living in deprived areas, people with housing issues and on low income. A **proactive** engagement approach was deployed including attending **foodbanks, soup kitchens and homeless support services** to meet with and talk to people accessing these services. (Programme report March 2023).

The service engaged people with **long term conditions** (such as diabetes, cancer, serious mental illness) alongside social issues such as **debt, poverty, social isolation and poor housing**.

Many had lost trust in services or felt ashamed and rejected support on multiple occasions before engaging.

3. Workforce development

3.1 Kent and Medway Integrated Care System

3.1.1 Whole system context

There are over 80,000 health and care colleagues across a range of services based in Kent and Medway. While good examples of collaboration and innovation exist and should be adapted and scaled up where we can, there are differing experiences across our teams which should be tackled. The demand for staff is outstripping supply and along with an ageing workforce, this is putting increased pressure on our teams. There are many opportunities to **work together** as a system to grow and develop our workforce and make Kent and Medway a great place for our colleagues.

Our ICS **ambition** for workforce states:

“We want our people to work together across organisations and **collaborate** with local residents to create **communities** that are amongst the **healthiest** in England.

We want our workforce to **work together**, across **health, care and voluntary sector, enjoy their work, learn and develop** in their jobs, be **empowered, engaged and develop** to be **excellent** at what they do.”

To do this the interim Kent and Medway ICS strategy describes how organisations will work **together** to **attract** and **retain** professionals, work with education and training providers to develop exciting and diverse careers and training opportunities, provide talented and capable leadership and offer flexible and interesting careers.

3.1.2 Social prescribing and community navigation

As discussed in section **2.1** of this strategy, there are a variety of different social prescribing and community navigation services and models of care across Kent and Medway. The range of workforce colleagues includes: **92** Social Prescribing Link Workers (through Primary Care ARRS), **73** Community Navigators and **64** Community Wardens. To support both employers and employees to effectively deliver these services, system partners have identified some priority areas for workforce development and planning. The frameworks discussed below, helps to inform and support these such as, recruitment and retention, training and development, competency framework, career pathways, supervision and peer support.

3.2 Frameworks

Several frameworks have been developed which provide a rich source of materials, guidance, support and resources for workforce development. These include:

- Care navigation competency framework
- Social prescribing competency framework
- Health and wellbeing coaches competency framework

- Social prescribing maturity framework
- Social prescribing workforce development framework

3.2.1 Care Navigation competency framework

The purpose of Health Education England’s Care Navigation Competency Framework is to describe a core, common set of competencies for care navigation. These core competencies are brought together in a tiered competency framework, recognising three successive levels; essential, enhanced and expert. This will help provide a coherent benchmark or set of standards for care navigation, to help ensure relevant staff receive the necessary education, training and support to work effectively.

3.2.2 Social Prescribing Link Worker competency framework

NHS England’s Competency Framework sets out the core competencies that all SPLWs need in order to deliver their role, and is designed to assist those who employ or direct the activities of SPLWs to understand the competencies for practicing safely and effectively in their role, and how these competencies can be achieved. It should be used to ensure that people with the right skills and abilities are being recruited to the role, and as a tool to support CPD. These competencies are aligned to the sample job description discussed above.

Table 1: SPLW competency framework areas

The competency framework is divided into four areas:			
1	Competencies to engage and connect with people	3	Competencies to enable community development
2	Competencies to enable and support people	4	Competencies for safe and effective practice

Recruitment, induction, and supervision of SPLWs should include consideration of the competencies and plan how SPLWs will be supported to demonstrate and develop their skills.

The new NHS competency framework is the gold standard. It is recognised this may not be achievable for some providers across Kent and Medway. **ACTION 4: Therefore, a working group will be set up to decide on a common minimum set of competencies a link worker will be expected to meet. This group should consist of representatives from the NHS, Primary Care, VCSE, Local Authorities, commissioned providers, and community services. Once agreed, the minimum set of competencies should be used to inform training requirements for SPLWs and CNs.**

3.2.3 Health and wellbeing coaches workforce development framework

The health and wellbeing coaches workforce development framework, developed by NHS England, supports health and wellbeing coaches, and their employers, to understand the role and to deliver a safe and effective service. The framework includes competencies for the role and links to resources to support employers to recruit and embed health and wellbeing coaches in services.

3.2.4 Social prescribing maturity framework

The Social Prescribing Maturity Framework is a draft quality improvement tool developed by NHS England for Integrated Care Systems to strategically embed plan, and delivery social prescribing at neighborhood (PCN), place (HCP) and system level (ICS).

3.2.5 Social Prescribing Workforce Development Framework

The workforce development framework has been developed by NHS England to support Social Prescribing Link Workers and their employers to maximise impact of the role. It is intended as a useful resource for organisations across the health and care sector including the **NHS**, voluntary, community and social enterprise (**VCSE**) partners, and **local authorities**.

The framework focuses on the core **functions**, **skills** and **competencies** of the role alongside the professional **support** and **development** needed to enable **safe** and **effective** practice and support **improved outcomes** for people and communities.

Table 2: Workforce development framework

The aim of the framework is to:	
1.	Provide clear and consistent standards for SPLW practice, including their knowledge, skills and behaviours
2.	Provide information about the training, support, supervision and continuous professional development (CPD) needed to enable them to succeed. Provide guidance on the support, supervision, and learning and development offer required from employers to support SPLWs
3.	Promote the development of a strong and capable workforce of SPLWs and their future development
4.	Support improved quality and consistency of social prescribing and reduced variation in outcome and access standards
5.	Demonstrate the benefits of SPLWs working as part of a multidisciplinary team (MDT).

