

**HEALTH REFORM AND PUBLIC HEALTH CABINET  
COMMITTEE**

**Tuesday, 23rd January, 2024**

**10.00 am**

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





## AGENDA

### HEALTH REFORM AND PUBLIC HEALTH CABINET COMMITTEE

**Tuesday, 23 January 2024 at 10.00 am**  
**Council Chamber, Sessions House, County Hall,**  
**Maidstone**

Ask for: **Dominic Westhoff**  
Telephone: **03000 412188**  
**dominic.westhoff@**  
**kent.gov.uk**

#### **Membership (17)**

Conservative (12): Mrs L Game (Chair), Mr P Cole (Vice-Chairman), Mr D Beaney, Mrs P T Cole, Ms S Hamilton, Mr A R Hills, Mr A Kennedy, Mr J Meade, Mrs L Parfitt-Reid, Mr D Ross, Ms L Wright and Mr T L Shonk

Labour (2): Ms K Constantine and Ms K Grehan

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

Green and Independent (2): Peter Harman and Jenni Hawkins

#### **UNRESTRICTED ITEMS**

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

- 1 Introduction/Webcast announcement
- 2 Apologies and Substitutes  
To receive apologies for absence and notification of any substitutes present
- 3 Declarations of Interest by Members in items on the agenda  
To receive any declarations of interest made by Members in relation to any matter on the agenda. Members are reminded to specify the agenda item number to which their interest refers and the nature of the interest being declared
- 4 Minutes of the meeting held on 7 November 2023 (Pages 1 - 10)  
To consider and approve the minutes as a correct record.
- 5 Revised Draft Revenue Budget 2024-25 and 2024-27 MTFP, Draft Capital Programme 2024-34 and Treasury Management Strategy (Pages 11 - 150)

- 6 Verbal updates by Cabinet Member and Director
- 7 24/00001 - Stop Smoking Services and Support Grant (Section 31 Grant) (Pages 151 - 174)
- 8 Public Health Performance Dashboard - Quarter 2 2023/24 (Pages 175 - 182)
- 9 Public Health Service Transformation Programme - Update (Pages 183 - 200)
- 10 Health Inequalities - An Overview on the Differences in the Wider Determinants of Health and Health Outcomes across Kent (Pages 201 - 222)
- 11 Work Programme (Pages 223 - 226)

### **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

**Monday, 15 January 2024**



## KENT COUNTY COUNCIL

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### HEALTH REFORM AND PUBLIC HEALTH CABINET COMMITTEE

MINUTES of a meeting of the Health Reform and Public Health Cabinet Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Tuesday, 7 November 2023.

PRESENT: Mrs L Game (Chair), Mr D Beaney, Mrs P T Cole, Ms K Constantine, Ms S Hamilton, Peter Harman, Mr A R Hills, Mr A Kennedy, Mr J Meade, Mrs L Parfitt-Reid, Mr D Ross, Ms L Wright and Mr R G Streatfeild, MBE

ALSO PRESENT: Mr D Watkins and Mr P Oakford

IN ATTENDANCE: Dr A Ghosh (Director of Public Health) and Dominic Westhoff (Democratic Services Officer)

### UNRESTRICTED ITEMS

**283. Apologies and Substitutes**

*(Item 2)*

Apologies were received from Mr Cole, Ms Grehan and Jenni Hawkins.

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

*(Item 3)*

There were no declarations of interest.

**285. Minutes of the meeting held on 5 September 2023**

*(Item 4)*

RESOLVED the minutes of the meeting held on 5 September 2023 were correctly recorded and that a paper be signed by the Chair.

**286. Initial Draft Budget 24/25 and 24/27 Medium Term Financial Plan**

*(Item 6)*

*Zena Cooke, Corporate Director Finance, and Jane Blenkinsop, Finance Business Partner Public Health, were in attendance for this item.*

1. Mr Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, noted that the current financial position of the Council was challenging but that the impact on Public Health was limited due to the grant being ringfenced. Mr Oakford said that £46 million of savings had been identified for the next financial year but a £50 million as yet unidentified savings gap remained which would need to be found before the budget was finalised in

February 2024 as the budget must be balanced. It was said that the Council cannot be reliant on reserves this financial year or the next one.

2. Mr Watkins said there would be a modest increase in the core revenue grant from central Government. It was noted that there would be increased cost pressures from inflation and salary increases, but plans were in place to offset the impact of these pressures. Mr Watkins said Public Health would be able to maintain its core programme alongside some efficiency projects. The Public Health Transformation programme was underway and would be central to the ongoing sustainability of the directorate.
3. Dr Ghosh said that the budget was mainly ringfenced but recognised the financial struggles that the Council, as a whole, was facing. Dr Ghosh noted that there were measures, including the preventative agenda, that Public Health were developing, that would support the Council's position going forward.
4. A Member raised a concern that Members had not been given sufficient information, with limited context provided on the wider impact of the proposals. The Member noted that they would like to know what else Public Health would be able to do with the budget available and the extent of the issues facing Kent. Mr Oakford said that the grant was ringfenced for specific reasons and that the budget was balanced around what was required. The Public Health team could look at where the money is spent within government guidelines. Dr Ghosh noted that the grant was £74 million, which was in the middle to low range for Southeast England per capita. Many parts of the programme were prescribed by the government, so they were not flexible. It was said more could be achieved through integration with partners. Mr Watkins provided details on how the budget was modest but would support the work of the Integrated Care Strategy (ICS), as this was the best way to bring about systemic change going forward. It was noted that preventive and proactive action was being driven forward over maintaining reactive services.
5. A Member said that Members needed to know the impact of the budget lines on the delivery of Public Health services, as there was no rating on how impactful the changes would be. Ms Cooke said that there were two elements to the Public Health budget, firstly, the element of the Public Health budget that funds eligible Council services, about 10% of the overall budget, which the committee could look at and comment on the allocation of it. The second element which is the majority of the budget was very constrained in how it could be delivered as it is largely prescribed by central Government. It was said that a breakdown of the public health budget, as a subset of the overall budget, could be provided if helpful. Dr Ghosh said that the quarterly Performance Dashboard was where the effectiveness of the budget spend could be viewed by committee Members.
6. It was asked by a Member how optimistic they could be about the preventative agenda going forward and its impact on finances. Dr Ghosh said this would not have an immediate impact, but benefits would be seen

in the medium to long term. The diversion of services to the community rather than statutory care would create savings. Reducing demand through prevention would create savings in the long term, which was a key aim of the ICS as a system-wide approach.

7. A Member said that they were only seeing a rising demand for public health needs and were concerned the budget could not meet this need. It was noted that Public Health must be cautious with further fragmentation of services as many patients may not know the most appropriate service for them.

8. RESOLVED the Health Reform and Public Health Cabinet Committee to:  
a) Note the initial draft capital and revenue budgets including responses to consultation.

b) 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 Cabinet on 25th January 2024 and presented to Full County Council on 19th February 2024

**287. Verbal updates by Cabinet Member and Director**  
*(Item 5)*

1. The Cabinet Member for Adult Social Care and Public Health, Mr Dan Watkins, provided a verbal update on the following.

**Update on Vaping** – Mr Watkins updated the committee on the follow-up actions since the recent discussions on vaping at the committee and full council. Leader of the Council Roger Gough's letter had been responded to by the Department for Health and Social Care and shared with the committee. It was noted that the Department for Environment, Food and Rural Affairs (DEFRA) had published the result of its consultation on the environmental impact of disposable vapes. The Prime Minister had made the statement at the Conservative Party Conference and launched a consultation focussed on restricting the flavours and appearance of vapes, restricting the sale of disposable vapes and looking at giving Councils more powers to hand out on the spot fines to those selling vapes to underage people. Mr Watkins said that this was in the direction of travel that the Council had advocated for.

**World Mental Health Day** – Mr Watkins noted that 10 October 2023 was World Mental Health Day, the theme for this year was mental health as a universal human right. It was said that Kent and Medway Suicide Prevention Team announced 11 new projects dedicated to preventing suicide, saving lives and reducing self-harm. The team had given out grants of between £500 and £1,500 to community initiatives. On 10 October 2023, Mr Watkins attended a roadshow in Herne Bay with Samaritans and other mental health community groups who were raising awareness for mental health. A representative from the Suicide Prevention Team was also in attendance to promote Release the Pressure. Mr Watkins said that Deputy Cabinet Member, Mr Kennedy, spoke at the Kent Mental Wellbeing Awards, on 20 October 2023.

**Healthy Start Card** – Mr Watkins said that this new initiative would help parents buy healthy food, milk and vitamins. The initiative was the Council supporting the NHS's Healthy Start Scheme, by supporting low-income parents purchasing essentials. Those eligible, more than 10 weeks pregnant or have a child under 4 or under 18 and pregnant even if not in receipt of benefits, would be sent a Healthy Start Card pre-loaded with

money that could be used in many UK shops. The would-be worth £1,230 per child, with the money loaded onto the card every 4 weeks. Mr Watkins urged those eligible to apply and to the Committee Members to raise awareness in their communities. More information could be found through the NHS, GPs, health visitors and midwives, and on the following websites:

Kent County Council: [Help to buy food, milk and vitamins - Kent County Council](#)

NHS: [Get help to buy food and milk \(Healthy Start\)](#)

**Kent and Medway Health and Care Symposium** – Mr Wakins said that he had attended, alongside Dr Ghosh and other Public Health officers, the event at Canterbury Cricket Ground, on 20 October 2023. It was an opportunity for partners in Health and Social Care from across the county to come together and discuss progress on the integrated care system and explore new ideas to accelerate progress. It was noted a large number of voluntary organisations were in attendance to give their contributions to improve the health and wellbeing of Kent residents.

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

(a) The Chair said that the Healthy Start Card could make a real difference for families.

(b) A Member asked that further details on the Healthy Start Card be circulated with Members so they could support their local communities. Mr Kennedy said that he was very impressed with the large number of voluntary organisations across Kent that were supporting Public Health and mental health with limited funding. It was noted that the network across Kent was extensive, and the Council had a key role in enabling these organisations to continue their work.

(c) A Member asked if there was a directory of these voluntary organisations available as it could be really useful for several residents if they could be pointed in the right direction. It was noted that at this time such a directory does not exist, but Members were working on facilitating this and conducting trails in their division. If these efforts were successful, they could be rolled out across Kent.

(d) A Member said that the tax credit to universal credit change represented a structural change that could pose a significant risk to the mental health and well-being of many Kent residents. Mr Watkin said that the Council and partners would support those people affected by this. Mr Watkins gave details of the services that the Council provided, both reactive and outreach. It was noted that the Integrated Care Strategy (ICS) was the method by which systemic change could be enacted that aimed to tackle health inequalities.

3. The corporate Director for Public Health, Dr Anjan Ghosh, gave a verbal update on the following.

**Covid-19 Update** – Dr Ghosh said that there had been a slight rise from a very low base in October, but the rate had dropped since with a low case rate in both Kent and England. The current rate was noted as 7.9 per 100,000. Dr Ghosh said that the Chief Medical Officer had noted there could be an increase in cases as part of the risks associated with the winter pressure and Covid-19 and flu vaccinations were key to preventing this. Dr Ghosh encouraged Members to share vaccination information around their communities. There was a concern that the vaccine uptake amongst health and social care staff was very low. Public Health was awaiting the data from the autumn vaccination drive before deciding where to best promote vaccination take up.

**Mental Health and Wellbeing Awards** – Dr Ghosh said that the awards were just for the East Kent region and noted that all 33 organisations in attendance had won awards for their work. Public Health Kent won an award for the Hope Community Arts Project, a suicide prevention awareness project.

**Active Kent and Medway Conference** – Dr Ghosh attended the event on 18 August 2023, where Active Kent and Medway launched their 4-year strategy, 'moving together', which was specifically targeted at those suffering from inequalities.

**Public Health Transformation Programme.** Dr Ghosh said that this was still at the stage of reviewing all ongoing work across all commissioned services and 21 templates had been completed that gave details of what was going on in each area. In November 2023 the stakeholder engagement stage would also be completed as part of the review. Following this for two months would look at revised service models and develop options for how to improve services. It was noted that a report would be brought to the committee at an appropriate time.

**Start-for-Life** – Dr Ghosh said that as part of the Family Hubs work, an evaluation was undertaken with staff on their experience at the two pilot sites, in Millmead and Seashells. A lot of feedback had been provided on the workforce development at the Seashells site provided on the key elements of the Start-for-Life programme. Dr Ghosh said that significant engagement was ongoing on the co-creation of the key elements of the programme and the development of new strategies on infant feeding and parent and infant relationship and perinatal mental health. It was also noted that a 24-hour text line and phone line for perinatal mental health had gone live.

**Prevention Concordant** – Dr Ghosh said that the Kent and Medway Integrated Care Board (ICB) had signed the prevention concordant on mental wellbeing, one of the few ICBs to do so. The concordant had been approved by the Office for Health Improvement and Disparities. Dr Ghosh noted that it was a call to action with an action plan on the 5 domains of mental health.

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

(a) A Member commended the work of Charlton Athletic in schools.

(b) The Chair asked if the Covid number might have been much higher as many people did not know if they had it. Dr Ghosh said yes it could be possible, as living with Covid strategy meant that testing has dropped. Many symptoms were very similar to the common cold or flu.

1. (c) The Chair asked how vaccination uptake could be encouraged. Dr Ghosh said that only certain groups were eligible. Dr Schwartz said that when The Cabinet Member for Adult Social Care and Public Health, Mr Dan Watkins, provided a verbal update on the following.

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(c) The Chair asked how vaccination uptake could be encouraged. Dr Ghosh said that only certain groups were eligible. Dr Swartz said that when encouraging vaccinations, it should be for both Covid and flu.  
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**288. 23/00091 - Kent and Medway Integrated Care Strategy**  
*(Item 7)*

*Jenny Dixon-Sherreard, Policy Officer, was in attendance for this item.*

1. Dr Ghosh introduced the report and referenced how it was different from the interim strategy that was last brought to the committee. It was noted that the document was a top-line strategy to outline the six shared objectives for the whole Integrated Care System. Dr Ghosh said that extensive engagement with the public, all 12 district councils, parish councils, Health and Care Partnerships, the Police as well as with Kent County Council (KCC) colleagues and workshops with Members had informed the refreshed version. Dr Ghosh said that the next stage was to turn the strategy into action, including through local plans which were in development based on three or four locally identified priorities identified by each District. More work on delivery was expected, and county-wide plans were being developed within KCC and with partners. A named Public Health specialist would be linked with each District to provide Public Health support.
2. Jenny Dixon-Sherreard provided some further details. Ms Dixon-Sherreard said that the document had been guided by developing shared outcomes to be delivered by work across all partners. It was noted that the document set out the ambition with work on the details and delivery ongoing with the relevant partners that provided the expertise in their area. It was said that the prevention and the wider determinants of health were central guiding principles of the document. Ms Dixon-Sherreard provided some further detail on the specific outcomes outlined in the document. It was noted on governance that the strategy was owned by the Integrated Care Partnership (ICP). The ICP would recommend the document for approval by the three statutory bodies, KCC, NHS Kent and Medway and Medway Council. It was expected that the ICP would recommend the strategy in December 2023, to be followed by approval from the KCC Cabinet in early January 2024.
3. Dr Ghosh said that the ICS was also the Joint Health and Wellbeing Strategy for Kent, a statutory requirement of each Health and Wellbeing Board.
4. In response to comments and questions, it was said.

(a) A Member raised a concern about the fragmentation of services, as this creates a complex situation for residents to access the services they require. There is a large



range of voluntary organisations that is hard to keep across and may leave some residents falling through gaps in the system. Dr Ghosh said that the ICS was about addressing this system challenge. It was noted there were around 3500 of these organisations in operation across the county and the District Council workshops repeatedly raised the need for a directory. Work was ongoing to find a solution to this issue.

(b) A Member said that the metrics and graphics in the document were very helpful and will be useful to follow in the years ahead to ensure that targets are met. It was asked if more absolute figures could be used in the future. Ms Dixon-Sherreard said that the indicators were currently in draft form and the Public Health teams in Kent and Medway were in the process of finalising them across the system, working with local experts to ensure that robust and realistic targets would be set against each indicator.

(c) Following a question from a Member, Dr Ghosh said that he would look into adding the health benefits of music into Outcome 2 of the document as schemes for both early years and older people had proved effective.

(d) Mr Watkins noted that this was an ongoing process, and the report would be presented to other Cabinet Committee between now and the next meeting. Mr Watkins welcomed any further comments to be sent to Ms Dixon-Sherreard. Ms Dixon-Sherreard said that a report on the delivery and implementation of the ICS is planned to be presented to County Council in March next year.

5. RESOLVED the Health Reform and Public Health Cabinet Committee agreed to the recommendations as outlined in the report.

**289. Public Health Annual Quality Report for 2022/2023**  
(Item 8)

*Dr Ellen Schwartz, Deputy Director of Public Health and Laura Bush, Senior Commissioner, were in attendance for this item.*

1. Dr Ellen Schwartz introduced the report and provided a brief overview. It was noted that a Public Health Quality Committee had been set up which was working through the recommendations. Dr Schwartz said that it would work closely with the Public Health Transformation Programme on how quality processes and best practices could be implemented across all commissioned services.

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

(a) A Member asked if there was scope for the coroner's reports on preventable deaths to be included in the Annual Quality Report going forward. Dr Schwartz said that there was scope to include and consider such evidence. Dr Ghosh said that the idea was a good one but there were issues with accessing the coroner's reports for data protection reasons. The Member said this was the public notice of preventable deaths.

