

## KENT COUNTY COUNCIL

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### CABINET

MINUTES of a meeting of the Cabinet held in the Council Chamber on Thursday, 29 January 2026.

PRESENT: Mr B Collins, Mrs B Fordham, Mr M Fraser Moat, Ms L Kemkaran (Chair), Mr P King, Miss D Morton, Mrs C Palmer, Mr P Webb, Mr D Wimble and Mr P Osborne

IN ATTENDANCE: Dr A Ghosh (Director of Public Health), Mrs S Hammond (Interim Corporate Director Adult Social Care and Health), Mrs A Beer (Chief Executive), Mr B Watts (Deputy Chief Executive), Ms C McInnes (Interim Corporate Director Children, Young People and Education), Mr D Shipton (S151 Officer), Mrs C Head (Head of Finance Operations), McKay (Acting Chief Accountant), and Georgina Little (Democratic Services Officer).

IN ATTENDANCE VIRTUALLY: Mr S Jones (Corporate Director Growth, Environment and Transport)

### UNRESTRICTED ITEMS

#### **127. Apologies**

*(Item 1)*

No apologies were received.

#### **128. Declarations of Interest by Members in items on the agenda**

*(Item 2)*

No declarations of interest were received.

#### **129. Minutes of the Meeting held on 8 January 2026**

*(Item 3)*

RESOLVED that the minutes of the meeting held on 8 January 2026 were a correct record and that they be signed by the Chair

#### **130. 25/00103 - Revenue and Capital Budget Forecast Outturn Report – Quarter 3**

*(Item 4)*

*Cath Head (Head of Finance Operations) was in attendance for this item.*

1. Mr Collins (Deputy Leader of Kent County Council) introduced the report that set out the revenue and capital budget forecast monitoring position as at Quarter 3 2025-26, including progress against savings targets within the revenue budget, capital cash limit changes made between Q2 and Q3 and

monitoring updates for reserves, treasury management and prudential indicators.

He reported that the forecast outturn variance for Quarter 3 showed an overspend of £43.5 million, representing 2.8% of the overall budget. He explained that an additional £7 million of capital receipts had been identified as available for use against transformation activity in 2025–26 under the Flexible Use of Capital Receipts Directive. This would help reduce the overspend to £36.5 million, thereby reducing the risk of unplanned drawdowns from reserves in order to balance the year-end position.

He noted that a number of actions were being implemented across the Authority, including specific measures within the Adult Social Care and Health Directorate, to address the overspend. He emphasised that the position reflected the continued financial challenges facing the Adult Social Care sector nationally.

Mr Collins stated that savings achieved this year totalled £121.5 million and £97 million was expected to be delivered in 2025-26, representing 80% of the target. He further reported that the capital forecast outturn showed a £64.3 million underspend against budget, consisting of a £15.2 million real variance and a £79.5 million rephasing variance.

Mr Collins reiterated the Cabinet's thanks to the officers present and those supporting the work more broadly. He stated that their continued professionalism had helped steer the Authority in its current direction.

2. Mrs Head confirmed that the monitoring forecast had reduced, largely due to the application of the £7 million flexible use of capital receipts, which had helped to lower the reported position. However, she emphasised that this did not address the underlying cost drivers, which would need continued focus going forward. She stated that further work was required to bring the £36.5 million figure down, as it remained a very significant sum. Reducing this position would have a direct impact on the Authority's general reserves, as a lower year-end overspend would reduce the drawdown on general reserves, thereby strengthening the Council's financial resilience in future years.
3. Further to questions and comments from Members the discussion included the following:
  - (a) In response to what initiatives had been introduced to help stabilise the adult social care budget, Miss Morton (Cabinet Member for Adult Social Care and Public Health) confirmed that whilst she remained very conscious of the cost drivers she was extremely pleased with the work undertaken within the directorate in recent months and thanked all staff for their efforts. Miss Morton explained that strict spending controls across the department and the wider council had contributed

significantly to the improved position. She reported that updates to practice and policy, robust negotiations with individual providers, and joint brokerage with the NHS had all supported greater stability. She added that the Leader had chaired a round-table session with providers of nursing homes, residential care and supported living to discuss future budget proposals and longstanding issues, which had strengthened engagement and understanding of the market. Miss Morton also highlighted that prevention activity had contributed to reducing the adult social care overspend by £1.3 million.