3.3 Employing Link Workers

3.3.1 Employment

As with any role in a health, care or community setting, colleagues need to be supported and enabled to succeed in their role. Before [employing a member of staff](#), employers should be clear on the **purpose** of the role and how it can contribute to meeting people's needs and neighbourhood/place/system priorities, and that they have the **resources** and **capacity** to **manage** and **support** the roles. This includes having appropriate supervision arrangements in place, which is essential, and provision for training and ongoing CPD.

Considerations for setting up a service, such as social prescribing, are set out in the [Reference guide for primary care networks](#) for social prescribing and include a [checklist](#), [social prescribing planning template](#) and recruitment support including a [sample job description](#) and an [induction checklist](#).

3.3.3 Caseload

Colleagues tend to support people for an average of **6-12 contacts** over a three-month period, but this will be flexible, depending on the support the person needs. A full time member of staff can have a typical annual caseload of up to a maximum of **200-250**. This may be lower depending on the complexity of peoples' needs, the maturity of the service and wider work they may be undertaking, such as community development activities or outreach.

Colleagues should manage their own caseload to work with people in a format that works for them, including face to face appointments, home visits and community-based activity.

3.4 Training

The World Health Organisation's (WHO) Social Prescribing Toolkit makes several recommendations in relation to training. They describe the overall training objectives to be for colleagues to be able to: **identify** and analyse patient and client **needs** in the context of **social determinants of health**; **locate and match community resources**; and perform tasks to **improve the overall well-being** of patients and clients.

3.4.1 Induction

Local induction is necessary for onboarding of new colleagues, and this should promote good working relationships within the workplace and with other areas of the health and social care system, to help colleagues feel supported and valued at work. Local induction should also include information for the wider workforce about the role and appropriate referrals and allow colleagues to work effectively as part of a team.

Employers may wish to include shadowing colleagues, being observed and receiving feedback, and establishing peer support relationships with other colleagues as part of the onboarding process. It may also be helpful to establish reflective practice at the outset, and employers should think about the learning environment for colleagues, as with all staff.

Sole working colleagues may need additional support during induction to establish peer support relationships across organisational boundaries. Employers are encouraged to support colleagues to connect with networks and to provide protected time to attend peer support sessions. Colleagues may find the social prescribing link worker welcome pack and induction check list useful resources.

3.4.2 Training

Colleagues should receive training and on-going development to support their role. It is the responsibility of the employer to ensure that staff have the appropriate level of training, and/or to support their training needs by funding and allowing time to attend training. The National Association of Link Workers offer training through e-learning courses.

a) Social Prescribing Link Workers

In line with the Network Contract DES SPLW employed by a PCN must:

- Complete the mandatory [HEE e-learning for healthcare](#)
- Enrol in or qualify from [appropriate training as defined by the Personalised Care Institute \(PCI\)](#)
- Attend the peer support networks delivered at place or system by the integrated care system (ICS)

b) Community Wardens training includes:

- Esther Improvement Coach training,
- Regard of the NHS Care Navigation Competency Framework, and its bronze, silver, gold levels/expectations aligned to the service structure.
- National Association of Link Worker (NALW) membership and associated training and CPD requirements (4 x e-learning modules plus ongoing CPD to evidence)

c) Community Navigation

- Mental Health Awareness and the Mental Capacity Act (MCA), Safeguarding, Sensory Awareness, Equality and Diversity, Managing Violence and Aggression, Drug and Alcohol Awareness, Lone Working
- Esther Improvement Coach training
- Motivational interviewing
- Dementia Friends Information session

ACTION 5: Medway are in the process of producing a referrer training module to help ensure appropriateness of referrals. The learning and benefits will be shared with system colleagues.

3.4.3 Supervision

Supervision is a process by which individual colleagues work with another person to meet their professional, organisational and personal objectives, which together promote best outcomes for the patient/client. The workforce development framework sets out how different types of supervision are delivered, by whom and what the supervisor training needs maybe. This includes workplace supervision, clinical supervision, group supervision and training and support for supervisors.

3.4.4 Continuing Professional Development

Employers should support continuing professional development, giving dedicated time, and where necessary funding, for training and CPD. Regular supervision sessions, appraisals and personal development planning should all be used as opportunities to focus on specific needs to progress and/or meet the competencies for the role, as well as [future career aspirations](#). Colleagues themselves, their supervisors and employers have collective responsibility for CPD. The workforce development framework recommends using the [Competency Framework](#) and [Portfolio of Evidence](#) to provide structure for conversations about CPD during supervision sessions.

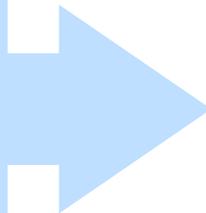
3.4.5 Kent and Medway Social Prescribing Link Worker support programme

The Kent and Medway – Social Prescribing Link Worker support programme started in November 2022. The aim is to develop a sustainable programme of training and development support for social prescribers. The programme includes the development of peer support, induction and CPD, training and development, managerial supervision, access to information and resources and creates a progressive learning culture within the community of social prescribers across the Kent and Medway area. The network meets monthly and is supported by the Primary Care Training Hub. **ACTION 6: To ensure longevity of the programme, sustainability will be explored, and a sustainable plan will be put in place.** For further information, please contact kmpcth@nhs.net

3.4.6 Local peer support networks

There are several locally set up networks across Kent and Medway such as East Kent, DGS and Medway. The networks provide an opportunity to share practice and information. In DGS the network meets quarterly to promote communication, and collaboration among local services with a social prescribing or care navigation function. The group have produced a ‘directory at a glance’ to help providers understand the different types of support on offer. **ACTION 7: To better understand what exists, identify gaps, raise awareness of what is available and reduce duplication a scoping and mapping exercise will be undertaken to map all the networks across Kent and Medway.**

In **Medway**, there are several providers from different organisations delivering social prescribing, both within health care setting as well as in the community. The roles of the link workers vary depending on how they are commissioned, with many working in specific roles such as children and young people or supporting those with mental health needs, meaning the scope of social prescribing is vast across the area.