(b) It was noted that there were few complaints and compliments in the report as most would go directly to the provider of the service who would then analyse the data.

(c) In response to a question about whistleblowing and internal information from the staff on the services. Dr Schwartz said that it was included in the report at an assurance level as it would be embedded in all contracts.

(d) A Member asked if there was an obligation for the service providers to share complaints data with the Council. Ms Bush said that there were regular contract monitoring meetings with all commissioned providers which included a standard agenda item on complaints and compliments. Any comments or learning that could be implemented system-wide would be taken away and reviewed.

3. RESOLVED the Health Reform and Public Health Cabinet Committee considered and commented on the content of the report.

**290. Sexual Health Services - Current Commissioning Arrangements**  
*(Item 9)*

*Laura Bush, Senior Commissioner, and Wendy Jeffrey, Consultant in Public Health, were in attendance for this item.*

1. Ms Bush introduced the update.
2. In response to comments and questions, it was said.

(a) Mr Watkins said that this was an area where demand was growing and asked what the drivers of this were. Ms Bush said demand growth had been seen in the online Sexually Transmitted Infections (STI) testing service. It was noted that during the COVID-19 pandemic, this service was opened to asymptomatic people and demand growth has occurred since and more testing was a good sign. How this demand would be managed would be reviewed as part of the Public Health Transformation programme.

(b) A Member raised a concern that coastal areas of the county were neglected by services such as these, it was asked if this service was actively working to ensure it was accessible in these areas. Ms Jeffreys noted that Sexual Health Services had outreach workers and the services were provided through community pharmacies. It was also said that many services could be accessed online or over the phone.

3. RESOLVED the Health Reform and Public Health Cabinet Committee noted the report.

**291. Work Programme**  
*(Item 10)*

RESOLVED that the Work Programme 2023-2024 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: Health Reform and Public Health Cabinet Committee – 23 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 25<sup>th</sup> January 2024 and full Council on 19<sup>th</sup> 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 1<sup>st</sup> 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 Health Reform and Public Health 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**

#### Report Author(s)

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- [dave.shipton@kent.gov.uk](mailto:dave.shipton@kent.gov.uk)

#### Relevant Corporate Director:

- Zena Cooke
- 03000 416854
- [zena.cooke@kent.gov.uk](mailto:zena.cooke@kent.gov.uk)

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

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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 1<sup>st</sup> 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 19<sup>th</sup> 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 18<sup>th</sup> 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 19<sup>th</sup> 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 18<sup>th</sup> December 2023. A policy statement on the settlement was published on 5<sup>th</sup> 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 10<sup>th</sup> highest of the 21 counties in England and 4<sup>th</sup> 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 15<sup>th</sup> 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 19<sup>th</sup> 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%
<b>Total</b>	<b>571,478.39</b>	<b>580,886.03</b>	<b>9,407.64</b>	<b>1.65%</b>

4.8 The district and borough councils also have to notify us of their estimated collection fund balance for over/under collection by 24<sup>th</sup> 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 1<sup>st</sup> 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 9<sup>th</sup> February 2024 for consideration and approval by County Council at its meeting on 19<sup>th</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> November 2023**

	2024-25	2025-26 & 2026-27
	£'m	£'m
Initial draft budget gap as at 1 <sup>st</sup> 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 1<sup>st</sup> 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
<b>Planned Spending Changes</b>	<b>-17.0</b>	<b>+1.0</b>	<b>-16.0</b>
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
<b>Savings &amp; Income</b>	<b>-18.3</b>		<b>-18.3</b>
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
<b>Change in Reserves</b>	<b>-13.4</b>	<b>-1.0</b>	<b>-14.4</b>
<b>Net Change in Funding</b>	<b>-0.2</b>		<b>-0.2</b>
<b>Total (Gap Resolved)</b>	<b>-48.8</b>		<b>-48.8</b>

\* 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 19<sup>th</sup> 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 4<sup>th</sup> 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**

<b>Change in Net Spending</b>	<b>Core Funded £'m</b>	<b>External Funded £'m</b>	<b>Change in Net Funding</b>	<b>Core Funded £'m</b>
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
<b>Total Change in Net Spending</b>	<b>100.0</b>	<b>0.0</b>	<b>Total Change in Net Funding</b>	<b>100.0</b>

\*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"> <li>• £15.4m expected increase in Social Care Grant announced in the 2023-24 settlement from repurposed funding from social care charging reforms</li> <li>• £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)</li> <li>• £4.7m expected increase in the Adult Social Care Discharge Fund</li> <li>• -£6.4m unexpected reduction in the Services Grant</li> <li>• £14.1m indexed linked uplifts in business rate top-up, business rate compensation (including estimated amount not yet announced) and Revenue Support Grant</li> <li>• -£0.2m continuation of New Homes Bonus Grant but at a lower value than 2023-24</li> <li>• £0.5m expected net increase in local share of retained business rates and removal of S31 compensation for local taxation losses during Covid</li> </ul>

**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.

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## Proposed Draft 2024-34 Capital Programme – key numbers

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£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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<a href="#">Draft Capital Investment Strategy by Directorate</a>	B
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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.

<a href="#">KCC's Budget webpage</a>	1
<a href="#">KCC's Corporate Risk Register (item 8)</a>	2
<a href="#">KCC's Risk Management Strategy, Policy and Programme (item 11)</a>	3
<a href="#">KCC's approved 2023-24 Budget</a>	4
<a href="#">2024-25 Budget Consultation (Let's Talk Kent) inc. the Budget Consultation report</a>	5
<a href="#">Revenue and Capital 2023-24 Budget Monitoring Report for October 2023 (item 5)</a>	6
<a href="#">Securing Kent's Future – Budget Recovery Strategy</a>	7
<a href="#">Securing Kent's Future – Budget Recovery Report</a>	8
<a href="#">Initial Draft 2024-25 Budget Report (published on 1 November 2023)</a>	9



**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
<b>6</b>	<b>Total Cash Limit</b>		<b>2,246,557</b>	<b>600,667</b>	<b>344,974</b>	<b>256,224</b>	<b>195,570</b>	<b>225,528</b>

**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
<b>16</b>	<b>Total Finance</b>	<b>2,246,557</b>	<b>600,667</b>	<b>344,974</b>	<b>256,224</b>	<b>195,570</b>	<b>225,528</b>

**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
<b>6</b>	<b>Total Cash Limit</b>		<b>169,036</b>	<b>92,916</b>	<b>91,109</b>	<b>89,248</b>	<b>89,235</b>	<b>92,050</b>

**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					
<b>16</b>	<b>Total Finance</b>	<b>169,036</b>	<b>92,916</b>	<b>91,109</b>	<b>89,248</b>	<b>89,235</b>	<b>92,050</b>

## 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	<b>Total Rolling Programmes [3]</b>		<b>2,500</b>		<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Kent Strategy for Services for Learning Disability (LD):</b>								
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	<b>Total Individual Projects</b>		<b>3,657</b>	<b>3,308</b>	<b>349</b>	<b>0</b>	<b>0</b>	<b>0</b>
5	<b>Total - Adult Social Care &amp; Health</b>		<b>6,157</b>	<b>3,308</b>	<b>599</b>	<b>250</b>	<b>250</b>	<b>250</b>

[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	<b>Total Rolling Programmes [3]</b>		<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Kent Strategy for Services for Learning Disability (LD):</b>								
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	<b>Total Individual Projects</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
5	<b>Total - Adult Social Care &amp; Health</b>		<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>

[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
<b>5</b>	<b>Total Rolling Programmes [3]</b>		<b>213,779</b>		<b>33,327</b>	<b>24,452</b>	<b>19,500</b>	<b>19,500</b>
<b>Basic Need Schemes - to provide additional pupil places:</b>								
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
<b>Other Projects</b>								
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
<b>16</b>	<b>Total Individual Projects</b>		<b>423,906</b>	<b>237,001</b>	<b>97,721</b>	<b>61,273</b>	<b>13,239</b>	<b>14,422</b>
<b>17</b>	<b>Total - Children, Young People &amp; Education</b>		<b>637,685</b>	<b>237,001</b>	<b>131,048</b>	<b>85,725</b>	<b>32,739</b>	<b>33,922</b>

[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
<b>5</b>	<b>Total Rolling Programmes [3]</b>		<b>19,500</b>	<b>19,500</b>	<b>19,500</b>	<b>19,500</b>	<b>19,500</b>	<b>19,500</b>
<b>Basic Need Schemes - to provide additional pupil places:</b>								
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
<b>Other Projects</b>								
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
<b>16</b>	<b>Total Individual Projects</b>		<b>250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>17</b>	<b>Total - Children, Young People &amp; Education</b>		<b>19,750</b>	<b>19,500</b>	<b>19,500</b>	<b>19,500</b>	<b>19,500</b>	<b>19,500</b>

[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
<b>Growth &amp; Communities</b>								
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
<b>Transportation</b>								
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
<b>9</b>	<b>Total Rolling Programmes [3]</b>		<b>630,483</b>		<b>75,882</b>	<b>61,641</b>	<b>61,620</b>	<b>61,620</b>
<b>Growth &amp; Communities</b>								
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
<b>Environment &amp; Waste</b>								
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
<b>Transportation</b>								
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	£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	£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
<b>57</b>	<b>Total Individual Projects</b>		<b>841,191</b>	<b>334,767</b>	<b>106,154</b>	<b>80,920</b>	<b>97,540</b>	<b>123,586</b>
<b>58</b>	<b>Total - Growth, Environment &amp; Transport</b>		<b>1,471,674</b>	<b>334,767</b>	<b>182,036</b>	<b>142,561</b>	<b>159,160</b>	<b>185,206</b>

[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
<b>Growth &amp; Communities</b>								
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
<b>Transportation</b>								
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
<b>9</b>	<b>Total Rolling Programmes [3]</b>		<b>61,620</b>	<b>61,620</b>	<b>61,620</b>	<b>61,620</b>	<b>61,620</b>	<b>61,620</b>
<b>Growth &amp; Communities</b>								
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
<b>Environment &amp; Waste</b>								
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
<b>Transportation</b>								
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	£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	0
36	Faversham Swing Bridge [1]	Restoration of an opening bridge	0	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	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	0
39	Housing Infrastructure Fund - Swale Infrastructure Projects	Improvements to A249 Junctions at Grovehurst Road and Keycol Roundabout	0	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	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	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	0
43	Kent Thameside Strategic Transport Programme (Thamesway) [1]	Strategic highway improvement in Dartford & Gravesham	0	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	0
45	Maidstone Integrated Transport [1]	Improving transport links with various schemes in Maidstone	0	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	0
47	Rathmore Road Link	Road improvement scheme	0	0	0	0	0	0	0
48	Sturry Link Road, Canterbury [1]	Construction of bypass	103	0	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	0
50	Urban Traffic Management [1]	Upgrades to the existing urban traffic management system within the Ebbsfleet area.	0	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	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	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
53	Zebra Funding - Electric Buses and infrastructure	Grant funded projects for electric buses and infrastructure	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
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
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
<b>57</b>	<b>Total Individual Projects</b>		<b>81,266</b>	<b>5,396</b>	<b>3,589</b>	<b>1,728</b>	<b>1,715</b>	<b>4,530</b>
<b>58</b>	<b>Total - Growth, Environment &amp; Transport</b>		<b>142,886</b>	<b>67,016</b>	<b>65,209</b>	<b>63,348</b>	<b>63,335</b>	<b>66,150</b>

[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	<b>Total Individual Projects</b>		<b>3,510</b>	<b>2,069</b>	<b>-255</b>	<b>1,696</b>	<b>0</b>	<b>0</b>
3	<b>Total - Chief Executive's Department</b>		<b>3,510</b>	<b>2,069</b>	<b>-255</b>	<b>1,696</b>	<b>0</b>	<b>0</b>

[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

## 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	<b>Total Individual Projects</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3	<b>Total - Chief Executive's Department</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

[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	<b>Total Rolling Programmes [3]</b>		<b>70,444</b>		<b>12,823</b>	<b>11,150</b>	<b>3,421</b>	<b>6,150</b>
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	<b>Total Individual Projects</b>		<b>57,087</b>	<b>23,522</b>	<b>18,723</b>	<b>14,842</b>	<b>0</b>	<b>0</b>
12	<b>Total - Deputy Chief Executive's Department</b>		<b>127,531</b>	<b>23,522</b>	<b>31,546</b>	<b>25,992</b>	<b>3,421</b>	<b>6,150</b>

[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
<b>4</b>	<b>Total Rolling Programmes [3]</b>		<b>6,150</b>	<b>6,150</b>	<b>6,150</b>	<b>6,150</b>	<b>6,150</b>	<b>6,150</b>
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
<b>11</b>	<b>Total Individual Projects</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>12</b>	<b>Total - Deputy Chief Executive's Department</b>		<b>6,150</b>	<b>6,150</b>	<b>6,150</b>	<b>6,150</b>	<b>6,150</b>	<b>6,150</b>

[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	
<b>Shortfall on Council's Office and Highways Network to Maintain Backlogs at Steady State</b>														
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									
<b>Potential Forthcoming Projects</b>														
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							
<b>Total Potential Forthcoming Projects</b>			<b>1,755,604</b>	<b>206,644</b>	<b>171,171</b>	<b>180,774</b>	<b>182,495</b>	<b>166,295</b>	<b>163,795</b>	<b>144,295</b>	<b>140,295</b>	<b>140,795</b>	<b>259,045</b>	

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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
			<b>Spending</b>									
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
<b>182,261.3</b>	<b>37,026.0</b>	<b>219,287.3</b>	<b>Total Spending</b>	<b>184,519.0</b>	<b>-23,119.1</b>	<b>161,399.9</b>	<b>148,354.0</b>	<b>-9,472.6</b>	<b>138,881.4</b>	<b>135,721.4</b>	<b>0.0</b>	<b>135,721.4</b>
			<b>Savings, Income &amp; Grants</b>									
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
<b>-52,519.5</b>	<b>-2,251.5</b>	<b>-54,771.0</b>	<b>Total Savings &amp; Income</b>	<b>-87,565.5</b>	<b>-290.5</b>	<b>-87,856.0</b>	<b>-92,983.3</b>	<b>-13.9</b>	<b>-92,997.2</b>	<b>-51,780.4</b>	<b>0.0</b>	<b>-51,780.4</b>
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
<b>-51,859.5</b>	<b>-37,623.6</b>	<b>-89,483.1</b>	<b>Total Savings &amp; Income &amp; Grant</b>	<b>-87,565.5</b>	<b>20,658.6</b>	<b>-66,906.9</b>	<b>-92,983.3</b>	<b>8,122.1</b>	<b>-84,861.2</b>	<b>-51,780.4</b>	<b>0.0</b>	<b>-51,780.4</b>
			<b>RESERVES</b>									
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
<b>-6,285.0</b>	<b>597.6</b>	<b>-5,687.4</b>	<b>Net impact on MTFP</b>	<b>3,087.5</b>	<b>2,460.5</b>	<b>5,548.0</b>	<b>7,401.8</b>	<b>1,350.5</b>	<b>8,752.3</b>	<b>-14,350.0</b>	<b>0.0</b>	<b>-14,350.0</b>
<b>124,116.8</b>	<b>0.0</b>	<b>124,116.8</b>	<b>NET CHANGE</b>	<b>100,041.0</b>	<b>0.0</b>	<b>100,041.0</b>	<b>62,772.5</b>	<b>0.0</b>	<b>62,772.5</b>	<b>69,591.0</b>	<b>0.0</b>	<b>69,591.0</b>
<b>1,315,610.6</b>	<b>0.0</b>	<b>1,315,610.6</b>	<b>NET BUDGET REQUIREMENT</b>	<b>1,415,651.6</b>	<b>0.0</b>	<b>1,415,651.6</b>	<b>1,478,424.1</b>	<b>0.0</b>	<b>1,478,424.1</b>	<b>1,548,015.1</b>	<b>0.0</b>	<b>1,548,015.1</b>
			<b>MEMORANDUM:</b>									
			<b>The net impact on our reserves balances is:</b>									
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
<b>18,197.4</b>	<b>-3,198.1</b>	<b>14,999.3</b>	<b>Net movement in Reserves</b>	<b>22,508.2</b>	<b>-1,350.5</b>	<b>21,157.7</b>	<b>29,910.0</b>	<b>0.0</b>	<b>29,910.0</b>	<b>15,560.0</b>	<b>0.0</b>	<b>15,560.0</b>