(b) With regard to when final results for the financial year would be available, Mr Collins confirmed that the end of March marked the close of the current financial year (quarter4). He stated that, subject to the continuation of current trends, he hoped to report positive outcomes at the end of the financial year

4. It was RESOLVED that Cabinet agree to:

- a) NOTE the revenue and capital forecast outturn position for 2025-26 as detailed in the report, and accompanying appendices
- b) AGREE the capital budget adjustments detailed in the report
- c) AGREE the use of additional £7m flexible capital receipts and the associated changes to the flexible use of capital receipts strategy for 2025-26

**131. Draft Capital Programme 2026-36, Revenue Budget 2026-27 and Medium Term Financial Plan (MTFP) 2026-29**  
*(Item 5)*

*Dave Shipton (Acting S151 officer) was in attendance for this item.*

1. The Leader introduced the item and reported that the Executive had developed the draft budget, which had been published on 8 January 2026, and that the proposals had subsequently been considered by the Cabinet Committees and the Scrutiny Committee. She noted that no substantive recommendations had been made by those committees and confirmed that the Executive had taken account of the comments and questions raised by Members during those discussions. The Leader advised that the purpose of the item was for Cabinet to consider the final draft budget, confirm how any committee comments or recommendations had been addressed, and endorse the draft budget for recommendation to full Council for approval.
2. Mr Collins advised that the budget proposals met the requirement to set a balanced revenue budget for the forthcoming year. He reported that the proposals balanced £179.5 million of core funding spending growth and the reversal of £28.0 million of prior-year savings. These spending pressures were offset by £14.7 million of net changes in reserves, £61.7 million

arising from new and full-year effects of savings plans, and £14.6 million of income generation, amounting to a net £116.5 million increase in revenue spending.

He stated that this increase would be funded through £66.2 million from central government and retained business rates, and £50.3 million from council tax and collection fund balances. He added that the capital programme included a significant increase, but this would be fully funded from external sources or existing planned borrowing, with no new borrowing proposed, in order to avoid adding to the substantial cost of servicing debt. He emphasised that this approach was essential to address unsustainable levels of capital debt.

Mr Collins highlighted that most capital spending was allocated to school buildings, highways asset management, and maintaining or improving other council buildings. He explained that the budget report had been significantly streamlined to make it easier to understand, with a one-page summary of key revenue and capital proposals, and short overviews of statutory requirements, local government finance, council tax arrangements, risk and resilience considerations, and treasury management. Detailed information was provided in the appendices and member dashboard.

He reported that most of the spending growth related to adult social care (£89.6 million), children's services (£50.3 million) and growth, environment and transport (£21.7 million). This included over £40 million in base budget adjustments reflecting the full-year impact of current variances and provision for future cost pressures, such as pay awards, contractual inflation, increased demand, and the cost of new social care placements.

Mr Collins stressed that rising costs and demand continued to exceed available funding from central government and local taxation, creating the ongoing need for savings, income generation and one-off measures such as the flexible use of capital receipts. He stated that savings and income proposals were focused on efficiency and transformation to protect frontline services.

He noted that changes in reserves included planned contributions to general reserves to strengthen financial resilience and reinstatement of contributions to earmarked reserves to replace flexible use applied in the current year. Some planned drawdowns were included where the original purpose of the reserve was no longer required or to support specific projects and smooth council tax collection variations. Overall, the movements amounted to a net increase in reserves.

Mr Collins reiterated the Council's support for reforms to the national funding allocation, which had resulted in improvements to fair funding calculations and certain grants. However, he expressed concern that the overall settlement remained insufficient to meet the pressures on local

services, necessitating council tax increases despite efforts to minimise them by identifying additional savings, such as reduced debt-servicing costs.

He explained that the budget set out the scale of future financial challenges in 2027–28 and 2028–29, showing the shortfall in the absence of further assumed council tax increases. Meeting this gap would require additional savings and income, with any future increases in council tax to be considered only as a last resort.

Mr Collins warned that the budget carried significant risks, particularly within adult social care and special educational needs. He reported that the adult social care budget was based on a new strategy, including containing fee increases (currently higher than comparable authorities), managing demand through statutory-compliant assessments, controlling new placement costs through retendered framework contracts, and reviewing arrangements for former self-funders. These changes would involve difficult decisions but were necessary to ensure long-term sustainability. He added that managing the special educational needs deficit would also require forthcoming legislative reforms.

He concluded that the proposals represented the first major step towards the objectives in the *Reforming Kent* strategic statement and provided a comprehensive, transparent package aimed at restoring the Council's financial sustainability while maintaining and improving frontline services.

3. Mr Shipton reported that an updated draft budget had been issued with the meeting papers. Minor amendments had been made since the version published on 8 January, including updates following County Council decisions on the committee structure which had not been available for inclusion earlier. The new draft therefore superseded the original.