Medway Link Worker Forum

The Medway Link Worker Forum was set up in **November 2019**. The aim is to provide a space to share information and knowledge, access peer-to-peer support, training, and enable collaborative working to advance skills and knowledge in delivering social prescribing interventions. The forum also provides the platform to raise concerns, challenges, opportunities and ideas. Utilising the whole system approach in Medway these are then collated and escalated to the relevant groups such as the Medway Leader’s Consortium, the Medway and Swale Social Prescribing Steering Group or the Health and Care Partnership.

3.4.7 Protected Learning Time (PLTs)

Integrated neighborhood teams have access to 9 PLT sessions a year to support workforce retention and resilience. These are divided across these 3 groups:

- 3 Kent and Medway wide
- 3 training hub locality wide
- 3 PCN wide

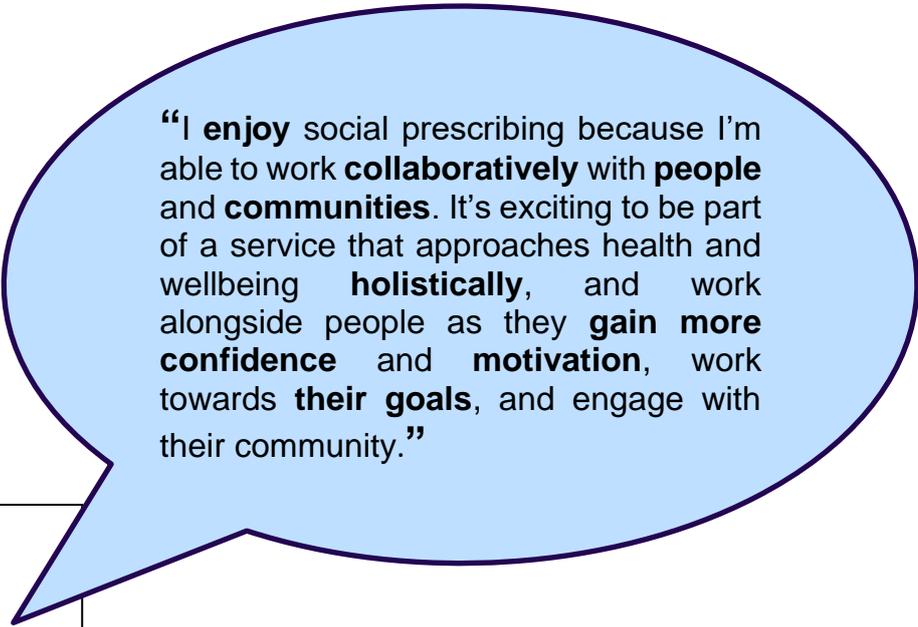
The PLT programme is advertised on the training hub [website](#) and disseminated by the Community Education Facilitator (CEF), through the training hub [newsletter](#) and general practice bulletin. The PLTs are supported by the four Primary Care Workforce Leads in each Health Care Partnership across the ICS. To register for the newsletter contact: kmpcth@nhs.net. If you have any suggestions for future PLT events, please do not hesitate to email the training hub on kmpcth@nhs.net.

3.4.8 Primary Care Network (PCN) booklet

The Kent and Medway Training Hubs have developed a [booklet](#) to support employers and employees to understand the benefits, skills, and support required for a number of roles including social prescribers. Social prescribing is currently on page 49 to 53 of the booklet. **ACTION 8: The training hub is currently updating and amending the booklet and will announce when this is available through the Training Hub newsletter, via the PCN Community Education Facilitators and on the Kent and Medway training hub website. Information about the role is also available on the training hub [website](#).**

3.4.9 Peer Mentoring

The Training Hub offers one to one peer mentoring for multi-professional primary care workforce. Further information is available on the training hub [website](#).



“I **enjoy** social prescribing because I’m able to work **collaboratively** with **people** and **communities**. It’s exciting to be part of a service that approaches health and wellbeing **holistically**, and work alongside people as they **gain more confidence** and **motivation**, work towards **their goals**, and engage with their community.”



Senior Social Prescribing Link Worker, Weald PCN

4. Digital and technology

4.1 Whole system context

The data that our partners hold is a rich source of information that can provide valuable insights and, in turn, can drive improvement. Trusted frameworks and governance structures are needed to facilitate **combined datasets**. We must monitor progress of **activity** and our **impact** and hold each other to account for delivery on commitments.

For the first time, targets will encompass **combined metrics** for both health and social care. We will work to develop core outcomes that will enable us to show tangible improvement. Governance will enable coordinated prioritisation and planning of activities and sharing of best practice between partners. We will continue to develop relationships with our partners and get better at **using data** and evidence to inform commissioning decisions. **ACTION 9: The ICS will develop a digital and data strategy and continue the work to increase digital maturity in Kent and Medway.**

4.2 Digital enablers

4.2.1 Data architecture for population health management (PHM) ¹⁴

Kent and Medway are deploying a population segmentation tool as a core component of a PHM solution. The tool will initially combine longitudinal primary care and acute data. This is a key infrastructure and intelligence building block to improve care and outcomes for our population through intelligence led insights and change.