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

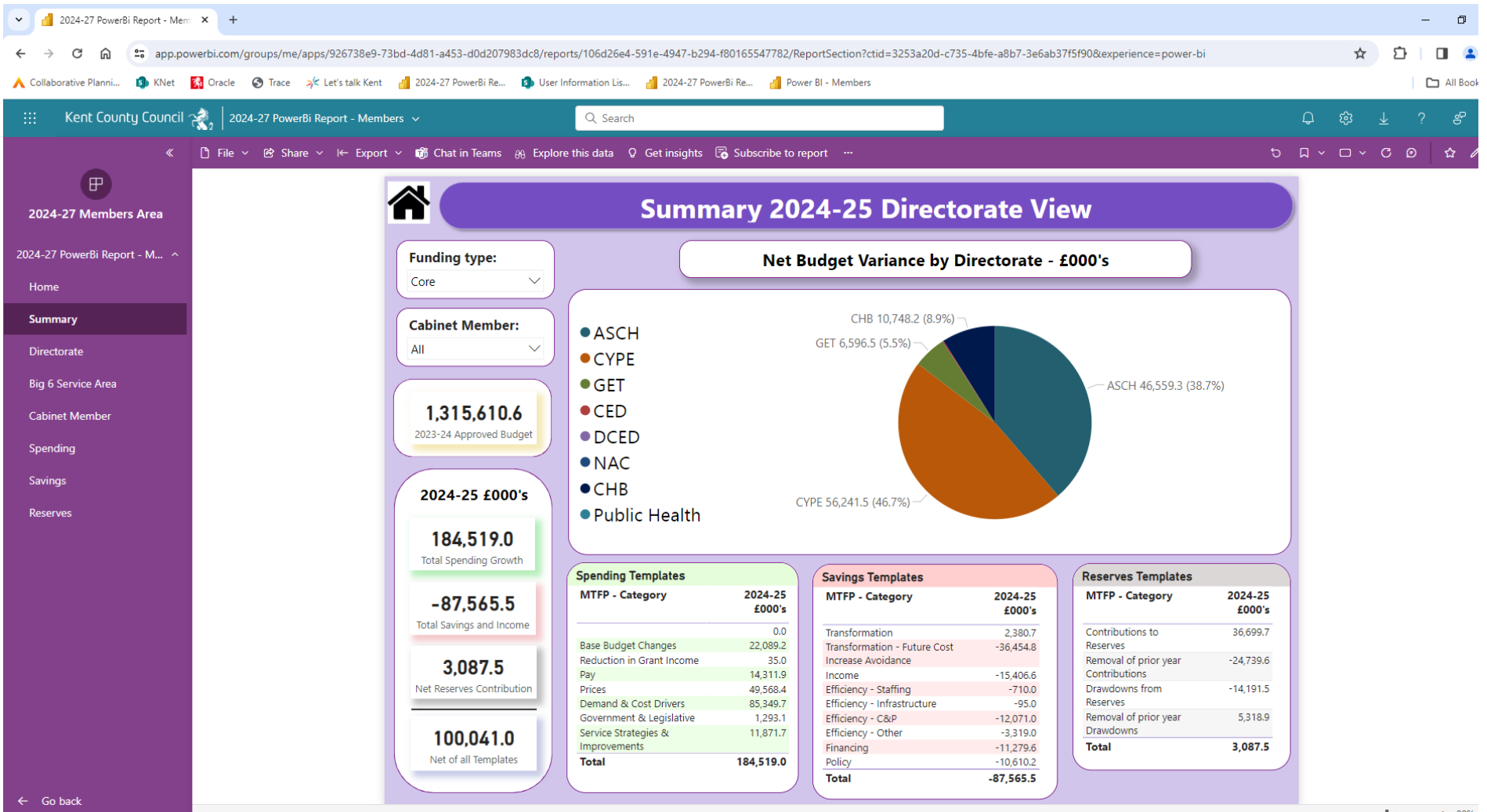
2023-24		2024-25	2025-26	2026-27
	<b>FUNDING</b>			
11,072.6	Revenue Support Grant	11,806.0	12,195.6	12,390.8
140,802.3	Business Rate Top-Up Grant	147,382.5	152,092.1	154,308.4
44,241.4	Business Rate Compensation Grant	51,039.4	52,670.4	53,437.8
88,770.7	Social Care Support Grant	104,203.5	104,203.5	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			
<b>1,315,610.6</b>	<b>Total Funding</b>	<b>1,415,651.6</b>	<b>1,478,424.1</b>	<b>1,548,015.1</b>

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

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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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**Spending**

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Reserves

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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
<b>Total</b>	<b>106</b>	<b>184,519.0</b>	<b>148,354.0</b>	<b>135,721.4</b>

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
<b>Total</b>	<b>93</b>	<b>-87,565.5</b>	<b>-92,983.3</b>	<b>-51,780.4</b>

2024-27 PowerBi Report - Members

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

2024-27 PowerBi Report - M... ^

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- Big 6 Service Area
- 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
<b>Total</b>	<b>22</b>	<b>3,087.5</b>	<b>7,401.8</b>	<b>-14,350.0</b>

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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
<b>TOTAL BASE BUDGET CHANGES</b>					<b>45,470.2</b>	<b>22,089.2</b>	<b>-23,381.0</b>	<b>23,855.0</b>	<b>19,900.0</b>		<b>Core</b>
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**

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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
<b>TOTAL DEMAND &amp; COST DRIVERS</b>					<b>80,924.7</b>	<b>85,349.7</b>	<b>4,425.0</b>	<b>83,845.6</b>	<b>82,277.0</b>		<b>Core</b>
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
<b>TOTAL GOVERNMENT &amp; LEGISLATIVE</b>					<b>1,406.5</b>	<b>1,293.1</b>	<b>-113.4</b>	<b>-320.0</b>	<b>0.0</b>		<b>Core</b>
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
<b>TOTAL PAY</b>					<b>14,205.9</b>	<b>14,311.9</b>	<b>106.0</b>	<b>7,830.8</b>	<b>7,845.1</b>		<b>Core</b>
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**

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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



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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
<b>TOTAL PRICES</b>					<b>46,234.9</b>	<b>49,568.4</b>	<b>3,333.5</b>	<b>30,545.0</b>	<b>22,560.5</b>		<b>Core</b>
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
<b>TOTAL REDUCTION IN GRANT INCOME</b>					<b>35.0</b>	<b>35.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>Core</b>
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
<b>TOTAL SERVICE STRATEGIES &amp; IMPROVEMENTS</b>					<b>13,205.7</b>	<b>11,871.7</b>	<b>-1,334.0</b>	<b>2,597.6</b>	<b>3,138.8</b>		<b>Core</b>
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
<b>TOTAL DEMAND &amp; COST DRIVERS</b>					<b>314.7</b>	<b>284.7</b>	<b>-30.0</b>	<b>0.0</b>	<b>0.0</b>		<b>External</b>
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
<b>TOTAL GOVERNMENT &amp; LEGISLATIVE</b>					<b>-23,337.5</b>	<b>-23,337.5</b>	<b>0.0</b>	<b>-4,520.6</b>	<b>0.0</b>		<b>External</b>

**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
<b>TOTAL PAY</b>					<b>505.1</b>	<b>505.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>External</b>
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
<b>TOTAL PRICES</b>					<b>967.4</b>	<b>967.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>External</b>
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
<b>TOTAL SERVICE STRATEGIES &amp; IMPROVEMENTS</b>					<b>-2,568.8</b>	<b>-1,538.8</b>	<b>1,030.0</b>	<b>-4,952.0</b>	<b>0.0</b>		<b>External</b>



**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
<b>TOTAL POLICY SAVINGS</b>					<b>-6,569.4</b>	<b>-10,610.2</b>	<b>-4,040.8</b>	<b>-39,726.1</b>	<b>-5,402.9</b>		<b>Core</b>
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
<b>TOTAL INCOME</b>					<b>-10,060.5</b>	<b>-15,406.6</b>	<b>-5,346.1</b>	<b>-3,935.5</b>	<b>-5,044.0</b>		<b>Core</b>
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
<b>TOTAL TRANSFORMATION &amp; EFFICIENCY SAVINGS</b>					<b>-49,387.1</b>	<b>-50,269.1</b>	<b>-7,036.8</b>	<b>-57,544.1</b>	<b>-41,051.7</b>		<b>Core</b>
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
<b>TOTAL FINANCING SAVINGS</b>					<b>-3,279.6</b>	<b>-11,279.6</b>	<b>-8,000.0</b>	<b>8,222.4</b>	<b>-281.8</b>		<b>Core</b>
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
<b>TOTAL POLICY SAVINGS</b>					<b>-9.2</b>	<b>-9.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>External</b>
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
<b>TOTAL INCOME</b>					<b>-281.3</b>	<b>-281.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>External</b>
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
<b>TOTAL TRANSFORMATION &amp; EFFICIENCY SAVINGS</b>					<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-13.9</b>	<b>0.0</b>		<b>External</b>
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
<b>TOTAL INCREASES IN GRANTS &amp; CONTRIBUTIONS</b>					<b>20,949.1</b>	<b>20,949.1</b>	<b>0.0</b>	<b>8,136.0</b>	<b>0.0</b>		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
<b>TOTAL CONTRIBUTIONS TO RESERVES</b>					<b>36,699.7</b>	<b>36,699.7</b>	<b>0.0</b>	<b>29,910.0</b>	<b>15,560.0</b>		<b>Core</b>
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
<b>TOTAL DRAWDOWNS FROM RESERVES</b>					<b>-829.2</b>	<b>-14,191.5</b>	<b>-13,362.3</b>	<b>0.0</b>	<b>0.0</b>		<b>Core</b>
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
<b>TOTAL REMOVAL OF PRIOR YEAR CONTRIBUTIONS</b>					<b>-24,739.6</b>	<b>-24,739.6</b>	<b>0.0</b>	<b>-36,699.7</b>	<b>-29,910.0</b>		<b>Core</b>
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
<b>TOTAL REMOVAL OF PRIOR YEAR DRAWDOWNS</b>					<b>5,318.9</b>	<b>5,318.9</b>	<b>0.0</b>	<b>14,191.5</b>	<b>0.0</b>		<b>Core</b>
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
<b>TOTAL DRAWDOWNS FROM RESERVES</b>					<b>-350.5</b>	<b>-1,350.5</b>	<b>-1,000.0</b>	<b>0.0</b>	<b>0.0</b>		<b>External</b>
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
<b>TOTAL REMOVAL OF PRIOR YEAR DRAWDOWNS</b>					<b>3,811.0</b>	<b>3,811.0</b>	<b>0.0</b>	<b>1,350.5</b>	<b>0.0</b>		<b>External</b>

**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).

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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.

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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.

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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 4<sup>th</sup> 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

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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 5<sup>th</sup> October 2023 and County Council on 16<sup>th</sup> 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.

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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

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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.

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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



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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.

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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

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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.

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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 9<sup>th</sup> 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

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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.

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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 4<sup>th</sup> 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 29<sup>th</sup> 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

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

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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

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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.

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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 22<sup>nd</sup> 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

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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

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

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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.

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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

<b>TOTAL £m</b>	<b>586.5</b>
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Directorate	Risk Title	Source/Cause of Risk	Risk Event	Consequence	Current Likelihood (1-5)	Estimated Maximum Financial Exposure £m
<b>Significant Risks (over £10m)</b>						
<b>CYPE</b>	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 105	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
<b>CYPE</b>	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
<b>GET</b>	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

<b>TOTAL £m</b>	<b>586.5</b>
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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

<b>TOTAL £m</b>	<b>586.5</b>
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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 107	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

<b>TOTAL £m</b>	<b>586.5</b>
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Directorate	Risk Title	Source/Cause of Risk	Risk Event	Consequence	Current Likelihood (1-5)	Estimated Maximum Financial Exposure £m
<b>Other Risks (under £10m - individual amounts not included)</b>						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 108	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

<b>TOTAL £m</b>	<b>586.5</b>
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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

<b>TOTAL £m</b>	<b>586.5</b>
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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

<b>TOTAL £m</b>	<b>586.5</b>
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Directorate	Risk Title	Source/Cause of Risk	Risk Event	Consequence	Current Likelihood (1-5)	Estimated Maximum Financial Exposure £m
<b>GET</b>	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	
<b>GET</b>	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	
<b>Non Attributable Costs</b>	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

<b>TOTAL £m</b>	<b>586.5</b>
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Directorate	Risk Title	Source/Cause of Risk	Risk Event	Consequence	Current Likelihood (1-5)	Estimated Maximum Financial Exposure £m
<b>Non Attributable Costs</b>	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	
<b>CYPE</b>	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	
<b>CYPE</b> Page 112	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	
<b>CYPE / DCED</b>	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	
<b>ASCH (PH)</b>	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

<b>TOTAL £m</b>	<b>586.5</b>
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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 113	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

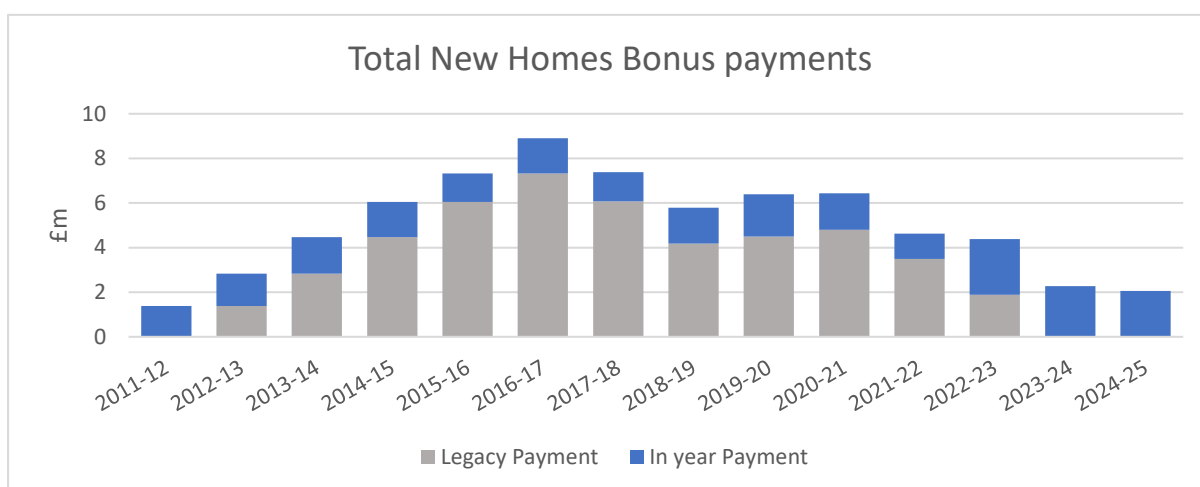
The New Homes Bonus (NHB) scheme was introduced in 2011-12 to help tackle the national housing shortage. The scheme was designed to reward those authorities that increased their housing stock either through new build or by bringing empty properties back into use. The grant is un-ringfenced.

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 15<sup>th</sup> 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 28<sup>th</sup> 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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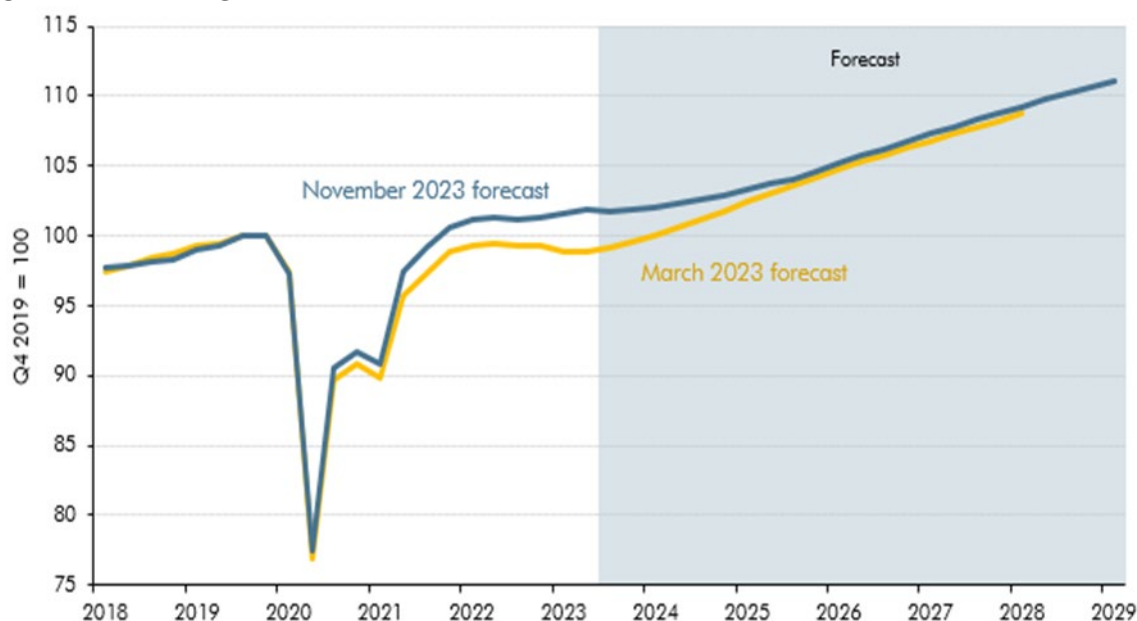
## Economic & Fiscal Context

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.