He advised that a further revised draft would likely be required for the County Council meeting, as final tax base estimates from District Councils were expected the following day. He noted that while this meant there would be three drafts, each new version replaced the last, and changes would be kept to a minimum.

Mr Shipton confirmed that the draft included the Treasury Management Strategy, which must be approved by full Council, and that two additional appendices requiring approval would be published with the County Council papers.

He further reported that the final local government finance settlement was unlikely to be received before the 4 February publication deadline. Any resulting changes, along with the Council's final business rates share, which was routinely delayed, would need to be brought to Cabinet in March.

4. Mr Watts noted that, as Mr Collins had referenced earlier, Members had already sat through the debates and discussions at the Cabinet Committees, gaining an understanding of the issues through the pre-scrutiny of the budget. They had also participated in the Scrutiny Committee and engaged with further points raised at the Governance and Audit Committee the previous day.

He emphasised that Cabinet Members had listened to, reflected on, and taken advice in response to the matters raised throughout the committee cycle over recent weeks. He explained that the purpose of the meeting was for Cabinet to come together to endorse the budget and forward it to County Council for approval. He stressed that this formed the next step in the process and that the budget being put forward to County Council on 12 February 2026 was Cabinet's own budget, that had been fully informed by all discussions, considerations and advice received.

5. Further to questions and comments from Members the discussion included the following:

- (a) A question was raised as to how the Technology Enabled Lives programme could generate savings and benefit residents. Miss Morton (Cabinet Member for Adult Social Care and Public Health), provided a case study involving a supported-living resident, whose night-time behaviour had raised safety concerns. Rather than introduce costly night-time care, sensors were installed to monitor the residents movements. The data showed they only left their home briefly at night, meaning additional care was unnecessary. Miss Morton noted that this approach maintained the persons independence and avoided costs of over £37,500 per year.

- (b) In response to a query about whether reductions in adult education were being undertaken solely for cost-saving purposes and whether the sale of any education buildings would prevent KCC from continuing to deliver adult education services, Mr Collins (Deputy Leader of Kent County Council) and Mrs Fordham (Cabinet Member for Education and Skills) provided clarification. It was explained that property disposals were not used as a means of closing or reducing services. If a building was identified by a service, whether education, adult social care or another directorate, as no longer required, it was first offered to all other KCC services. Only if no service expressed a need for the building would it be designated as a surplus asset, triggering the Council's statutory duty under the Local Government Act to progress disposal. Mr Collins emphasised that KCC did not sell buildings in order to withdraw services, and that disposals occurred only when a building was genuinely no longer needed by any part of the organisation. Mrs Fordham reassured Members that adult education remained a significant and active service that delivered a wide range of skills and training programmes across all districts. She explained that while delivery methods and venues might change to ensure long-term

sustainability, KCC continued to deliver the full range of adult education courses.

- (c) Mr Collins confirmed that the budget was not a short-term measure but one designed to deliver long-term projects that would generate substantial future savings and place the Council on a firmer financial footing. He acknowledged that the budget was bold and involved calculated risks but emphasised that it was firmly focused on the future. He noted that the Council's financial position had already begun to improve over the first nine months and expressed confidence that this positive trajectory would continue over the coming years
- (d) In response to historical comments made, whereby the Council's financial position had been compared to turning an oil tanker, and the current progress, Mr Collins reiterated the analogy, explaining that it applied not only to debt but to the Council's overall financial position. He stated that the administration had inherited £732 million of debt from the previous administration and that this had since been reduced by £67 million. While it was difficult to quantify progress as a percentage, he confirmed that the financial "tanker" was turning and that it remained a key objective to continue reducing long-term debt where practical and sensible, given the significant impact on the revenue budget and on funding services for Kent resident
- (e) Mr Shipton explained that several grants had been consolidated within the provisional local government finance settlement, citing the Household Support Fund as an example, which had been rolled into a new three-year Crisis and Resilience Fund. However, he confirmed that the Disabled Facilities Grant (DFG) had not been consolidated or announced as part of the provisional settlement and would be issued separately at a date still unknown. He noted that the previous year's DFG allocation had not been announced until April, which meant it could not be incorporated into the draft budget. He clarified that the DFG was received by KCC but passed directly to District Councils as the housing authorities. With their agreement, KCC could retain a portion to support adaptations for social care clients.

6. It was RESOLVED that Cabinet agree to:

- a) CONSIDER any proposed amendments from Cabinet Committees; and
- b) ENDORSE the draft budget to be presented to County Council on 12th February 2026 for final decision