The segmentation tool contributes to two of the four core purposes of ICS and is key to how system partners will work differently as set out in the Kent and Medway interim Integrated Care Strategy:

- ensure a whole system collaborative approach to adopting PHM, working across the NHS, council services including public health and social care, the voluntary and community sector and the communities and neighbourhoods of Kent and Medway
- directly supports the design of new models of proactive care and deliver improvements in health and wellbeing which make best use of our collective resources.

4.2.2 Community directories

There are a number of community directories available across Kent and Medway that are digitally accessible. Several of these enable people to self-refer to promote self-management.

Table 3: Community directories

Ashford Volunteer Centre	Live well K&M Community Services	ReferKent - KCC
Involve Kent	Local Kent Directory – KCC	Small good stuff - KCC
Everyday Active	Medway Voluntary Action	Social Enterprise Kent
Explore Kent	Red Zebra	

4.2.3 Community map

The ICS is working in partnership with the National Academy for Social Prescribing (NASP) to populate a map of social prescribing and community navigation services across Kent and Medway. **ACTION 10: The ICS will continue to support the population and moderation of the content for a Kent and Medway community map.**

Figure 4: Kent and Medway social prescribing services map



4.3 Social prescribing data

The social prescribing reference guide and technical annex for primary care networks has been created to support PCN employers of social prescribing link workers. In the ‘social prescribing data’ section of the guide it says that all link workers embedded within PCN multi-disciplinary teams should have access to the **GP information system** used within the PCN.

4.3.1 SNOMED codes

ACTION 11: To successfully track the number of people benefiting from social prescribing, and in accordance with the Network Contract DES 22/23, the following SNOMED codes should be used to code activity:

Table 4: SNOMED Codes

SNOMED code	Description
• 871711000000103	-Social prescribing declined (situation)
• 871731000000106	-Referral to social prescribing service (procedure)

4.3.2 Data fields

In addition to the above codes, national guidance suggests it would be helpful for social prescribing link workers within PCNs to collect the following information. Please note that introduction of a new minimum dataset for social prescribing is expected to be published in 22/23. This will be considered as part of the standard evaluation framework in **Action 12**.

Table 5: Data fields

Date referred to link worker	For indication of waiting times
Who made the referral	To capture which agencies or individuals are making referrals to social prescribing
Reasons for referral	Why the person was referred to the link worker
Equality monitoring	To ensure that social prescribing works inclusively to meet the needs of all communities
Contacts with link worker	Appointments and time spent
Where the person is being connected to	Statutory services e.g., housing, welfare rights, employment support Community activities e.g. arts, culture, physical activity, nature. Other (please state)
Outcomes for the person	How did their wellbeing and activation levels change after 6 months? (See 5.2.1 for examples) What changes took place? How satisfied were they with the service?

4.3.3 System Oversight Framework

We are nationally measured through the System Oversight Framework (SOF). The SOF Metric for social prescribing is part of the personalised care interventions metric (S031a), shown below.

Table 6: Social prescribing SOF metric

SOF Metric: S031a	Description
<ul style="list-style-type: none"> Number of personalised care interventions – Referrals to social prescribing 	<p>-Referred to social prescribing: Cumulative number of individuals who have been referred to a social prescribing service since April 2019</p>

4.3.4 Personalised Care dashboard

We are also measured nationally and regionally through the Personalised Care dashboard.

Table 7: Personalised care dashboard metric

Personalised Care dashboard	Description
<ul style="list-style-type: none"> Social Prescribing Link Workers Social prescribing declined 	<p>- Link Workers: Number of social prescribing Link Workers employed by a PCN or a GP practice (FTE) - Declined: Cumulative number of individuals who chose not to accept a referral to a social prescribing service since April 2019</p>

5. Evidence and impact

There is a growing body of evidence which shows that **social prescribing improves wellbeing** for people, giving them more control over their lives.

The World Health Organisation (WHO) note in their Social Prescribing Toolkit that “several studies have evaluated the impact of social prescribing on health **outcomes** of patients, as well as its impact on **cost reduction** within the health sector.”

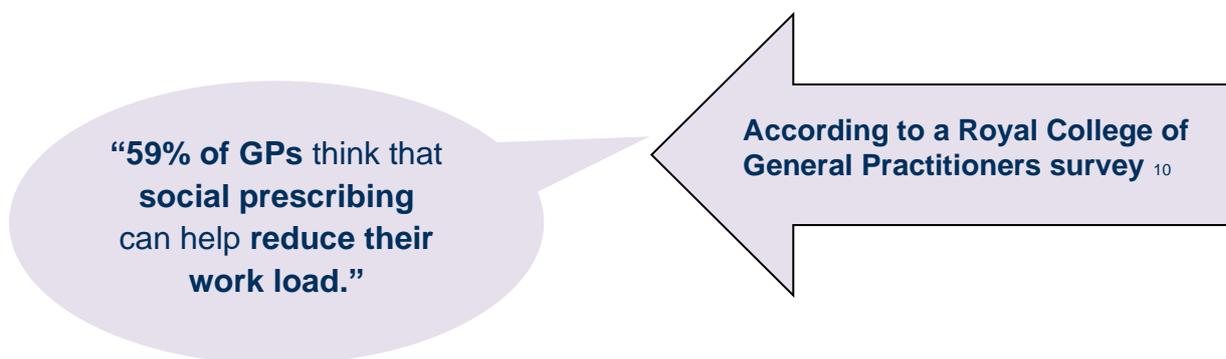
Studies have shown that social prescribing may **improve psychological well-being, reduce anxiety** and **increase the perceived quality of life**”.

NHS England report that “evaluations of local social prescribing schemes have shown **reduced** pressure on NHS services, with **reductions** in **GP consultations, A&E attendances** and **hospital bed stays** for people who have received social prescribing support.”