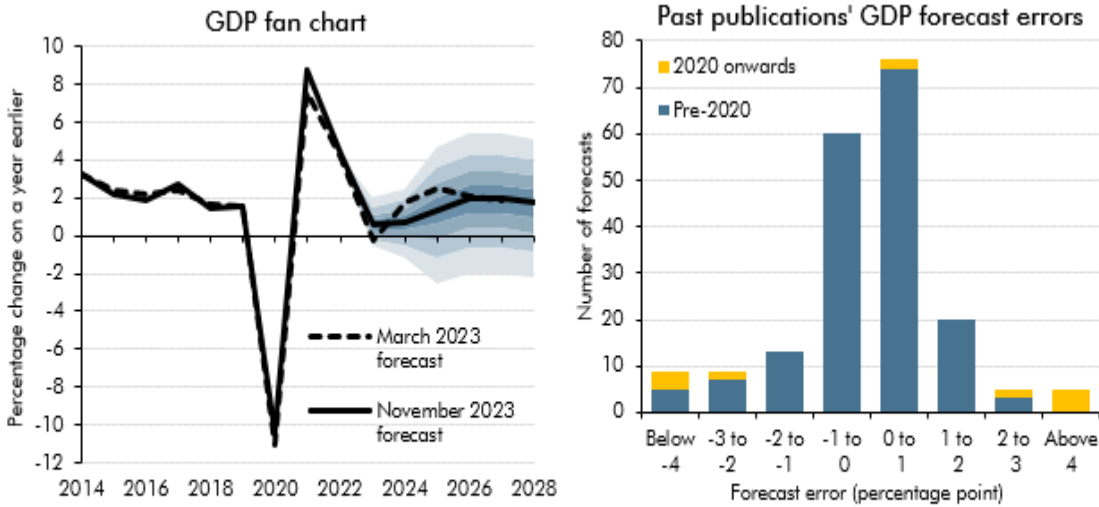
Chart 1 – Real GDP



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

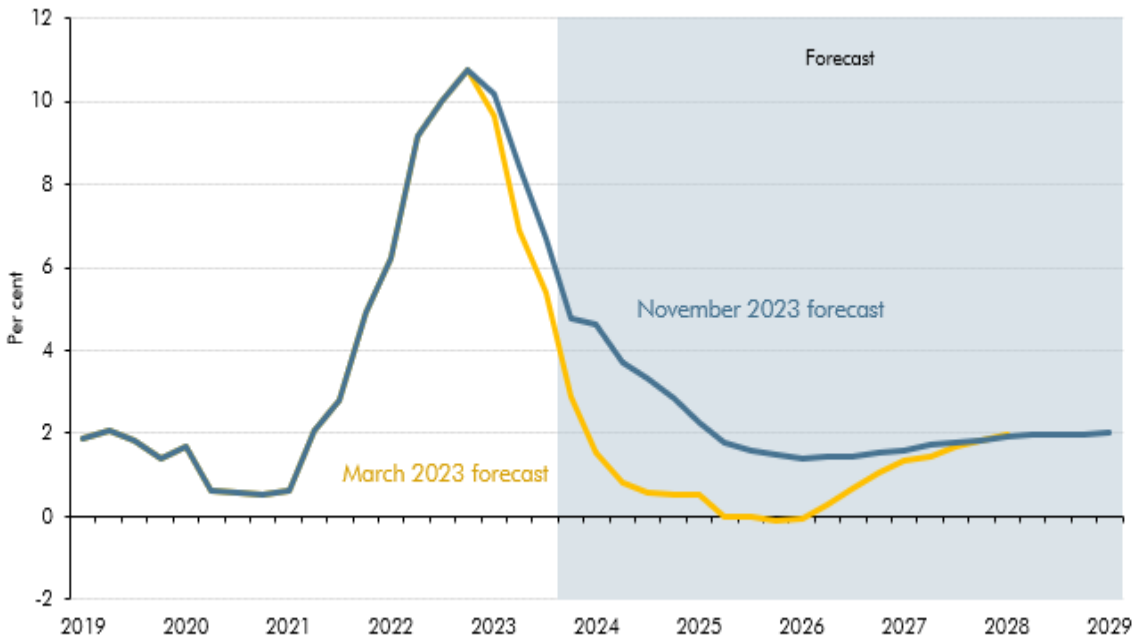


Note: On the left-hand chart, successive pairs of lighter-shaded areas around our forecast represent 20 per cent probability bands. The right-hand chart shows the distribution of forecast errors for every Autumn forecast since 1987. Source: ONS, OBR

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.

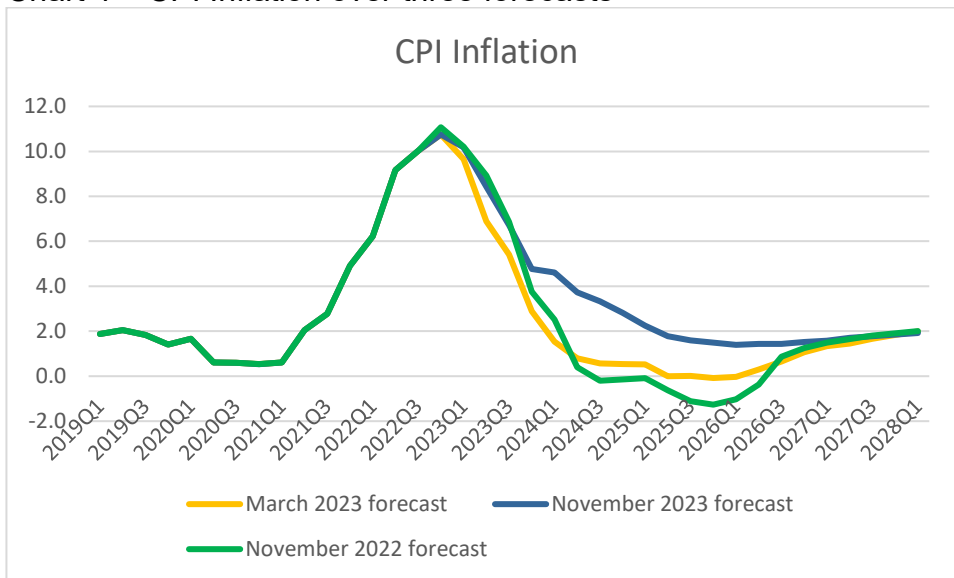
Chart 3 – CPI Inflation



Source: ONS, OBR

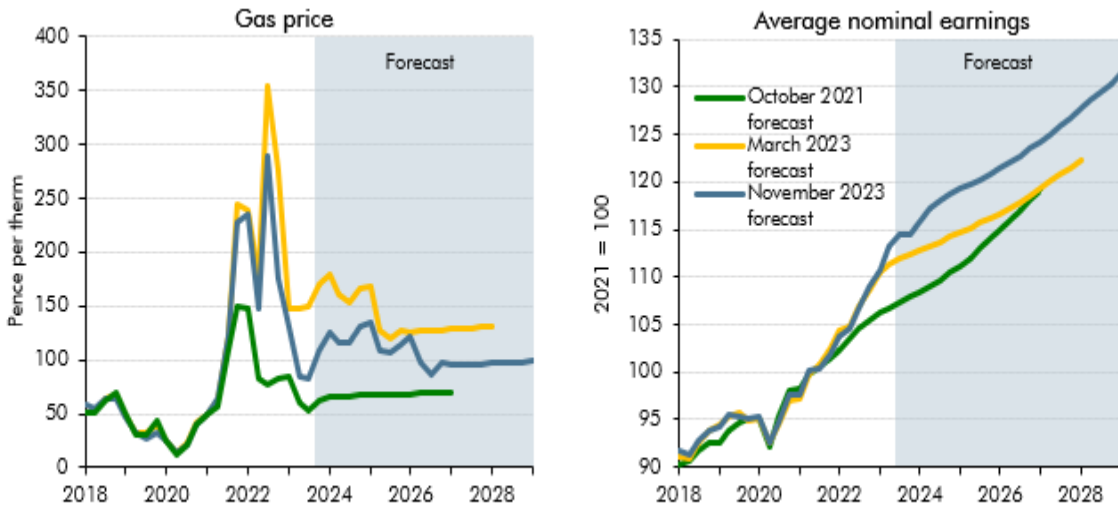
We have also compiled a comparison with previous November 2022 forecast where at one stage inflation was forecast to be negative in Chart 4 below.

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.

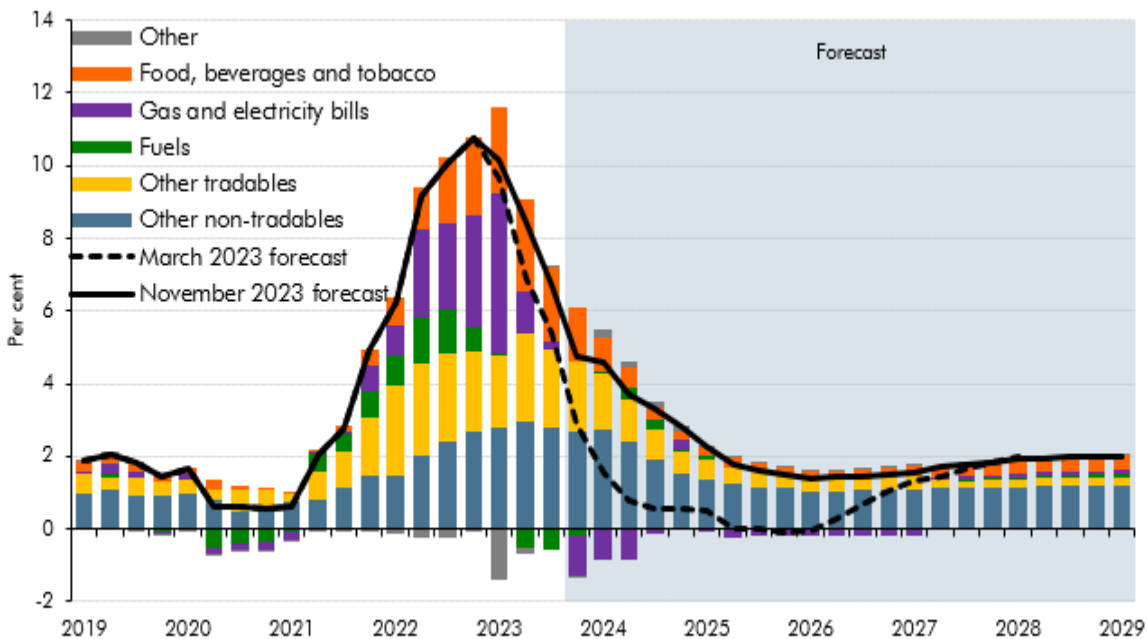
Chart 5 – Impact of Gas Prices and Average Earnings



Source: Datastream, ONS, OFGEM, Eikon, OBR

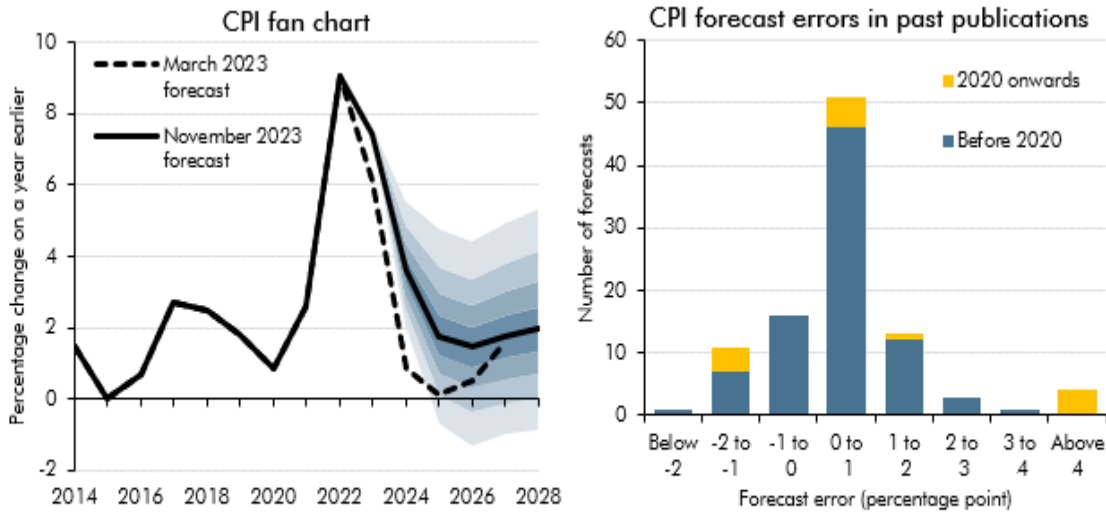
The EFO report confirms that the risks around inflation outlook remain high given both domestic and international uncertainty. The EFO report includes an analysis of the main contributors to inflation (chart 6) as well as an analysis of the more significant variations in inflation forecasts since 2020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

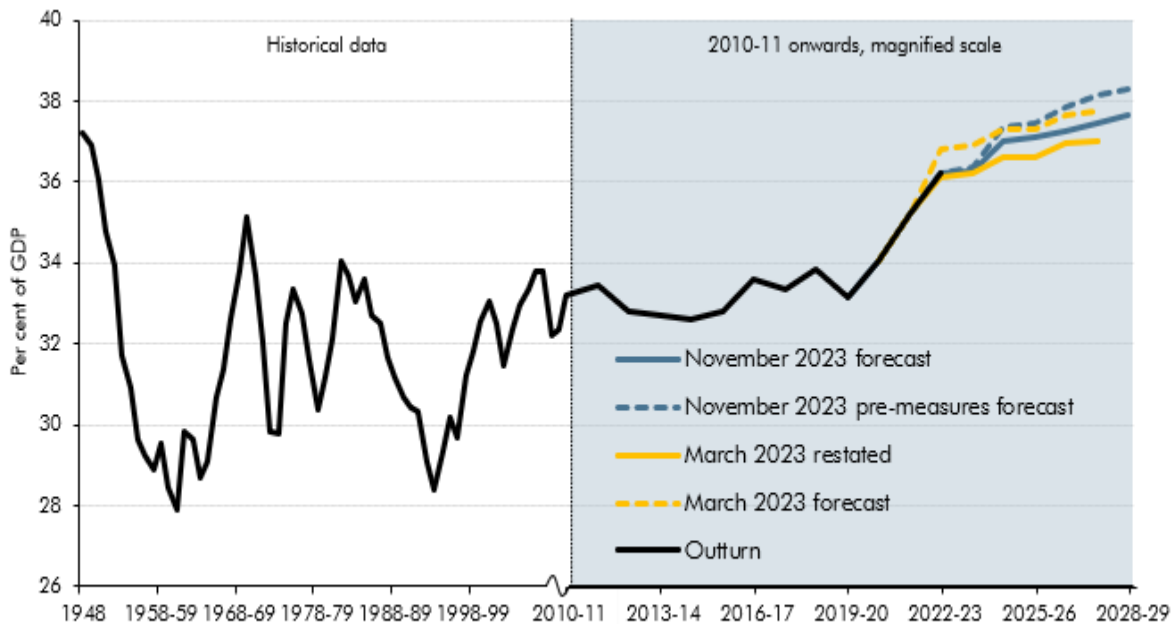


Note: On the left-hand chart, successive pairs of lighter-shaded areas around our forecast represent 20 per cent probability bands. The right-hand chart shows the distribution of forecast errors for every Autumn forecast since 2003. Source: ONS, OBR

**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 taxes<sup>1</sup> 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



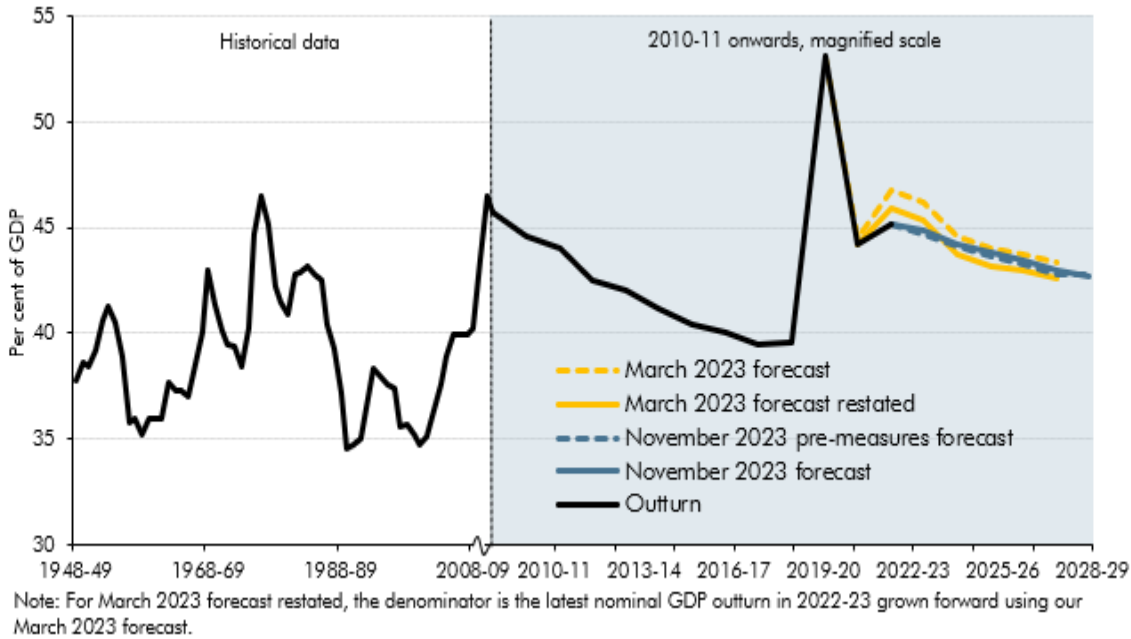
Note: For March 2023 forecast restated, the denominator is the latest nominal GDP outturn in 2022-23 grown forward using our March 2023 forecast. Source: ONS, OBR

<sup>1</sup> 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.

