

Kent County Council Labour Group – Alternative Budget

Amendment to the Revenue Budget 2023-24, Medium Term Financial Plan 2023-26 and Capital Programme 2023-33

*Proposed by Dr Lauren Sullivan
Seconded by Mr Alister Brady*

County Council is asked to agree the following:

2023-33 Capital Programme

To replace Recommendations (a) and (b) by amending the Capital Programme 2023-33 proposed by the Administration and for it to be substituted with the Labour Group's alternative capital programme. See attached revisions to Appendices A and B. Any knock on impacts to the capital strategy and the treasury management strategy's indicators [Appendix N] are only insofar as the single change made to the Capital Programme in the Alternative Budget and should be assumed to flow through.

2023-24 Revenue Budget and Medium Term Financial Plan

To replace Recommendation (d) by amending the revenue budget 2023-24 and Medium Term Financial Plan 2023-26 proposed by the Administration and for it to be substituted with the Labour Group's alternative budget. See attached revisions to Appendices D and G for both revised spending allocations and savings proposals.

Key Policies and Strategies

Changes to the Key Policies and Strategies proposed by the Labour Group are only to those as a consequence of the Group's revised budget and medium term financial plan. So, for example, changes to fees and charges (Appendix L of the Administration's budget) and Recommendation (j) should be assumed where income budgets have been amended in the Alternative Budget.

To replace the narrative in the Administration's Recommendation (q) in its entirety and replace with "*To note the extraordinary impact of the economic consequences of global and national circumstances on spending and income in 2022-23, which would have been better mitigated by the investment in prevention and other measures put forward in the Labour Group's 2022-23 alternative budget amendment*"

All other recommendations (e.g. to council tax levels, Kent Pay Scheme etc) to remain the same.

1 Introduction

- 1.1 The recommendations above and the attached appendices reflect a revised 2023-24 Revenue Budget and Medium Term Financial Plan and Capital Programme by Kent County Council's Labour Group, as amendments to the Administration's final budget proposals. As such, consequent changes are reflected in Labour Group's budget plans and are published in a format recommended by the Corporate Director of Finance. Labour Group has sought to engage pro actively and positively to the budget setting process, but the lack of detail (particularly regarding savings proposals) by the Administration has made this difficult.
- 1.2 Since 2013/14 (when the local government finance system was last fundamentally reviewed), the Council's Revenue Support Grant has fallen, under a Conservative central government, from £250m to around £10m. During that period inflation rose by over 36%. This combination of cuts to grant, a lack of inflationary grant increases and additional demands on services that remain unfunded nationally, have meant that the County Council has had to make cumulative savings of around £820m since 2010. That includes £86.6m of savings needed to balance the budget in 2023/24.

2. Budget Principles

- 2.1 The Labour Group budget has a focus on investing in front line services. Labour Group has also listened to residents' requests in the budget consultation, and so propose to reduce senior management throughout the organisation. In addition, the budget has been founded on the following principles:
- Investment in services consistent with Manifesto Pledges
 - Investment and savings consistent with the principles of reducing spend on commissioning activity, expanding in-house provision and investing in universal prevention
 - Replacing the Administration's proposed savings, where they are inconsistent with principles outlined above
 - Producing a balanced budget over 3 years (the period of the medium-term financial plan), ensuring financial prudence and sustainability
 - Using reserves, as they are intended, to smooth in investment and savings between years and to also use reserves to support one-off investment that produces longer term savings

3. Manifesto Pledges

- 3.1 The Labour Group's budget is predicated on their 2021 Manifesto. However, the Group acknowledges that not everything in its Manifesto can be delivered in Year 1 of the budget (that is, 2023-24). Therefore, the alternative budget proposal, over the three year life of the Medium Term Financial Plan, delivers on the following:
- Investment of over £4m to invest in the creation of a play service for 5-11 year olds
 - Investment of over £4m in a more preventative-focused universal youth service
 - Investment of £6.5m to offer a Kent Travel Saver pass of just £120. In addition, we propose funding a feasibility study into a 'Transport for Kent' type model
 - Investment of training bursaries to address recruitment deficits in SEND (e.g. educational psychologists) and also training bursaries to address recruitment deficits in Social Care (e.g. Social Workers)
- 3.2 Labour Group's budget focuses on protecting and expanding front line services for the residents of Kent. It provides for a more optimistic outlook by focusing on investing in

services for the most vulnerable. It stands in stark contrast to the austerity cuts strategy of the Administration.