Although hard to quantify, there is an expectation to see a reduction in the number of referrals to statutory services and that of social care.

The Royal College of General Practitioners (RCGP) reported that the practice of referring patients for social prescribing to be **one of the most effective** [of the NHS England 10 High impacted Actions] and **beneficial** for both **GP teams** and **patients**.¹⁵

The RCGP online survey found that:



Please see [Appendix 1](#) (inserted below) for full details around the evidence and impact.



Appx 1 Evidence
and Impact SP & CN

6. Engagement

6.1 Whole system context

We will not succeed unless we actively engage with and listen to the communities we serve and people working through the system.

Our ICS ambition for engagement states that we want the approach to:

- “Raise awareness of the work to improve health and care in Kent and Medway and the wider determinants of health and wellbeing;
- give people the opportunity to influence decisions;
- ensure insights gathered are considered in future plans and strategies.”

Engagement activities will support us to identify **priorities** and **improve** the way we deliver services for local people. We will continue to develop and refine services as we engage with, and listen to, our communities. This strategy is underpinned by our Integrated Care Strategy.

6.2 Pre workshop

Prior to the strategy workshop, discussed in section 6.3, system partners were asked what they saw as the priorities for social prescribing.

Table 18: Social Prescribing Priorities table

The feedback from: Voluntary Community Social Enterprise organisations, Link Worker, Kent County Council, Medway Council and Integrated Care Partnership Social Prescribing Leads was categorised and prioritised, shown in **table 18** opposite, based on the number of times the same category was mentioned. This was sent out in a pack prior to the workshop, along with a summary of the detail behind each heading.

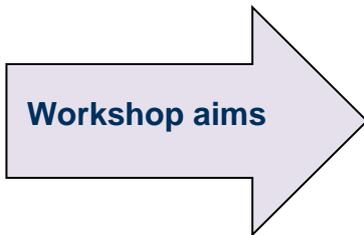
This was used at the workshop, using Mentimeter, to prioritise the categories identified.

Priority	Category	No.
1	Strategy	10
2	Voluntary sector	8
3	Equitable and consistent	7
4	Evaluation	6
5	Access to a directory	5
	Link worker training	5
6	Networks	4
	Targeted co-horts	4
	Workforce development and progression	4
7	Funding	3
8	Comms and engagement	2
9	Digital systems	1
	Data sharing	1

6.3 Strategy workshop

A Kent and Medway strategy workshop was held in February 2022 bringing together 38 system partners shown in **Table 19** to continue with the engagement and co-design of a Kent and Medway social prescribing strategy.

It was recognised that huge strides have been made and a great deal of **knowledge** and **experience** have been obtained, through a variety of projects, pilots, and initiatives. This has led to huge amounts of **learning, testing** and **development**, not only benefiting Kent and Medway, but also nationally, by feeding into and helping to shape and inform new models of care and national planning and policy. At the same time the national profile and level of investment in social prescribing has increased, leading to more social prescribers and providers in Kent and Medway. Therefore, it was recognised that Kent and Medway are in a good position and the aim of the workshop was to build on and strengthen what is in place by:



- Bringing people together to look at what is **working well**,
- think about any **gaps**,
- establish some **priorities** and
- agree how we work together to **continue** to develop social prescribing for the people of Kent and Medway.

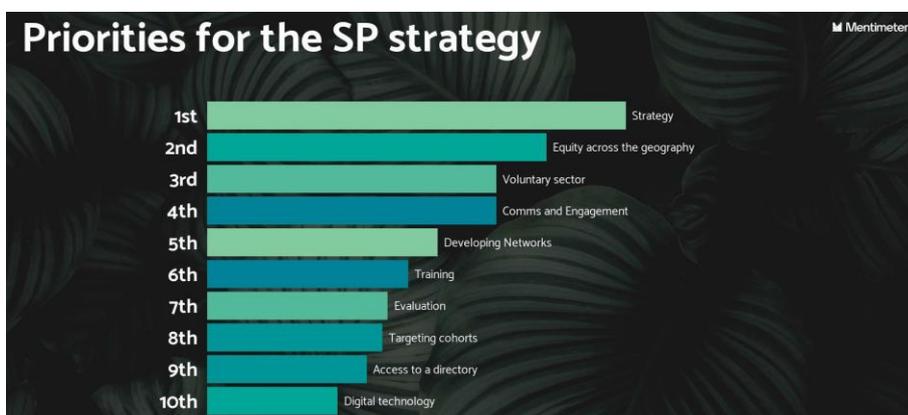
Table 19: Partners

• Voluntary Community Social Enterprise organisations	• NHS Kent and Medway Clinical Commissioning Group
• Kent County Council	• Medway Council
• Primary Care Networks	• NHS England
• Kent Association of Local Councils	• Age UK
• Primary Care Patient Participation Group	• Carers Support
• District Councils	

6.3.1. Priorities

The group used Mentimeter to prioritise the categories identified. It was suggested that **integration** and **funding** should be added to the list below:

Figure 5: Priorities for the strategy



These items have all been included in the strategy skeleton outline and mapped against the social prescribing maturity framework (discussed in section 3.2.4).

6.3.2 Steering Group

It was agreed that a system social prescribing steering group would be established to inform the development and delivery of the strategy, several partners from the system put themselves forward to be part of the group.

6.3.3 Communications and engagement plan

The engagement team at NHS Kent and Medway Clinical Commissioning Group offered to put together an engagement plan to ensure that lots of people have their say and that people are at the centre of the strategy.