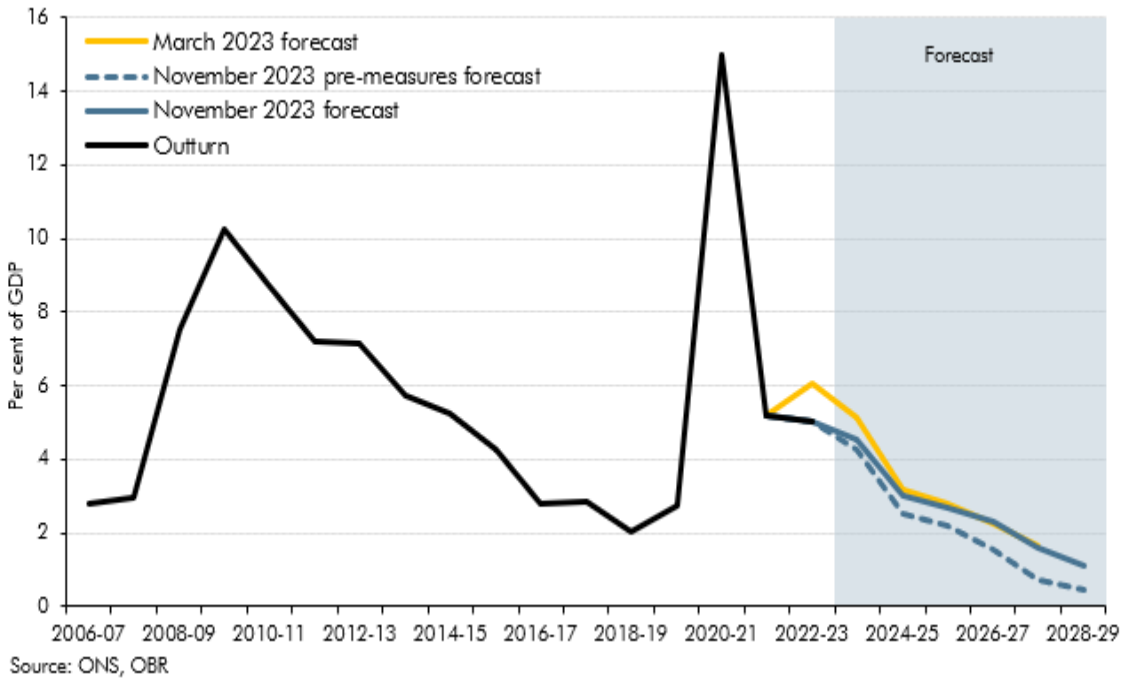
Chart 9 – Public Sector Expenditure as share of GDP



### Fiscal Context – Public Sector Borrowing and Total Debt

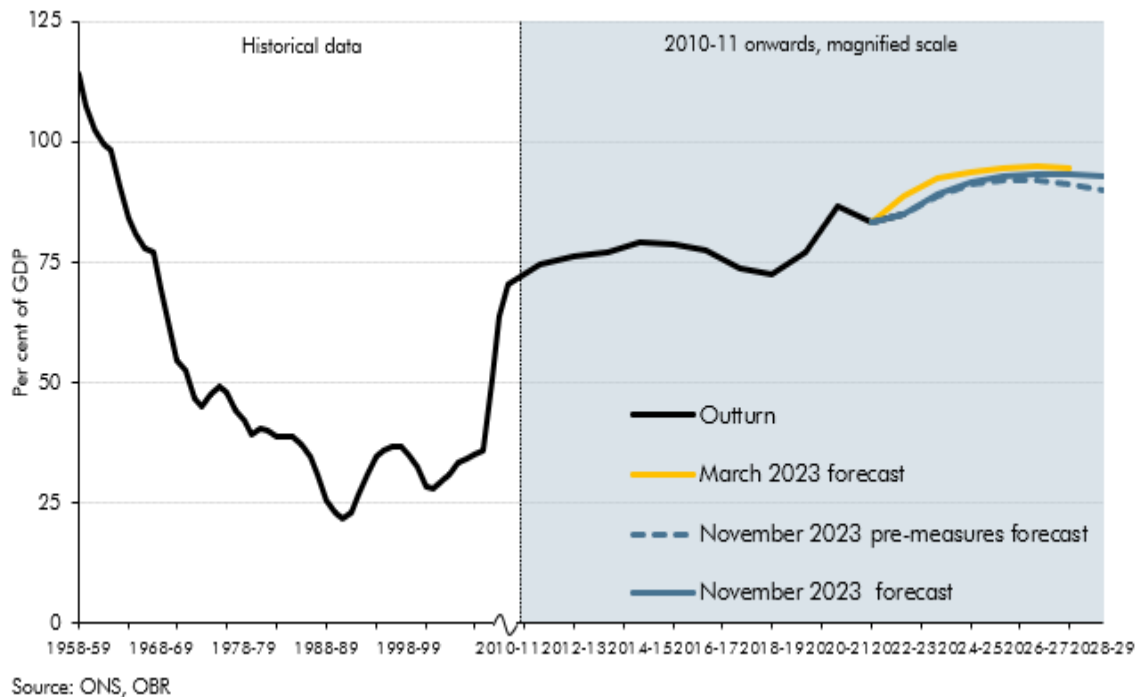
Public sector net borrowing in 2022-23 was £128.3bn (5.0% of GDP), this is a reduction from 5.2% in 2021-22. Net borrowing is forecast to fall to £123.9bn in 2023-24 (4.5% of GDP), this is 0.6% lower than the March 2023 forecast for 2023-24 of 5.1%. Net borrowing is forecast to fall further over the 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

	<b>31.3.23</b>	<b>31.3.24</b>	<b>31.3.25</b>	<b>31.3.26</b>	<b>31.3.27</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Total CFR</b>	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
<b>Loans CFR</b>	<b>1,127.8</b>	<b>1,114.3</b>	<b>1,165.4</b>	<b>1,160.4</b>	<b>1,133.2</b>
External borrowing	-802.4	-771.9	-742.6	-710.3	-685.1
<b>Internal borrowing</b>	<b>325.4</b>	<b>342.4</b>	<b>422.8</b>	<b>450.1</b>	<b>448.1</b>
Less balance sheet resources	-821.6	-769.8	-777.6	-792.8	-824.0
<b>Treasury investments</b>	<b>496.2</b>	<b>427.4</b>	<b>354.8</b>	<b>342.7</b>	<b>376.0</b>

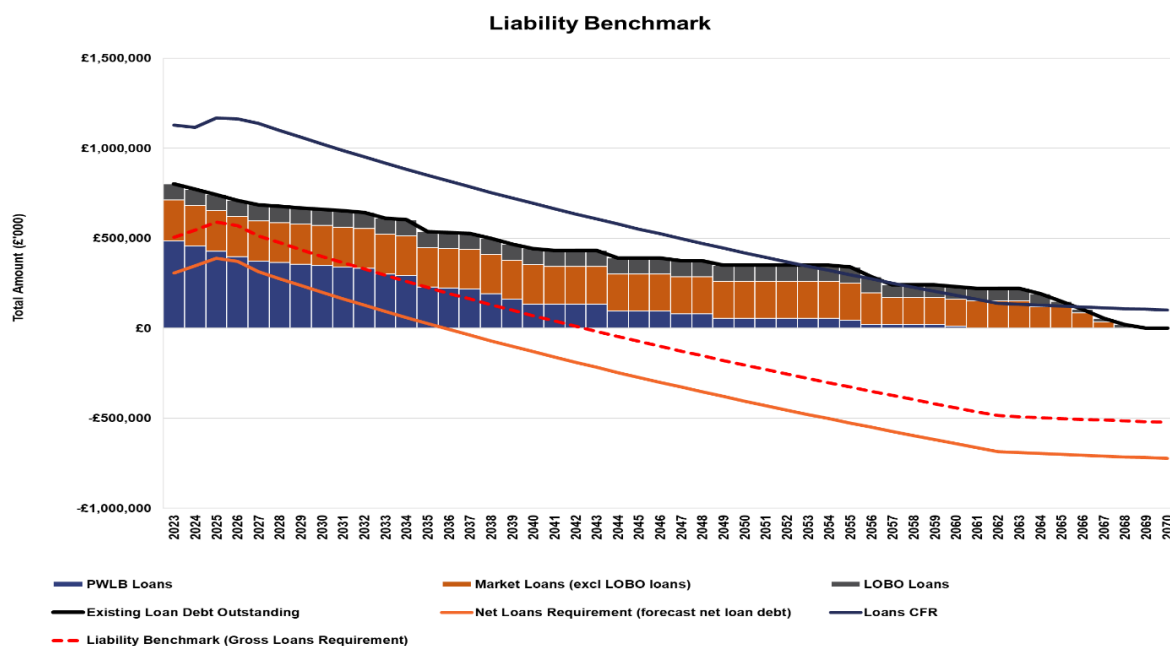
23. The Council's capital expenditure plans are the key driver of treasury management activity and the starting point for the treasury management strategy is the Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from 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
<b>Strategic pooled funds and real estate investment trusts</b>	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.

<b>Credit risk indicator</b>	<b>Minimum Level</b>
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%.<sup>1</sup> 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.

<b>Alternative</b>	<b>Impact on income and expenditure</b>	<b>Impact on risk management</b>
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

<sup>1</sup> 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	%
<b>External borrowing</b>		
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
<b>Total external borrowing</b>	<b>776.01</b>	<b>4.39</b>
<b>Treasury investments</b>		
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
<b>Total internally managed investments</b>	<b>339.66</b>	<b>5.14</b>
<b>Pooled investments funds</b>		
- 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
<b>Total pooled investments</b>	<b>168.85</b>	<b>5.09</b>
<b>Total treasury investments</b>	<b>508.51</b>	<b>5.12</b>
<b>Net debt</b>	<b>267.50</b>	

# 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  
Dr Anjan Ghosh, Director of Public Health

**To:** Health Reform and Public Health Cabinet Committee  
23 January 2024

**Subject:** **Stop Smoking Services and Support Grant (Section 31 Grant)**

**Decision Number:** 24/00001

**Classification:** Unrestricted

**Previous Pathway of Report:** N/A

**Future Pathway of Report:** Cabinet Member decision

**Electoral Division:** All

**Summary:** Although smoking prevalence is declining nationally and locally, smoking is still the main cause of premature mortality, accountable for 27% of all cancer deaths and a range of long-term health conditions. In Kent, it is estimated that 11.6% of the adult population smoke, but smoking rates are much higher among some groups, particularly those in lower socio-economic and vulnerable communities, making smoking a major risk factor for health inequalities.

On 4 October 2023, the government published *Stopping the start: our new plan to create a smokefree generation*. This included a programme of funding to support current smokers to quit smoking, with £70 million additional funding per year for local authority stop smoking services and support.

This will more than double the current local authority spend on stop smoking services of £68 million per year to a total of £138 million.

This new funding is in addition to the Public Health Grant and will be provided through a new Section 31 Grant on top of the current Public Health Grant allocations. This funding will be ringfenced for local authority led stop smoking services and support.

The aim of this additional funding is to ensure there is a nationwide comprehensive offer to help people stop smoking across England and to increase the number of smokers engaging with effective interventions to quit smoking.

Local authorities will be required to meet certain criteria to be eligible for the additional funding. To receive the funding, Kent County Council (KCC) must maintain its existing spend on stop smoking services, based on the stop smoking service data KCC submitted for the year 2022 to 2023. KCC should ensure it then maintains this level of funding throughout the whole grant period.

KCC will receive the grant agreement in January 2024. This will provide KCC with the

full grant conditions. Once received, KCC will be asked to read and return a signed copy.

The grant agreement will start from 6 April 2024 and activity will need to be mobilised quickly in line with procurement regulations.

The additional funding is a great opportunity for KCC to increase and enhance the stop smoking service offer for Kent residents and therefore improve outcomes.

**Recommendations:** The Health Reform and Public Health 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 1) to:

- a) **APPROVE** the acceptance of the Stop Smoking Services and Support Grant 2024/2025 to 2028/2029, subject to final review and consideration of detailed terms and conditions from the Department of Health and Social Care.
- b) **DELEGATE** authority to the Director of Public Health, after consultation with the Cabinet Member for Adult Social Care and Public Health, to review and agree to the required terms and conditions to enter into the necessary grant arrangements.
- c) **DELEGATE** authority to the Director of Public Health, after consultation with the Cabinet Member for Adult Social Care and Public Health and the Corporate Director Finance, to accept and deploy future years' allocations of Stop Smoking Services and Support Grant funding, provided funding is given on similar terms.
- d) **DELEGATE** authority to the Director of Public Health to take other necessary actions, including but not limited to entering into contracts or other legal agreements, as required to implement the decision.

## 1. Introduction

- 1.1 Tobacco is the single most important entirely preventable cause of ill health, disability and death<sup>1</sup> and is responsible for 64,000 deaths in England<sup>2</sup> a year.
- 1.2 An independent review in 2022 found that by 2030 smoking will have killed another half a million people alive in England today.<sup>3</sup>
- 1.3 On 4 October 2023, the government published *Stopping the start: our new plan to create a smokefree generation*<sup>4</sup>. This included a programme of funding to support current smokers to quit smoking, with £70 million additional funding per year for local stop smoking services and support.
- 1.4 Local authorities currently receive funding to provide local stop smoking services and support through the Public Health Grant. However, this only supports approximately 2% of smokers in Kent annually.
- 1.5 This new funding is in addition to the Public Health Grant and will be provided through a new Section 31 Grant on top of the current Public Health Grant allocations.

<sup>1</sup> [https://fingertips.phe.org.uk/static-reports/health-profile-for-england/hpfe\\_report.html](https://fingertips.phe.org.uk/static-reports/health-profile-for-england/hpfe_report.html)

<sup>2</sup> <https://fingertips.phe.org.uk/profile/tobacco-control/data#page/4/gid/1938132885/pat/159/par/K02000001/ati/15/are/E92000001/iid/93748/age/202/sex/4/cat/-1/ctp/-1/yr/3/cid/4/tbm/1/page-options/car-do-0.%202021>

<sup>3</sup> [Making smoking obsolete \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

<sup>4</sup> [Stopping the start: our new plan to create a smokefree generation - GOV.UK \(www.gov.uk\)](https://www.gov.uk)



- 1.6 The Department of Health and Social Care (DHSC) will provide the grant and the additional funding will be used to complement and enhance existing stop smoking services in Kent.
- 1.7 The management of the grant will be administered by KCC Public Health and Integrated Commissioning.
- 1.8 This report provides an overview of the funding aims, the framework for delivering services and support, information on the grant agreement process and grant funding criteria and the confirmed funding allocation.

## **2. Background**

- 2.1 In 2019, the government set an objective for England to be Smokefree by 2030, meaning only 5% of the population would smoke by then. This supports the government manifesto commitment to extend health life expectancy by five years by 2035.
- 2.2 In 2022, the government launched an independent review into tobacco control policies, led by Dr Javed Khan OBE, which found that without further action, England will miss the smokefree 2030 target by at least seven years.
- 2.3 The review detailed four critical recommendations to be implemented in order for the Government to deliver the smokefree 2030 target. These include:
  - Increased investment
  - Increase the age of sale
  - Promote vaping as an effective tool to help people to quit smoking tobacco
  - Improve prevention in the NHS
- 2.4 On 4 October 2023, the government published *Stopping the start: our new plan to create a smokefree generation*, which considered the recommendations detailed in the independent review and sets out the proposed actions the government will take to tackle smoking and youth vaping.
- 2.5 To help reach the Smokefree 2030 ambition, the government is committing additional funding of £70 million per year for local authority led stop smoking services and support.
- 2.6 This will more than double the current local authority spend on stop smoking services of £68 million per year to a total of £138 million, and meets the independent review recommendation for increased investment. In total the funding will aim to support around 360,000 people to quit with 198,000 successful quits (measured as four-week quits).

### 3. Needs of the Local Population

- 3.1 Although smoking prevalence is declining nationally and locally, smoking is still the main cause of premature mortality, accountable for 27%<sup>5</sup> of all cancer deaths and a range of long-term health conditions. In Kent, it is estimated that 11.6%<sup>6</sup> of the adult population smoke, but smoking rates are much higher among some groups, particularly those in lower socio-economic and vulnerable communities, making smoking a major risk factor for health inequalities. Smoking rates are higher among routine and manual workers (24.5%<sup>7</sup>) and this rate remains stubbornly high as they are more likely to be long-term hardened smokers. In addition, smoking rates among people with a long-term mental health illness is also high (23.7%<sup>8</sup>) as well as adults suffering from anxiety and depression (25.1%<sup>9</sup>). Smoking prevalence is also higher among drug and alcohol users. In Kent, 67%<sup>10</sup> of adults who were admitted to hospital for non-opiates use and 49%<sup>11</sup> admitted for alcohol misuse were smokers. A local study shows there are higher smoking rates among Gypsy/Irish Travellers (36.4%), adults identified as White Other (24%), Arab communities (21.9%) and White and Black Caribbean (19.4%).
- 3.2 Smoking status is not routinely collected at a local level among some communities that are known to have high smoking rates. It is estimated that nationally, 77%<sup>12</sup> of homeless people smoke, 80%<sup>13</sup> of people entering the prison service smoke and 26%<sup>14</sup> of those in social housing are smokers. There is further information on how we can engage further with these high smoking prevalence groups in the Tobacco Control Needs Assessment that will be published soon.
- 3.3 This Needs Assessment will inform how the additional funding will be utilised.

### 4. Funding Aims

- 4.1 The aim of this additional funding is to ensure there is a nationwide comprehensive offer to help people stop smoking across England and to increase the number of smokers engaging with effective interventions to quit smoking.