4. Reversing the Administration's Cuts

4.1 Labour Group acknowledges that local government has been poorly treated by central Government's austerity cuts over the past 13 years and that the area of Kent is no exception to this. However, Labour Group deplores the cuts to front line services proposed by the Administration, many of which target those who can least afford it - the most deprived and vulnerable. So, instead, the alternative budget will reverse the following proposed cuts:

- Reverse Kent Travel Saver bus operator price inflation increase imposed on users of £1.488m
- Reverse the proposed increase in Kent Travel Saver and Kent Travel Saver 16+ pass inflation of £1.286m
- Maintain drainage expenditure to 2022-23 levels, rather than cutting this valuable service further
- Reverse the one-off reduction in Libraries Materials Fund of £100k, to ensure this vital local service can continue to offer high quality products to Kent residents
- Reduce the cut to contracts and grants for discretionary services by £1m, with a view to removing duplication and a focus on preventing increases in demand
- Reverse the £700k cut to Care Leavers
- Reduce the cut to Member Grants, so that there is £7.5k (not £3.6k) per Member to invest at a local level
- Reverse the cut in youth & childrens' centres of £600k

4.2 For clarity, Labour Group states that all Highways matters shall not be eligible to be claimed against Members Grants. These should be directed through Highways in each and every instance.

5. Investing in Prevention & Insourcing

5.1 Too much of the Administration's budget is spent focussing on reducing levels of services to local residents. Labour Group has taken a more imaginative and productive approach, partly by opposing the ideological drive to always outsource. Therefore, the alternative budget puts forward the following proposals:

- Investing £1m into setting up a Local Authority trading company to provide domiciliary care by 2025/26, saving £3.5m from management costs and private sector profits that is reinvested in local services. In the longer run, the Group would explore bringing these services completely in-house
- Review of School Improvement and Skills & Employability services, with a view to providing this in-house, saving £0.5m over two years

5.2 The Group's Alternative Budget contains a number of investments in preventative services already cited (for example, in the youth service). In addition, there is considerable investment in Adult services around the "Shared Lives" initiative, Family Carers, and Mental Health prevention services, where a combined investment of £1.1m produces annual savings of £5.6m.

6. Medium Term Financial Plan

6.1 Labour Group notes that the Administration has outlined plans for further cuts in Appendix G - Proposed County Level 2023-26 Revenue Changes. These amount to £18.2m in 2024/25

and £49.1m in 2025/26. However, there is only outline detail for less than a half of these proposals for 2024/25, and less than one third for 2025/26. The lack of any specific detail makes it impossible to engage in any meaningful discussion of alternatives to the medium term financial plan.

- 6.2 Last year, the Administration's MTFP was predicated on savings and income of £36.4m for 2023/24 (now £86.6m) and £26.2m for 2024/25 (now £18.2m), so it is also difficult to rely on the accuracy of the Administration's financial forecasting.
- 6.3 Given the lack of detail and the volatility associated with forecasts within the MTFP, the Labour Group rejects the cuts to services outlined in the Administration's MTFP for 2024/25 and 2025/26. The Alternative Budget has already identified ways in which reducing spend on commissioning activity, expanding in-house provision and investing in prevention can offset cuts to service provision. The Group will continue to work throughout 2023/24 to identify further innovative ways to ensure that key services continue to be maintained and enhanced.

7. Use of Reserves

- 7.1 The Alternative Budget uses the Strategic Priorities reserve to invest in one-off £2.1m improvements in service delivery.
- 7.2 The Group's three year financial plan does result in using £7.5m of reserves over the life of the plan to smooth in investments and savings. That is what the smoothing reserve is designed to do. This sum would be repaid in year 4 (that is 2026/27) and that is built into design of the Group's financial plan and so has no negative longer-term impact on the financial resilience of the Council.

8. Conclusions

The Labour Group budget has been reviewed by both the Section 151 Officer and the Monitoring Officer. Their comments are included within the budget template form.