6.4 Strategy Board

To ensure the strategy was collaboratively co-ordinated, developed, implemented, and embedded, with senior support within commissioning organisations, a strategy board was established. The first meeting was held in June 2022. The membership of the group included, NHS Kent and Medway, Medway Council, Kent County Council (Chair) and Health Care Partnerships.

6.5 Strategy Steering Group

One of the actions from the Kent and Medway workshop was to establish a steering group of system partners shown in [table 20](#), to inform the development and delivery of the strategy. The first meeting was held in July 2022.

Table 20: Steering Group members

• Communications and Engagement	• District Councils
• Training Hub and Health Education England	• Kent County Council
• Patient Participation Group	• Medway Council
• NHS Kent and Medway	• NHS England & Improvement
• PCN Link Workers	• Voluntary Community Social Enterprise organisations

The group has:

- Agreed a work plan
- Advised on the scope of the strategy
- Advised on and produced definitions for social prescribing and community navigation
- Agreed a communication and engagement plan
- Provided case studies, existing user experience information, survey results, impact data and various reports on social prescribing and community navigation in Kent and Medway such as Healthwatch Medway and health inequalities west Kent programme report
- Advised on the structure and content of the strategy
- Provided Kent and Medway workforce and referral numbers
- Provided opportunities to socialise the development of the strategy and ensure engagement with design and development such as West Kent PPG chairs meeting, Kent Green Social Prescribing Group, Southeast Social Prescribing Strategic Group, East Kent Link Worker forum and completion of surveys across Kent and Medway.

6.6 Comms and Engagement plan

An action from the workshop was to produce a communication and engagement plan for the strategy. The plan aims to ensure that we hear from a diverse range of people who have used social prescribing and community navigation services and that we work with existing providers to reach people, including those who have not taken up the offer of social prescribing and community navigation. The three phases of engagement include:

- **Phase one** - review and summarise existing user experience information to establish what is working well and what could be better.
- **Phase two** - identify any knowledge gaps to help inform survey questions for two surveys:
 - one for users of the service (people with lived experience and
 - one for staff (health and care professionals) working within social prescribing and community navigation
- **Phase three** **ACTION 13 : Set up a reference group to help advise on improving social prescribing and community navigation services.**

ACTION 14: To ensure ongoing engagement, the strategy board recommended creating a communication and engagement plan to implement the strategy.

Please see [Appendix 2](#) (inserted below) for further details around our comms and engagement and our survey results.



Appx 2 Survey
Results SP CN FINAL

7.

Risks

Please see [Appendix 3](#) (inserted below) for our full list of risks and mitigations



Appx 3 Risks SP &
CN Strategy.pdf

8. Operational action plan

Please see [Appendix 4](#) (inserted below) for our Operational Action Plan referred to in this strategy.



Appx 4 ACTION
Plan SP & CN Strage

9. Resources

Please see [Appendix 5](#) (inserted below) for our full list of resources that have been utilised in the preparation of this document.



Appx 5 Resources
SP & CN Stragegy.pdf

10. Glossary of terms

Please see [Appendix 6](#) (inserted below) for a full glossary of terms used within this document.



Appx 6 Glossary SP
& CN Stragegy.pdf

11. References

Please see [Appendix 7](#) (inserted below) for a full list of references that have been quoted within this document.



Appx 7 References
SP & CN Stragegy.pdf

Kent and Medway Integrated Care Social Prescribing and Community Navigation Strategy

Executive Summary, November 2023

Introduction

Kent and Medway Integrated Care System (ICS) is a partnership of organisations working together at different levels of the system to:

- improve outcomes in population health and healthcare.
- tackle inequalities in outcomes, experience, and access.
- enhance productivity and value for money.
- support broader social and economic development.

Our ICS strategy recognises how beneficial it can be for residents' wellbeing when they connect with community groups and services to support mental and physical health. Social prescribing and community navigation help people to make these connections.

The profile and level of investment in social prescribing and community navigation has increased considerably over the last few years. This rapid progression has led to an increase in the number of providers and services such as social prescribing link workers, community navigators and community wardens.

A Kent and Medway social prescribing strategy board was set up in June 2022 to set the strategic direction and oversee the development of this social prescribing and community navigation strategy.

This social prescribing and community navigation strategy sets out how partners will work in increasingly joined up ways to enable the people of Kent and Medway to lead the most prosperous, healthy, independent, and contented lives they can.

This executive summary pulls out the 14 actions identified in the full strategy that will improve the provision and quality of social prescribing and community navigation in Kent and Medway.

What is social prescribing and community navigation?

NHS England's Long Term Plan (published in January 2019) set out a vision for a wider, more diversified and accessible range of support across the country through social prescribing. Social prescribing and community navigation also supports a number of strategic aims and responsibilities for local authorities outlined within the Care Act 2014.

SPLWs act as social prescribers within Primary Care Networks (PCNs) and work with people to develop tailored plans and connect them to local groups and support services.

Community navigation is a coordination process and a key mechanism to help achieve integrated care provision and improve health and well-being. A community navigator (CN) is usually based in a multidisciplinary team, to help to identify and signpost people to available services, acting as link workers. Community Wardens also play a community navigation role that is considered similar enough to be part of the scope of this strategy.

Social prescribing and community navigation connects people to community-based support, services, resources, and groups in the local area. This helps to improve outcomes for people, supporting people to stay well, independent and resilient, reducing social isolation and helping to support physical and mental health.

Provision of social prescribing and community navigation services

Across Kent and Medway just over £17.6m has been invested into social prescribing and community navigation services with an additional £5.8m invested in universal wellbeing support in the community. As of March 2023, over 63,000 people have been referred to a social prescribing service.

In March 2023 there were 92 SPLW (funded through the NHS additional roles reimbursement scheme (ARRS)), 73 community navigators and 64 community wardens.