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<sup>5</sup> Acton on Smoking and Health, Impact of Smoking on Core20Plus5: Guide for NHS – Kent April 2022

<sup>6</sup> Office for Health Improvement and Disparities, Local Tobacco Control Profiles, Smoking Prevalence in Adults 2022 [Local Tobacco Control Profiles - Data - OHID \(phe.org.uk\)](https://www.phe.org.uk/publications/local-tobacco-control-profiles-data-ohid)

<sup>7</sup> Office for Health Improvement and Disparities, Local Tobacco Control Profiles, Smoking Prevalence in Adults in Routine and Manual Occupations 2022 [Local Tobacco Control Profiles - Data - OHID \(phe.org.uk\)](https://www.phe.org.uk/publications/local-tobacco-control-profiles-data-ohid)

<sup>8</sup> Office for Health Improvement and Disparities, Local Tobacco Control Profiles, Smoking Prevalence in Adults with a long term health condition 2021/22 [Local Tobacco Control Profiles - Data - OHID \(phe.org.uk\)](https://www.phe.org.uk/publications/local-tobacco-control-profiles-data-ohid)

<sup>9</sup> Office for Health Improvement and Disparities, Local Tobacco Control Profiles, Smoking Prevalence in Adults with anxiety or depression 2016/17 [Local Tobacco Control Profiles - Data - OHID \(phe.org.uk\)](https://www.phe.org.uk/publications/local-tobacco-control-profiles-data-ohid)

<sup>10</sup> Office for Health Improvement and Disparities, Local Tobacco Control Profiles, Smoking Prevalence in Adults admitted for treatment for substance misuse – non-opiates 2019/20 [Local Tobacco Control Profiles - Data - OHID \(phe.org.uk\)](https://www.phe.org.uk/publications/local-tobacco-control-profiles-data-ohid)

<sup>11</sup> Office for Health Improvement and Disparities, Local Tobacco Control Profiles, Smoking Prevalence in Adults admitted for treatment for substance misuse – alcohol 2019/20 [Local Tobacco Control Profiles - Data - OHID \(phe.org.uk\)](https://www.phe.org.uk/publications/local-tobacco-control-profiles-data-ohid)

<sup>12</sup> Acton on Smoking and Health, Impact of Smoking on Core20Plus5: Guide for NHS – Kent April 2022

<sup>13</sup> Ibid

<sup>14</sup> Ibid

- 4.2 It is important to recognise that the people currently smoking are likely to be the most entrenched smokers and may find it harder to quit having experienced a number of unsuccessful quit attempts. Helping these individuals successfully quit is essential, even if it may require a higher cost per smoker.
- 4.3 Additional funding will be provided to local authorities with the highest smoking rates to level up the communities who need the support the most and to address health disparities.
- 4.4 This will be achieved by:
- stimulating more quit attempts by providing more smokers with advice and swift support
  - linking smokers to the most effective interventions to quit
  - boosting existing behavioural support schemes designed to encourage smokers to quit (for example the 'swap to stop' scheme)
  - building capacity in local areas to respond to increased demand
  - strengthening partnerships in local healthcare systems

## **5. Framework for delivery services and support**

- 5.1 The government has published a framework for delivering services and support which outlines the most effective actions that local areas can take to meet the funding objectives.
- 5.2 The framework mainly focuses on strengthening resources and capacity and enhancing infrastructure. Local authorities can consider which of these options are most appropriate for their local populations.
- 5.3 The framework is intended to help local authorities to make decisions on how they can increase capacity across the system with this spending uplift, building on their existing services and structures. The government expect that the majority of funding will be spent on the activities detailed in Appendix 1. Additional activities are permitted but the government expect these to demonstrate good evidence of effectiveness.

## **6. Grant Agreement Process and Funding Criteria**

- 6.1 Local authorities currently receive funding to provide local stop smoking services and support through the Public Health Grant.
- 6.2 This new funding is in addition to the Public Health Grant and will be provided through a new Section 31 Grant on top of the current Public Health Grant allocations. This funding will be ringfenced for local authority led stop smoking services and support. The DHSC will provide the grant.
- 6.3 Payments will be given to local authorities every six months. In the first six months, local authorities will receive 70% of their allocated financial year's funding. They will then be expected to provide grant reporting to the DHSC grants team to receive the second payment.
- 6.4 Local authorities will receive the grant agreement in January 2024. This will provide local authorities with the full grant conditions. Once received, local authorities will be asked to read and return a signed copy.

- 6.5 The grant agreement will start from 6 April 2024 and activity will need to be mobilised quickly in line with procurement regulations.
- 6.6 Local authorities will be required to meet certain criteria to be eligible for the additional funding.
- 6.7 To receive the funding, local authorities must maintain their existing spend on stop smoking services, based on the stop smoking service data they have submitted for the year 2022 to 2023. They should ensure they maintain this level of funding throughout the whole grant period.
- 6.8 Local authorities must also comply with the reporting requirements for expenditure related to the stop smoking service by submitting quarterly reports to NHS England.
- 6.9 There will be some flexibility at a local level for the funding to support wider tobacco control policies and efforts to reduce youth vaping, such as for local awareness-raising campaigns. However, the majority of the funding should be focused on stop smoking services and support.

## 7. Financial Implications

- 7.1 The table below shows the confirmed maximum amount of funding allocation for Kent if Kent County Council meets all the eligible criteria.

	<b>Average 3-year smoking prevalence (2020 to 2022)</b>	<b>Estimated number of smokers (2021 populations)</b>	<b>Confirmed additional allocation 2024/25</b>
Kent County Council	13.14%	163,208	£1,944,823

- 7.2 The grant allocation will initially apply for the first year of the grant (the financial year 2024 to 2025).
- 7.3 To determine the 2024/2025 funding allocation for each local authority, the additional funding (£70 million per year from 2024 to 2025) was divided by the total number of smokers across England (5.6 million). This gives an approximate funding rate per smoker (£12.39). The funding rate per smoker was then multiplied by the estimated number of smokers in each local authority, to give a total allocation to each local authority.
- 7.4 The government cannot provide specific allocations for 2025 to 2026 and beyond at this stage. However, they have confirmed additional funding of £70 million a year for five years, from 2024 to 2025 through to 2028 to 2029.
- 7.5 Allocations will continue to be based on the average smoking prevalence over a three-year period to ensure the allocations are based on the most robust and recent data.

## **8. Equalities Implications**

- 8.1 An Equalities impact assessment (EqIA) has been undertaken for accepting the Grant and the implications that this may have on protected groups (Appendix 2) The EqIA found that accepting the grant would cause no negative impact on protected groups and could allow for greater engagement with these cohorts utilising the funding once the grant conditions are known.
- 8.2 Future EqIA's will be undertaken for any existing commissioned services as required when utilising the grant funding in the future. New service delivery as implemented through the life course of the grant will have an Equality Impact Assessment undertaken to ensure protected groups are not disadvantaged.

## **9. Data Protection Implications**

- 9.1 New service delivery as implemented through the life course of the grant will have a Data Protection Impact Assessment undertaken.

## **10. Legal Implications**

- 10.1 Once the grant agreement has been received from DHSC, legal advice may be required to review and advise on the terms and conditions.

## **11. Management of Works**

- 11.1 The management and implementation of the additional funding will be delivered by KCC Public Health and Integrated Commissioning. It is recognised there will need to be additional resource in order to manage the delivery of the grant which will be funded from the grant.

## **12. Conclusion**

- 12.1 On 4 October 2023, the government published *Stopping the start: our new plan to create a smokefree generation*. This included a programme of funding to support current smokers to quit smoking, with £70 million additional funding per year for local stop smoking services and support.
- 12.2 This new funding is in addition to the Public Health Grant and will be provided through a new Section 31 Grant on top of the current Public Health Grant allocations. This funding will be ringfenced for local authority led stop smoking services and support.
- 12.3 KCC will receive the grant agreement in January 2024. This will provide KCC with the full grant conditions. Once received, KCC will be asked to read and return a signed copy.
- 12.4 The grant agreement will start from 6 April 2024.
- 12.5 The additional funding is a great opportunity for KCC to increase and enhance the stop smoking service offer for Kent residents and therefore improve outcomes.

12.6 It is intended a report will come to the next Health Reform and Public Health Cabinet Committee (5 March 2024) to provide an update on progress.

### 13. Recommendations

13.1 Recommendations: The Health Reform and Public Health 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 1) to:

- a) **APPROVE** the acceptance of the Stop Smoking Services and Support Grant 2024/2025 to 2028/2029, subject to final review and consideration of detailed terms and conditions from the Department of Health and Social Care.
- b) **DELEGATE** authority to the Director of Public Health, after consultation with the Cabinet Member for Adult Social Care and Public Health, to review and agree to the required terms and conditions to enter into the necessary grant arrangements.
- c) **DELEGATE** authority to the Director of Public Health, after consultation with the Cabinet Member for Adult Social Care and Public Health and the Corporate Director Finance, to accept and deploy future years' allocations of Stop Smoking Services and Support Grant funding, provided funding is given on similar terms.
- d) **DELEGATE** authority to the Director of Public Health to take other necessary actions, including but not limited to entering into contracts or other legal agreements, as required to implement the decision.

### 14. Background Documents

- Initial Information on [Grant Funding Criteria](#)

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# KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

## DECISION TO BE TAKEN BY:

Mr Dan Watkins, Cabinet Member for Adult Social Care and Public Health

## DECISION NO:

24/00001

**For publication** [Do not include information which is exempt from publication under schedule 12a of the Local Government Act 1972]

**Key decision: YES**

**Subject Matter / Title of Decision: Stop Smoking Services and Support Grant (Section 31 Grant)**

## Decision:

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

- I. Approve the acceptance of the Stop Smoking Services and Support Grant 2024/2025 to 2028/2029, subject to final review and consideration of detailed terms and conditions from the Department of Health and Social Care.
- II. DELEGATE authority to the Director of Public Health, after consultation with the Cabinet Member for Adult Social Care and Public Health, to review and agree to the required terms and conditions to enter into the necessary grant arrangements.
- III. DELEGATE authority to the Director of Public Health, after consultation with the Cabinet Member for Adult Social Care and Public Health and the Corporate Director of Finance, to accept and deploy future years' allocations of Stop Smoking Services and Support Grant funding, provided funding is given on similar terms.
- IV. DELEGATE authority to the Director of Public Health to take other necessary actions, including but not limited to entering into contracts or other legal agreements, as required to implement the decision.

## Reason(s) for decision:

On 4 October 2023, the government published '*Stopping the start: our new plan to create a smokefree generation*' which sets out the proposed actions the government will take to tackle smoking and youth vaping. This included a programme of funding to support current smokers to quit smoking, with £70 million additional funding per year for local authority stop smoking services and support.

The aim of this additional funding is to ensure there is a nationwide comprehensive offer to help people stop smoking across England and to increase the number of smokers engaging with effective interventions to quit smoking.

Local authorities currently receive funding to provide local stop smoking services and support

through the Public Health Grant.

This new funding is in addition to the Public Health Grant and will be provided through a new Section 31 Grant on top of the current Public Health Grant allocations. This funding will be ringfenced for local authority led stop smoking services and support.

The Department of Health and Social Care (DHSC) will provide the grant.

Kent County Council (KCC) will receive the grant agreement in January 2024. This will provide KCC with the full grant conditions. Once received, KCC will be asked to read and return a signed copy.

The grant agreement will start from 6 April 2024.

KCC will be required to meet certain criteria to be eligible for the additional funding. To receive the funding, KCC must maintain their existing spend on stop smoking services, based on the stop smoking service data they have submitted for the year 2022 to 2023. KCC should ensure they maintain this level of funding throughout the whole grant period.

### **Financial Implications**

The table below shows the confirmed maximum amount of funding allocation for Kent if KCC meets all the eligible criteria.

The grant allocation will initially apply for the first year of the grant (the financial year 2024 to 2025).

To determine the 2024/25 funding allocation for each local authority, the additional funding (£70 million per year from 2024 to 2025) was divided by the total number of smokers across England (5.6 million). This gives an approximate funding rate per smoker (£12.39). The funding rate per smoker was then multiplied by the estimated number of smokers in each local authority, to give a total allocation to each local authority.

The government cannot provide specific allocations for 2025 to 2026 and beyond at this stage. However, they have confirmed additional funding of £70 million a year for 5 years, from 2024 to 2025 through to 2028 to 2029.

Allocations will continue to be based on the average smoking prevalence over a 3-year period to ensure the allocations are based on the most robust and recent data.

	<b>Average 3-year smoking prevalence (2020 to 2022)</b>	<b>Estimated number of smokers (2021 populations)</b>	<b>Confirmed additional allocation 2024/25</b>
<b>Kent County Council</b>	<b>13.14%</b>	<b>163,208</b>	<b>£1,944,823</b>

Funding will be given to local authorities every 6 months. In the first six months, KCC will receive 70% of their allocated financial year's funding. KCC will then be expected to provide grant reporting to the DHSC grants team to receive the second payment.

### **Equalities Implications**

An Equalities impact assessment (EqIA) has been undertaken for accepting the Grant and the implications that this may have on protected groups. The EqIA found that accepting the grant would



cause no negative impact on protected groups and could allow for greater engagement with these cohorts utilising the funding once the grant conditions are known.

Future EqIA's will be undertaken for any existing commissioned services as required when utilising the grant funding in the future. New service delivery as implemented through the life course of the grant will have an Equality Impact Assessment undertaken to ensure protected groups are not disadvantaged.

**Data Protection Implications**

New service delivery as implemented through the life course of the grant will have a Data Protection Impact Assessment undertaken.

**Legal Implications**

Once the grant agreement has been received from DHSC, legal advice may be required to review and advise on the terms and conditions.

**Cabinet Committee recommendations and other consultation:**

The proposed decision will be discussed at the Health Reform and Public Health Cabinet Committee on 23 January 2024 and the outcome included in the paperwork which the Cabinet Member will be asked to sign.

**Any alternatives considered and rejected:**

**Not accepting the Grant Funding** – By not accepting the Stop smoking Services and Support Grant funding KCC would not be able to increase the number of people it supports to quit smoking each year through its current provision (circa 3000 a year). It would be likely that Kent's smoking population would remain at its current level and if other Local Authorities were to still accept the grant funding, Kent could be an outlier in this area. Not accepting the funding would also make it difficult for KCC to target support at groups identified as part of the Smoking Needs Assessment without removing resources from the current Stop smoking provision.

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

.....  
signed

.....  
date

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## Appendix A: Framework for delivering services and support

<b>Building capacity for local stop smoking support and services</b>
<p><b>Leadership, co-ordination and commissioning</b> - Local authorities need to have increased leadership capacity and oversight, and increased co-ordination and commissioning capacity, to expand their offers to support smokers to quit.</p>
<p><b>Increasing local resources to help people quit</b> - Local authorities can use the funding to increase resources to provide behavioural support and wider availability of stop smoking aids by:</p> <ul style="list-style-type: none"><li>• recruiting dedicated specialist staff to provide smoking cessation interventions and support to non-specialist advisers</li><li>• improving the knowledge and skills of non-specialist staff (other healthcare professionals like nurses and pharmacists) to extend the reach of stop smoking interventions</li><li>• providing access to specialist and non-specialist advisers in locations where smokers routinely attend, such as GP surgeries, mental health services and employers</li><li>• increasing spend for stop smoking aids for smokers to use in their quit attempts from the full range of products available as recommended by NCSCT and NICE guideline NG209</li><li>• enhancing the overall service infrastructure, including:<ul style="list-style-type: none"><li>• digital and remote support</li><li>• establishing physical presence in prominent locations</li><li>• conducting targeted outreach efforts, especially for local priority populations</li></ul></li></ul>
<b>Building demand for local stop smoking service support and services</b>
<p><b>Increased referrals and improved pathways</b> - Local authorities should improve their referral pathways and increase the number of referrals into local stop smoking services and support, using the 'very brief advice' on smoking approach.</p> <p>Increased partnership working with relevant agencies should form part of local strategies to address and tackle health inequalities and increase overall demand for services.</p> <p>Evidence shows that smokers are more likely to engage with a stop smoking service if they have been referred by a healthcare professional. The government would like to see increased referrals from local partner agencies including:</p> <ul style="list-style-type: none"><li>• primary care</li><li>• NHS talking therapies for anxiety and depression</li><li>• community mental health treatment services for people with severe mental illness</li><li>• drug and alcohol treatment services</li><li>• large and medium sized employers</li><li>• Jobcentre Plus</li><li>• charities and community organisations</li></ul>

- other locally identified priority partnerships

**Increased promotion of local stop smoking support** - We encourage local authorities to invest in marketing and promoting local interventions to quit smoking. This can include developing and creating publicity materials.

**Working together to fund services** - Local areas can jointly fund activity over a greater geographical area, for example by city, county or region, or through an integrated care partnership (a statutory committee formed of NHS integrated care board and local authorities in the integrated care system area), to co-ordinate:

- marketing
- service design and deliver
- wider tobacco control activities geared to stimulate quits

**Kent County Council  
Equality Analysis/ Impact Assessment (EqIA)**

**Directorate/ Service:** Adult Social Care and Health – Integrated Commissioning.

**Name of decision, policy, procedure, project or service:** Accepting the Stop smoking Services and Support Grant

**Responsible Owner/ Senior Officer:** Luke Edwards

**Version:** 1

**Author:** Chris Beale

**Pathway of Equality Analysis:** PH Specialist and Consultant’s Meeting

**Summary and recommendations of equality analysis/impact assessment.**

- **Context**

Tobacco is the single most important entirely preventable cause of ill health, disability and death<sup>1</sup> and is responsible for 64,000 deaths in England<sup>2</sup> a year.

An independent review in 2022 found that by 2030 smoking will have killed another half a million people alive in England today.<sup>3</sup>

On 4 October 2023, the government published *Stopping the start: our new plan to create a smokefree generation*<sup>4</sup>. This included a programme of funding to support current smokers to quit smoking, with £70 million additional funding per year for local stop smoking services and support.

Local authorities currently receive funding to provide local stop smoking services and support through the Public Health Grant. However, this only supports approximately 2% of smokers in Kent annually.

This new funding is in addition to the Public Health Grant and will be provided through a new Section 31 Grant on top of the current Public Health Grant allocations.

The Department of Health and Social Care (DHSC) will provide the grant and the additional funding will be used to complement and enhance existing stop smoking services in Kent.

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<sup>1</sup> [https://fingertips.phe.org.uk/static-reports/health-profile-for-england/hpfe\\_report.html](https://fingertips.phe.org.uk/static-reports/health-profile-for-england/hpfe_report.html)

<sup>2</sup> <https://fingertips.phe.org.uk/profile/tobacco-control/data#page/4/gid/1938132885/pat/159/par/K02000001/ati/15/are/E92000001/iid/93748/age/202/sex/4/cap/1/ctp/-1/yr/3/cid/4/tbm/1/page-options/car-do-0.%202021>

<sup>3</sup> [Making smoking obsolete \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/115444/making-smoking-obsolete.pdf)

<sup>4</sup> [Stopping the start: our new plan to create a smokefree generation - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/115444/stopping-the-start-our-new-plan-to-create-a-smokefree-generation.pdf)

The management of the grant will be administered by KCC Public Health and Integrated Commissioning.

Currently the service delivery for Smokefree Kent is a community offer being delivered by the core community team, with sub-contracting arrangements in place with some Pharmacies.

- **Aims and Objectives**

The aim of this additional funding is to ensure there is a nationwide comprehensive offer to help people stop smoking across England and to increase the number of smokers engaging with effective interventions to quit smoking.

It is important to recognise that the people currently smoking are likely to be the most entrenched smokers and may find it harder to quit having experienced a number of unsuccessful quit attempts. Helping these individuals successfully quit is essential, even if it may require a higher cost per smoker.

Additional funding will be provided to local authorities with the highest smoking rates to level up the communities who need the support the most and to address health disparities.

This will be achieved by:

- stimulating more quit attempts by providing more smokers with advice and swift support
- linking smokers to the most effective interventions to quit
- boosting existing behavioural support schemes designed to encourage smokers to quit (for example the 'swap to stop' scheme)
- building capacity in local areas to respond to increased demand
- strengthening partnerships in local healthcare systems

- **Summary of equality impact**

Accepting the Stop Smoking Services and Support Grant will not adversely impact upon individuals with protected characteristics and should allow for the opportunity to better engage with a larger number of people from these demographics. Plans for spending the Grant monies will be finalised and the EQIA will be updated to reflect these suggested projects and the potential impact they could have on each protected characteristic.

## **Adverse Equality Impact Rating Low**

### **Attestation**

I have read and paid due regard to the Equality Analysis/Impact Assessment concerning **accepting the Stop Smoking Services and Support Grant** and agree with risk rating and the actions to mitigate any adverse impact(s) that has /have been identified.

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**Head of Service**

Signed: Victoria Tovey

Name: Victoria Tovey

Job Title: Assistant Director of integrated commissioning

Date: 4 January 2024

**DMT Member**

Signed: Anjan Ghosh

Name: Anjan Ghosh

Job Title: Director of Public Health

Date: 4 January 2024

**Part 1 Screening**

**Could this policy, procedure, project or service, or any proposed changes to it, affect any Protected Group (listed below) less favourably (negatively) than others in Kent?**

**Could this policy, procedure, project or service promote equal opportunities for this group?**



Protected Group	Please provide a <u>brief</u> commentary on your findings. Fuller analysis should be undertaken in Part 2.			
	High negative impact EqIA	Medium negative impact Screen	Low negative impact Evidence	High/Medium/Low Positive Impact Evidence
<b>Age</b>				<p>The service will continue to see anyone over the age of 12.</p> <p>Accepting the Grant will allow for a greater number of individuals to be supported, from across all ages, over the age of 12.</p>
<b>Disability</b>				<p>The service currently has a positive impact upon people with a disability as there are a number of flexible options to access the service (phone support, community clinics and pharmacy clinics). The service can offer one to one support for clients with a learning difficulty working with them to meet their needs. All information on smoking risks and support will be verbally explained and key messages simplified. The Grant will support increasing access to these opportunities and</p>

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 .....@kent.gov.uk or telephone on .....

				allow for a greater number of people to be supported.
<b>Sex</b>				No. Accepting the Grant will not have a negative effect on either gender. Both men and women would be able to access the service which will promote equal opportunities.
<b>Gender identity/ Transgender</b>				The service will be able to continue offering community support to any individuals regardless of gender identity/transgender. The Grant will facilitate supporting a greater number of people who may identify as transgender or not. All staff have completed equality and diversity training.
<b>Race</b>				The community offer will be available to any individuals regardless of race and should be able to support a greater number of people if the Grant is accepted. All staff have completed

				equality and diversity training.
<b>Religion and Belief</b>				The service will continue to offer support to any individuals regardless of religion/belief and should be able to support a greater number of people if the Grant is accepted. All staff have completed equality and diversity training.
<b>Sexual Orientation</b>				The service will continue to offer support to any individuals regardless of Sexual Orientation and should be able to support a greater number of people if the Grant is accepted. All staff have completed equality and diversity training.
<b>Pregnancy and Maternity</b>				Pregnant women are mostly supported by in-house NHS Maternity Support Workers as part of the NHS Long Term Plan funding and this

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				would remain unchanged by accepting the Grant funding.
<b>Marriage and Civil Partnerships</b>				The service will support anyone regardless of marriage and civil partnership
<b>Carer's Responsibilities</b>				The service will see anyone regardless of their carers responsibilities and pharmacy offer weekend and evening support.

## **Part 2**

### **Equality Analysis /Impact Assessment**

#### **Protected groups**

No groups will be directly or indirectly negatively affected by the changes

#### **Analysis**

By Accepting the Stop Smoking Services and Support Grant it will allow KCC to increase its stop smoking provision and investigate further ways that it can support a wider range of individuals with protected characteristics. Plans on how to spend the Grant have not yet been finalised and are awaiting the conditions of the grant before being finalised. Further EQIAs will be undertaken once ideas have progressed, and the Grant conditions are known.

#### **Adverse Impact:**

None – By accepting the grant there will be no negative impact upon individuals.

#### **Positive Impact:**

Accepting the Grant allows for KCC to further investigate ways to better engage with individuals with protected characteristics, utilising the additional funding.

### **JUDGEMENT**

- **No major change** - no potential for discrimination and all opportunities to promote equality have been taken

#### **Internal Action Required            NO**

There is potential for adverse impact on particular groups, and we have found scope to improve the proposal.

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**From:** Dan Watkins, Cabinet Member for Adult Social Care and Public Health  
Dr Anjan Ghosh, Director of Public Health

**To:** Health Reform and Public Health Cabinet Committee – 23 January 2024

**Subject:** **Performance of Public Health Commissioned Services (Quarter 2 2023/2024)**

**Classification:** Unrestricted

**Previous Pathway of Paper:** None

**Future Pathway of Paper:** None

**Electoral Division:** All

**Summary:** This report provides an overview of the Key Performance Indicators for Public Health commissioned services. In the latest available quarter, July to September 2023, of 15 Key Performance Indicators eleven were RAG rated Green and four Amber.

**Recommendation:** The Health Reform and Public Health Cabinet Committee is asked to **NOTE** the performance of Public Health commissioned services in Q2 2023/2024.

## 1. Introduction

- 1.1 A core function of the Cabinet Committee is to review the performance of services which fall within its remit.
- 1.2 This report provides an overview of the Key Performance Indicators (KPIs) for the Public Health services commissioned by Kent County Council (KCC) and includes the KPIs presented to Cabinet via the KCC Quarterly Performance Report (QPR). Appendix 1 contains the full table of KPIs and performance over the previous five quarters.

## 2. Overview of Performance

- 2.1 Of the 15 targeted KPIs for Public Health commissioned services, eleven achieved target (Green) and four were below target although did achieve the floor standard (Amber).

### **3. Health Visiting**

- 3.1 In Q2 2023/2024, the Health Visiting Service delivered 17,320 mandated universal health and wellbeing reviews, slightly higher than the previous quarter (16,780). The service remains on track to meet the increased annual target of 68,000 (by the end of the year). Four of the five mandated contacts met or exceeded the targets with the proportion of new birth visits delivered within 10–14 days at 94.8%, slightly below the 95% target. This KPI recently changed, from delivery of the visit within 30 days of birth to 10–14 days of birth. Overall, 99% of new birth visits were delivered within 30 days and families with additional needs are always prioritised.

At the end of Q2 2023/2024, there were 6,119 children on the health visiting specialist caseload. The specialist caseload includes children and families who require intensive support for complex or multiple needs, and families where there are safeguarding concerns. There are also 2,283 children on the targeted caseload. The targeted caseload includes children and families who require extra help to improve education, parenting, behaviour or to meet specific health needs.

### **4. Adult Health Improvement**

- 4.1 During Q2 of 2023/2024, there were 7,767 NHS Health Checks delivered to the eligible population. This represents 28,722 checks delivered (12-month rolling) and as such has exceeded the target of 23,844. Additionally, the number of invitations sent out during this quarter was 20,020 compared to the preceding quarter's figure of 18,607. This translates to a 7.6% increase in the number of invitations, demonstrating the proactive efforts made to engage more eligible people and facilitate access to the NHS Health Checks.

A pilot program is being initiated to invite the eligible population for NHS Health Checks via SMS text messaging. This endeavour not only seeks to improve accessibility, but also aims to evaluate its positive impact on service uptake. One of the additional advantages of this approach is its cost-effectiveness and contribution to reducing the carbon footprint, aligning with the broader commitment to environmental responsibilities.

- 4.3 In Q2 2023/2024, the Smoking Cessation Services supported 50% of people setting a quit date to successfully quit smoking. Commissioners continue to discuss performance with the provider and jointly develop ideas on how this percentage can be improved. This quarter, a small waiting list formed due to staff vacancies within initial triage services; however, this has now been rectified and there is no longer a waiting list. It is hoped that the recently announced [Smokefree Generation initiative](#) will allow Kent to build further capacity and innovative ways to support Kent residents to quit smoking. Public Health staff and Commissioners are currently developing ideas, ready for when funding is released in April 2024.



- 4.4 The One You Kent (OYK) Lifestyle Service engaged with fewer people than the target of 55% from Quintiles 1 and 2 in Q2 2023/2024, with 52% of those supported being from this cohort. This is despite a 22.6% increase in the total number of people active within the OYK Programme this quarter compared to Q1 2023/2024. All providers have continued activities to engage with Quintiles 1 and 2, but a continuing increase in the number of referrals coming from Primary Health Care providers for Healthy Weight support has meant that the proportions being from areas of deprivation has decreased. Commissioners and the Public Health Team are continuing conversations with the NHS Kent and Medway Integrated Care Board on Healthy Weight Services and a draft strategy has been jointly developed to explore where people with weight management issues would be best supported.

## **5. Sexual Health**

- 5.1 In Q2 2023/2024, the Sexual Health Service performed above the target for the percentage of first-time people being offered a full sexual health screening, achieving 98%. There were 15,772 attendances at KCC commissioned sexual health clinics during the current Quarter, an increase of 3.8% (581 more) compared to the previous quarter. Access to the online Sexually Transmitted Infections (STI) Testing Service continues to be consistent and high, with 11,109 testing kits ordered throughout the Q2 2023/2024 with those testing positive progressed along the relevant clinical pathway.

The Flete Unit Clinic opened at the grounds of Queen Elizabeth The Queen Mother Hospital (Thanet) during the quarter and will increase access and availability of service provision in the area. The commissioned service providers have also continued successful, proactive outreach work, which targets groups including young people, the homeless, ethnic minority groups and sex workers amongst others.

## **6. Drug and Alcohol Services**

- 6.1 In Q2 2023/2024, there were marginal increases in the proportion of successful completions and number of people in treatment. In September, a whole system stakeholder meeting took place resulting in the recommendation that Kent, as a partnership, complete the Commissioning Quality Standard self-assessment tool. This framework will help to improve treatment access, outcomes, and quality for those affected by problem alcohol and drug use.
- 6.2 The Young People's Drug and Alcohol Service received 131 referrals in Q2 2023/2024 with 99 referrals suitable for treatment – an increase of 43.5% from the previous quarter (69). A comprehensive referral generation plan continues to be implemented, including the Young People's Drug and Alcohol Service seeing all 18–24-year-olds that do not require a detox. The rebranding of the substance misuse page on the KCC website is ongoing with an expectation that this too will increase referrals to the service.

The amount of young people exiting treatment in a planned way was slightly below the target, achieving 84% during Q2 2023/2024. This represents 53

planned exits, four transfers and six unplanned exits, the latter mainly due to non-engagement with treatment. Of those young people who exited treatment in a planned way, 25% reported abstinence. In the last quarter the service has operated with no vacancies and is contingency planning on backfilling two forthcoming vacancies (one of which is temporary for six months) via the two additional Office for Health Improvement and Disparities workers that have been recently recruited.

## **7. Mental Health and Wellbeing Service**

- 7.1 In Q2 2023/2024, Live Well Kent and Medway (LWKM) continued to support the implementation of the Community Mental Health Framework (Community Mental Health Transformation), supporting with the development of the operational model, including workforce. The service continues to provide a hybrid model of in person and remote delivery, which has improved accessibility and engagement with hard-to-reach communities. Satisfaction rates are high with 99.6% of people recommending the service to a family member, friend, or someone in a similar situation.

## **8. National Child Measurement Programme**

- 8.1. In 2022/2023, the National Child Measurement Programme (NCMP) participation rate for Year R was 93% and Year 6 was 90%, both achieving the target of 90%. The service provider continues to work well with schools to maximise uptake and engagement whilst ensuring they meet school need and availability. A new target of 92% has been set for 2023/2024.

## **9. Conclusion**

- 9.1. Eleven of the fifteen KPIs remain above target and were RAG rated Green.
- 9.2. Commissioners continue to explore other forms of delivery, to ensure current provision is fit for purpose and able to account for increasing demand levels and changing patterns of need. This will include ongoing market review and needs analysis.

## **10. Recommendations**

10.1 Recommendation: The Health Reform and Public Health Cabinet Committee is asked to **NOTE** the performance of Public Health commissioned services in Q2 2023/2024.

## **11. Background Documents**

None

## **12. Report Authors**

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## Appendix 1: Public Health Commissioned Services – Key Performance Indicators Dashboard

Service	KPIs	Target 22/23	Target 23/24	Q2 22/23	Q3 22/23	Q4 22/23	Q1 23/24	Q2 23/24	DoT**
Health Visiting	PH04: No. of mandated health and wellbeing reviews delivered by the health visiting service (12 month rolling)	65,000	68,000	69,657 (G)	69,082 (G)	68,852 (G)	68,713 (G)	68,579 (G)	↓
	PH14: No. and % of mothers receiving an antenatal contact with the health visiting service	43%	43%	1,846 52%(G)	1,656 53%(G)	1,706 57%(G)	1,901 56%(G)	1,973 58%(G)	↑
	PH15: No. and % of new birth visits delivered by the health visitor service within 10-14 days of birth	95%	95%	3,921 94%(A)	3,868 93%(A)	3,463 93%(A)	3,550 94%(A)	3,747 94.8%(A)	↔
	PH16: No. and % of infants due a 6-8 week who received one by the health visiting service	85%	85%	3,792 92%(G)	3,899 91%(G)	3,453 90%(G)	3,472 93%(G)	3,556 94%(G)	↑
	PH23: No. and % of infants who are totally or partially breastfed at 6-8 weeks (health visiting service)	-	-	2,051 52%	2,139 52%	1,812 50%	1,866 52%	1,870 51%	↓
	PH17: No. and % of infants receiving their 1-year review at 15 months by the health visiting service	85%	85%	3,908 92%(G)	4,119 92%(G)	3,896 93%(G)	3,796 92%(G)	3,869 93%(G)	↑
	PH18: No. and % of children who received a 2-2½ year review with the health visiting service	80%	80%	3,322 85%(G)	3,452 86%(G)	3,417 85%(G)	3,536 89%(G)	3,477 90%(G)	↑
Structured Substance Misuse Treatment	PH13: No. and % of young people exiting specialist substance misuse services with a planned exit	85%	85%	25 57%(R)	27 77%(A)	37 90%(G)	37 88%(G)	53 84%(A)	↓
	PH03: No. and % of people successfully completing drug and/or alcohol treatment of all those in treatment	25%	25%	1,410 28%(G)	1,306 26%(G)	1,275 25%(G)	1,291 25%(G)	1,349 26%(G)	↑
Lifestyle and Prevention	PH01: No. of the eligible population aged 40-74 years old receiving an NHS Health Check (12 month rolling)	23,844	23,844	20,946 (A)	22,255 (A)	25,114 (G)	26,565 (G)	28,722 (G)	↑
	PH11: No. and % of people quitting at 4 weeks, having set a quit date with smoking cessation services	52%	55%	627 62%(G)	691 57%(G)	786 54%(A)	612 54%(A)	690 50%(A)	↓
	PH25: No. and % of clients currently active within One You Kent services being from the most deprived areas in Kent	-	55%	1,515 53%(A)	1,494 54%(A)	1,929 59%(G)	1,794 62%(G)	1,833 52%(A)	↓
Sexual Health	PH24 No. and % of all new first-time patients (at any clinic or telephone triage) offered a full sexual health screen (chlamydia, gonorrhoea, syphilis, and HIV)	92%	95%	7,571 95%(G)	7,954 96%(G)	8,230 98%(G)	8,517 98%(G)	8,643 98%(G)	↔

<b>Mental Wellbeing</b>	PH22: No. and % of Live Well Kent clients who would recommend the service to family, friends, or someone in a similar situation	90%	98%	581 97%(A)	388 99%(G)	721 99%(G)	nca	271 99.6%(G)	↔
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### Commissioned services annual activity

Indicator description	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	DoT
PH09: Participation rate of Year R (4–5 year olds) pupils in the National Child Measurement Programme	93% (G)	95% (G)	95% (G)	85% (G)**	88% (A)	93% (G)	↑
PH10: Participation rate of Year 6 (10–11 year olds) pupils in the National Child Measurement Programme	96% (G)	94% (G)	94% (G)	9.8% (A)**	87% (A)	90% (G)	↑
PH05; Number receiving an NHS Health Check over the 5-year programme (cumulative: 2013/14 to 2017/18, 2018/19 to 2022/23)	198,980	36,093	76,093	79,583	96,323	121,437	-
PH06: Number of adults accessing structured treatment substance misuse services	4,466	4,900	5,053	4,944	5,108	5,084	↓
PH07: Number accessing KCC commissioned sexual health service clinics	75,694	76,264	71,543	58,457	65,166	58,012	↓

\*\* In 2020/21 following the re-opening of schools, the Secretary of State for Health and Social Care via Public Health England (PHE) requested that local authorities use the remainder of the academic year to collect a sample of 10% of children in the local area. PHE developed guidance to assist Local Authorities achieve this sample and provided the selections of schools. At request of the Director of Public Health, Kent Community Health NHS Foundation Trust prioritised the Year R programme, achieving 85%.