ACTION 1: As a system we will continue to support PCNs to maximise their use of ARRS social prescribing staff to effectively address patient demand, notably for those with complex health and care needs.

Addressing inequality

Other SPLWs, CNs and community wardens are commissioned by Kent County Council (KCC), Medway Council, NHS Kent and Medway and NHS England. The community navigation services jointly commissioned by KCC, Medway Council and NHS Kent and Medway include the functions of both care navigation and social prescribing.

Variation in peoples experience of wider determinants such as, housing, education or how safe they feel in their community, has a fundamental effect on health, creating health inequalities. These are the preventable, unfair and unjust differences in health status between groups, populations or individuals.

ACTION 2: Kent and Medway will continue to coproduce plans and will undertake gap analysis to systematically identify inequalities in access to social prescribing and community navigation services by undertaking a needs assessment, and aligning commissioning to tackle inequalities in access to services. This will include looking at support, investment, and capacity building models, including the voluntary, community and social enterprise (VCSE) sector.

ACTION 3a: Kent and Medway ICS is committed to tackling health inequalities to improve the health of our population and we will continue to adopt the Core20Plus5 model to support our targeting of those most in need.

ACTION 3b: Using population health management to target health inequalities in patient cohorts (including those identified through Core20Plus5) and then offering social prescribing to support them is extremely valuable. Proactive social prescribing is part of the 2023/24 GP contract.

Workforce development

To support the range of colleagues acting as link workers and their employers to effectively deliver services, system partners have identified some priority areas for workforce development and planning. Good practice will be shared and steps taken to maintain the workforce necessary to deliver the service.

ACTION 4: Therefore, a working group will be set up to decide on a common minimum set of competencies a link worker will be expected to meet. This group should consist of representatives from the NHS, primary care, VCSE, local authorities, commissioned providers, and community services. Once agreed, the minimum set of competencies should be used to inform training requirements for SPLWs and CNs.

ACTION 5: Medway are in the process of producing a referrer training module to help ensure appropriateness of referrals. The learning and benefits will be shared with system colleagues.

ACTION 6: To ensure longevity of the programme, sustainability will be explored, and a sustainable workforce plan will be put in place.

ACTION 7: To better understand what exists, identify workforce gaps, raise awareness of what is available and reduce duplication a scoping and mapping exercise will be undertaken to map all the networks across Kent and Medway.

ACTION 8: The Kent and Medway Primary Care Training Hub has developed a booklet to support employers and employees to understand the benefits, skills, and support required for a number of roles including social prescribers. The training hub is updating and amending the booklet.

Digital and technology

The data that our partners hold is a rich source of information that can provide valuable insights and, in turn, can drive improvement. Trusted frameworks and governance structures are needed to facilitate combined datasets. We must monitor progress of activity and our impact and hold each other to account for delivery on commitments.

For the first time, targets will encompass combined metrics for both health and social care. We will work to develop core outcomes that will enable us to show tangible improvement. Governance will enable coordinated prioritisation and planning of activities and sharing of best practice between partners. We will continue to develop relationships with our partners and get better at using data and evidence to inform commissioning decisions

ACTION 9: The ICS will develop a digital and data strategy to implement this strategy and continue the work to increase digital maturity in Kent and Medway.

ACTION 10: The ICS is working in partnership with the National Academy for Social Prescribing (NASP) and has published a map of social prescribing and community navigation services across Kent and Medway. The ICS will continue to support the population and moderation of the content for a Kent and Medway community map.

ACTION 11: To successfully track the number of people benefiting from social prescribing, and in accordance with the Network Contract DES 22/23 (using the appropriate SNOMED codes)

In addition to the above codes, national guidance suggests it would be helpful for social prescribing link workers within PCNs to collect the common information. A new minimum dataset for social prescribing is expected to be published in 22/23.

Evaluation

There are several ways in which the impact of social prescribing upon the person, the community and the health and care system can be measured and evaluated.

ACTION 12: Kent and Medway will agree upon a standardised evaluation framework for social prescribing and community navigation. From this, a minimum requirement for data collection can be defined.

Communications and engagement

We will not succeed unless we actively engage with and listen to the communities we serve and people working through the system.

Engagement activities will support us to identify **priorities** and **improve** the way we deliver services for local people. We will continue to develop and refine services as we engage with, and listen to, our communities. This strategy is underpinned by our Integrated Care Strategy.

ACTION 13: Set up a people with lived experience reference group to inform the implementation of the strategy and our communication and engagement activity

ACTION 14: To ensure ongoing engagement, the strategy board recommended creating a communication and engagement plan to implement the strategy.

Implementation of strategy

The strategy board will evolve into an implementation board once the strategy has been approved to ensure implementation of the strategy. The outline plan is presented in section 8.1 of the full strategy.

Max says, “When you can tell that someone cares, it ultimately makes you want to engage that much more.” See his story in Appendix 2 on page 27

From: Dan Watkins, Cabinet Member for Adult Social Care and Public Health
Richard Smith, Corporate Director Adult Social Care and Health

To: Adult Social Care Cabinet Committee – 18 January 2024

Subject: **DECISIONS TAKEN OUTSIDE OF THE CABINET COMMITTEE MEETING CYCLE**

Classification: Unrestricted

FOR INFORMATION ONLY

Summary: The following decision has been taken between meetings as it could not reasonably be deferred to the next programmed meeting of the Adult Social Care Cabinet Committee for the reason set out below.

Recommendation: The Cabinet Committee is asked to note that the following decision has been taken in accordance with the process in Part 2 paragraph 12.36 of the Constitution:

23/00115 - Pathway 1 - Discharge to Assess Service Contract

1. Introduction

- 1.1 In accordance with the council's governance arrangements, all significant or Key Decisions must be listed in the Forward Plan of Key Decisions and should be submitted to the relevant Cabinet Committee for endorsement or recommendation prior to the decision being taken by the Cabinet Member or Cabinet.
- 1.2 For the reason set out below it has not been possible for this decision to be discussed by the Cabinet Committee prior to being taken by the Cabinet Member. Therefore, in accordance with process set out in Part 2 paragraph 12.36 of the Constitution, the following decision has been taken and published to all Members of this Cabinet Committee and the Scrutiny Committee.

2. Decision 23/00115 - Pathway 1 - Discharge to Assess Service Contract

- 2.1 On 18 December 2023 the Leader took a decision to approve the Direct Award the Discharge to Assess Service Contract to the incumbent provider (Hilton Nursing Partners) for up to nine months from 1 January 2024 to 30 September 2024 and to delegate authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

3. Recommendation

3.1 Recommendation: The Adult Social Care Cabinet Committee is asked to **NOTE** that the following decision has been taken in accordance with process set out in Part 2 paragraph 12.36 of the Constitution:

23/00115 - Pathway 1 - Discharge to Assess Service Contract.

4. Background documents

23/00115 - Pathway 1 - Discharge to Assess Service Contract
<https://democracy.kent.gov.uk/ieDecisionDetails.aspx?ID=2790>

5. Report Author

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From: Ben Watts, General Counsel
To: Adult Social Care Cabinet Committee – 18 January 2024
Subject: **Work Programme 2024**

Classification: Unrestricted

Past Pathway of Paper: None

Future Pathway of Paper: Standard item

Summary: This report gives details of the proposed work programme for the Adult Social Care Cabinet Committee.

Recommendation: The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **NOTE** its work programme for 2023.

- 1.1 The proposed work programme has been compiled from items on the Forthcoming Executive Decisions List, from actions arising from previous meetings and from topics identified at agenda setting meetings, held six weeks before each Cabinet Committee meeting, in accordance with the Constitution, and attended by the Chairman, Vice-Chairman and the Group Spokesmen. Whilst the Chairman, in consultation with the Cabinet Member, is responsible for the final selection of items for the agenda, this report gives all Members of the Cabinet Committee the opportunity to suggest amendments and additional agenda items where appropriate.
- 2. Terms of Reference**
- 2.1 At its meeting held on 27 March 2014, the County Council agreed the following terms of reference for the Adult Social Care and Health Cabinet Committee: - *‘To be responsible for those functions that sit within the Social Care, Health and Wellbeing Directorate and which relate to Adults’*. Public Health now sits within the Health Reform and Public Health Cabinet Committee which was founded 25 May 2017.
- 3. Work Programme 2023/24**
- 3.1 Following the most recent meeting of the committee, an agenda setting meeting was held at which items for this meeting were agreed and future agenda items planned. The Cabinet Committee is asked to consider and note the items within the proposed work programme, set out in the appendix to this report, and to suggest any additional topics they wish to be considered for inclusion in agendas for future meetings.
- 3.2 The schedule of commissioning activity which falls within the remit of this Cabinet Committee will be included in the work programme and considered at future agenda setting meetings. This will support more effective forward agenda

planning and allow Members to have oversight of significant service delivery decisions in advance.

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

4. Conclusion

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

5. Recommendation: The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **NOTE** its work programme for 2024.

6. Background Documents

None.

7. Contact details

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**ADULT SOCIAL CARE CABINET COMMITTEE
WORK PROGRAMME 2023/24**

Item	Cabinet Committee to receive item
Verbal Updates – Cabinet Member and Corporate Director	Standing Item
Work Programme 2022/23	Standing Item
Key Decision Items	
Performance Dashboard	Sep 23, Nov 23, Mar 24, May 24
Draft Revenue and Capital Budget and MTFP	Annually (November)
Risk Management: Adult Social Care	Annually (March)
Annual Complaints Report	Annually (November)

13 MARCH 2024 at 2pm

1	Intro/ Web announcement	Standing Item
2	Apologies and Subs	Standing Item
3	Declaration of Interest	Standing Item
4	Minutes	Standing Item
5	Verbal Updates – Cabinet Member and Corporate Director	Standing Item
6	Risk Management: Adult Social Care	
7	Performance Dashboard	
8	Kent and Medway Safeguarding Adults Board Annual Report	Deferred from January
9	Down Syndrome Act	Deferred from January
10	Work Programme	Standing Item

15 MAY 2024 at 2pm

1	Intro/ Web announcement	Standing Item
2	Apologies and Subs	Standing Item
3	Declaration of Interest	Standing Item
4	Minutes	Standing Item
5	Verbal Updates – Cabinet Member and Corporate Director	Standing Item
6	Performance Dashboard	
7	Work Programme	Standing Item

3 JULY 2024 at 2pm

1	Intro/ Web announcement	Standing Item
2	Apologies and Subs	Standing Item

3	Declaration of Interest	Standing Item
4	Minutes	Standing Item
5	Verbal Updates – Cabinet Member and Corporate Director	Standing Item
6	Work Programme	Standing Item

ITEMS FOR CONSIDERATION THAT HAVE NOT YET BEEN ALLOCATED TO A MEETING

External Community Opportunities for People with Learning and Physical Disabilities Update - positive impacts of the service on users	Suggested at ASC CC 31/3/22
Carers' Short Breaks Future Options Update	Suggested by Mr Ridgers 06/07/23
Demand Forecasting Methodology	Suggested by Mr Streatfeild 23/11/23
Accommodation Strategy	Work ongoing 23/11/23