### Key:

#### RAG Ratings

<b>(G) GREEN</b>	Target has been achieved
<b>(A) AMBER</b>	Floor Standard achieved but Target has not been met
<b>(R) RED</b>	Floor Standard has not been achieved
nca	Not currently available

#### DoT (Direction of Travel) Alerts

↑	Performance has improved
↓	Performance has worsened
↔	Performance has remained the same

\*\*Relates to two most recent time frames

### Data quality note

All data included in this report for the current financial year is provisional unaudited data and is categorised as management information. All current in-year results may therefore be subject to later revision.

**From:** Dan Watkins, Cabinet Member for Adult Social Care and Public Health  
Dr Anjan Ghosh, Director of Public Health

**To:** Health Reform and Public Health Cabinet Committee – 23 January 2024

**Subject:** **Public Health Service Transformation Programme – Update**

**Classification:** Unrestricted

**Past Pathway of Paper:** None

**Future Pathway of Paper:** None

**Electoral Division:** All

**Summary:** This paper outlines the progress of the Public Health service transformation programme, that aims to review Public Health services to ensure they are impactful, cost effective and robust for the future. The programme commenced in July 2023 and the recommendations will be implemented in a staggered approach.

The transformation programme has completed the first three phases; planning, information gathering and delivering a series of engagement workshops. The next key step is to develop a business case which sets out a recommended commissioning model and includes a make, buy sell analysis, Equality Impact Assessments (EQIAs) and Data Protection Impact Assessments (DPIAs). The business case will be informed by a robust options appraisal processes and will go through a series of quality checks and will be externally peer reviewed.

Following the development of the business case, local engagement will take place, service models will be revised, and consultation (if needed) will take place, and then the commissioning plan and implementation will follow. Timescales will vary (for each service) and will follow the new Provider Selection Regime (PSR) procurement regulations.

**Recommendation(s):** The Health Reform and Public Health Cabinet Committee is asked to **NOTE** the information contained within this update report, and to **COMMENT** on the programme and next steps.

## 1. Introduction

- 1.1 On 5 September 2023 the Health Reform and Public Health Cabinet Committee was presented with an overview of the Public Health Service Transformation Programme. This paper provides an update on progress over the last three months.

- 1.2 Kent County Council (KCC) Public Health is leading a transformation programme designed to improve service delivery to communities, targeting those that need services the most. Ensuring that services are efficient, evidence-based and delivering the best outcomes and best value. Future Public Health services need to be innovative, sustainable, responsive, and commensurate to the needs of our changing communities.
- 1.3 There are opportunities to further enhance prevention and to support the aspirations of the Integrated Care Strategy. There are also opportunities to contribute to Secruing Kent's Future by ensuring that the programme actively supports Kent County Council's Best Value for services. See section 8.2.

## **2. Scope and background**

- 2.1 Public Health funds a range of prevention services which can play a key role in preventing ill health and associated costs. Services within the Public Health portfolio include; the Kent Health Visiting Service, Sexual Health Services including pharmacy and the condom programme and psychosexual therapy, Postural Stability, Adult Lifestyle Services including NHS Health Checks and Substance Misuse.
- 2.2 On the whole, the performance of services is good and Key Performance Indicators are, in the main consistently met. However there are always opportunities to improve, innovate and respond to support best value demands, whilst also responding to changes in the macro environment.
- 2.3 The review of services is a normal part of the commissioning cycle and Public Health contracts are continually monitored to drive continuous improvements. However the transformation work aims to support opportunities to look across services and consider how we can maximise impact through better supporting cross cutting themes, gaps or learning. For example is there more that Health Visitors can do to support parents with poor mental health and substance misuse issues, or, can lifestyle services do more to support oral health outcomes?
- 2.4 Although the aims of this programme are not financially driven (other than ensuring an overall balanced budget), value for money and efficiency of the services funded is integral to the outcomes of this work. As such, financial savings may be delivered through identifying and delivering new innovative approaches.
- 2.5 There are also opportunities to explore joint and integrated commissioning options as we move forward and conversations with key partners are ongoing through this programme.

## **3. Review methodology**

- 3.1 The evidence-based methodology has been developed by drawing on resources across the team and has been approved by the Director of Public Health. The transformation programme consists of phases. The phases include;



collecting evidence and stakeholder insight (in the form of; proformas and engagement workshops), building a business case and a revised service model. The revised service models will be shared with the public through engagement (and public consultation, if required). Following engagement, the commissioning and contract approach will be executed and finally the new service models will be implemented. This implementation phase may take some time for example larger contract if competitively tendered would need sufficient mobilisation time.

- 3.2 Throughout the transformation process, opportunities to gather insight from the general public and people who draw on support will be sought. Where it is identified there are existing gaps in insight, an external provider will be commissioned to conduct insights, particularly to target those people who are harder to reach, but who would benefit from the services.
- 3.3 As well as procuring insight, the transformation programme will make use of existing networks and communication channels to seek user views. These existing communication channels include; supplier / provider networks, working with other directorates and community groups. The team is also working closely with the Marketing and Resident Experience team at KCC.
- 3.4 The transformation implementation time will vary across Public Health services and will be impacted by a change in procurement law, as set out in section 5 of this report.
- 3.5 There are thematic workstreams which are each led by a Public Health Consultant and the delivery of transformation is a collaborative effort by Senior Commissioners, Commissioners and Public Health Specialists. The work is supported by; the performance and analytics and communications functions. The workstreams are set out in Appendix 1.

#### **4. Progress**

- 4.1 Phase 1 – Planning. Phase one consisted of planning and preparing for the transformation programme project; recruiting the Project Manager and developing the project methodology.
- 4.2 Phase 2 – Evidence and information gathering. For each Public Health service area a proforma has been produced, which contains; performance data, benchmarking data, a review of the current model, outcomes evidence, insight that exists and needs assessment information. In total, twenty one proformas have been produced and gone through a quality assurance process. The proformas provide a baseline of evidence and initial service improvement recommendations. All of the information will be used in the business cases for each service area and supported phase 3.
- 4.3 Phase 3 – Engagement workshops. Following the collection of evidence (as outlined above), engagement workshops for each service have been completed, where information was shared for discussion. Attendees consisted of Public Health consultants, commissioners, providers and key stakeholders from across the health system.

- 4.4 The purpose of the engagement workshops was to explore the future commissioning models for Public Health services and asked attendees what a good service looks like. The workshops were well received and providers/stakeholders welcomed the opportunity to share their understanding of existing services and to generate ideas to; improve and embed prevention to integrate and align services and to innovate. It was also an opportunity to understand anything that wasn't currently working well. The feedback from these engagement workshops has been collated, with every provider/stakeholder having an opportunity to provide feedback. A new vision for each service has been developed from the workshops and themes have been identified, which will support the development of future options.
- 4.5 The themes which came out of the engagement workshops were; people have increasingly complex needs and there is increasing demand across all of Kent. People want to understand what services are on offer and want to access these services easily.
- 4.6 Improvements were identified by providers and stakeholders (during the workshops) and some of the suggested improvements are set out below:
- System improvements – there is a need for strong system leadership, governance and strategy with clear roles and responsibilities.
  - Data – there is a need to have more sensible General Data Protection Regulations (GDPR) for data sharing and to ensure that a person only has to tell their story once.
  - Information sharing – there is a need to share knowledge and insight and this could be met by;
    - work shadowing,
    - networking and the mapping of local offers.
  - Workforce – there is a need to upskill volunteers, to use secondments, share training opportunities (e.g. workforce passports), use skill mix and provide career progression to help develop a sustainable workforce.
  - Interventions – there is a need to continue to base interventions on evidence and focus on early prevention.
- 4.7 One area that was a challenge across most of the Public Health services is access to suitable premises and premises from which to operate. Outreach was felt to be needed but a more coordinated approach may be beneficial.
- 4.8 Following the engagement workshops, the focus for the programme team over the next few months is to; plan and deliver the options and business case phase. This phase will consist of using the evidence collected from information gathering (proformas and engagement workshops) and develop a short list of options to include within a business case. Proposed service changes will be subject to an Equality Impact Assessment and Data Protection Impact Assessment screening, in order to assess likely impacts.
- 4.9 A large number of people benefit from Public Health services each year and understanding the views of the people of Kent and those people who also use public health services will be critical to the success of this project. In 2022-2023

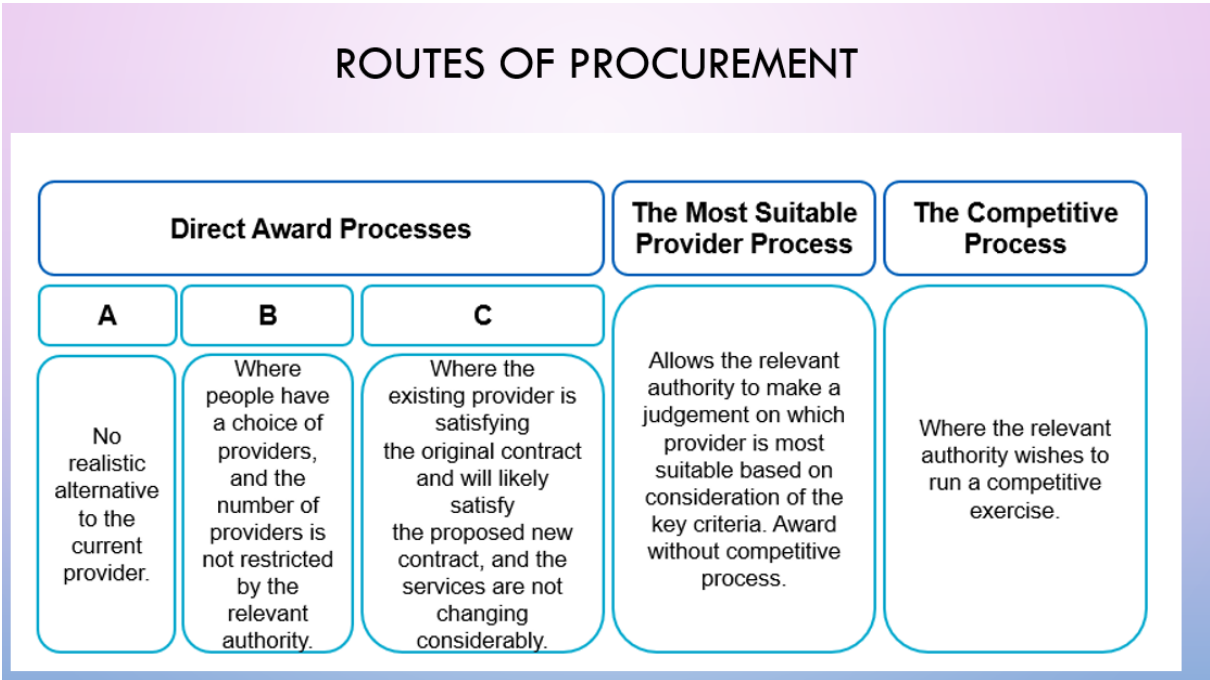
68,713 families had a health visiting, health and wellbeing review and 458,000 people were eligible for an NHS health check, of whom many will have experiences and views of how the service could be improved. Services regularly collect feedback from people who use their services. Feedback on how they would like to be communicated with, how they would like to access the services and this information is used to make improvements. An example of this is in 2023, the Kent Health Visiting website has a Kent Baby website and a separate website for older children, it has been re-launched to now encompass information for the whole family and is called 'Kent Family' and includes information on; babies, children, teenagers and for professionals.

- 4.10 Engagement with people who use Public Health services and also more hard to reach communities can be challenging, but this is critical to ensure the service offer is insight driven and based on need. Following a review of the insight that is available across Public Health services, it is clear that the insight that currently exists across the health portfolio is inconsistent and patchy. It will therefore be necessary to commission additional insight to enable all communities to have a voice. It is particularly important that people who do not currently access Public Health services, but who would benefit from accessing services, have their voices heard. This insight work will commence in early 2024.

## **5 Contracting and procurement considerations**

- 5.1 New procurement regulations relating to the procurement of Healthcare services came into force on 1 January 2024. The new legislation is called the Provider Selection Regime (PSR). PSR will replace the preceding Public Contract Regulations 2015 and the National Health Services Regulations 2013. PSR will be the new procurement legislation for NHS and local authority funded healthcare services. Existing contracts that expire after 1<sup>st</sup> January 2024 will need to comply with the regulations. The new legislation provides the council with greater flexibility to identify the most suitable provider to deliver the service, whether this is through direct award processes, or new processes.
- 5.2 All forms of health care services that are designed to secure an improvement in the physical and mental health of the people in England, and in the prevention, diagnosis and treatment of physical and mental illness are in scope of PSR. Services themselves would need to be delivered directly to an individual, or groups of individuals in order to be covered by PSR.
- 5.3 Legal advice has been sought on how contract variations or extensions to partnerships arrangements will work when the new legislation comes into force. Due to the fact that the new procurement legislation is untested, there could be a greater risk of challenge for those opting for direct award options. Furthermore, detailed work will be needed in order to apply the new legislation to existing contracts which are due to expire during the life of the transformation programme.

Table 1. Provider Selection Regime – Routes of Procurement



**6 Stakeholder engagement**

- 6.1 The Public Health Service Transformation Programme is engaging with a variety of internal and external stakeholders.
- 6.2 Internal KCC stakeholders include Corporate Management Team, Directorate , divisional management teams, as well as elected members.
- 6.3 External stakeholders include; district and borough councils, the Integrated Commissioning Board, current and potential suppliers, the Local Medical Committee, The Local Pharmacy Committee, Health Care Partnerships (HaCPs), Voluntary Community and Social Enterprise (VCSE), Police and Crime Commissioner and other local authorities.

**7 Governance**

- 7.1 All decisions relating to this programme of work will be taken in line with the council’s governance processes and regular updates will be shared with this committee.
- 7.2 Details of the transformation work will be shared internally with the Directorate Management Team (DMT) and Corporate Management Team (CMT).
- 7.3 The Director of Public Health is the Senior Responsible Officer and will provide strategic leadership to the programme through the Public Health Service Transformation Steering Group. This group includes representatives from HR, finance, commercial, commissioning and communications. Discussions have taken place with Invicta Law who are sighted in the programme and will be

involved as needed.

- 7.4 The Assistant Director for Integrated Commissioning is leading the Transformation Programme Delivery Group which reports to the Steering Group. The Assistant Director also engages with relevant parties such as; communication teams, commissioners, performance and Consultants in Public Health.

## **8 Finance**

- 8.1 A large proportion on the Public Health Grant is spent on the services contained within the transformation review. These services have a strong evidence of reducing longer term health and social care costs and it will be important to ensure these services support areas of greatest impact.
- 8.2 The Kent Public Health Observatory conducted a review of the services within the Public Health portfolio and the Return on Investment (ROI) (Appendix 2) that those services generate (based on national data sources). National evidence indicates that;
- alcohol identification and brief advice (IBA) produces a £27:£1 ROI,
  - that smoking (tobacco control services) produce a £11.20: £1 ROI,
  - pharmacy services (emergency contraceptive) produce a £15.60:£1 ROI.
- 8.3 There are ROI examples across the Public Health portfolio, demonstrating that these services represent value for money and are a good investment of the Public Health Grant.
- 8.4 Securing Kent's Future is KCC's overall budget recovery strategy. The Statutory Best Value duty that frames all financial, service and policy decisions within the council is a key driver for the Public Health Transformation Programme. Securing Kent's Future will be prioritised within the review, to ensure that Public Health is meeting its statutory duties and services upon which our people who use these services rely. Social value will also be a key priority within the transformation work.
- 8.53 Opportunities to deliver savings – there are activities within certain services that could be delivered differently, which still achieve the same outcomes but deliver financial savings. An example of this is the NHS Health Checks programme, at present, letters are sent in the post to invite people to take up a check. It has been identified that that there could be opportunities to complement the invitation process with text messaging, leading to a cost saving.
- 8.6 Transformation programme resources - The transformation programme is managed by a dedicated in house team. The team consists of a Project Manager to ensure the programme scope is met, that risks are appropriately managed, and the that the key deliverables are achieved on time. The Project Manager is managed by a Senior Commissioner who also has a wider role. The Integrated Commissioning Assistant Director is responsible for the project

management of the transformation service. A fixed term Project Officer has also joined the team to support the programme.

- 8.7 The direct staffing costs of the transformation programme are £81,399 in 2023/2024 and are forecast to be £162,288 in 2024/2025.

## **9 Risks**

- 9.1 Delivery within timeframes and aligning to other commissioning activities – A project management approach is being applied to the transformation work, and a dedicated Project Manager and Project Officer have been recruited. In addition to project management resource, the service transformation work will be phased. This is to help ensure that those contracts that are expiring soonest, with less risk are reviewed first, giving enough time to more complex/riskier contracts. This is particularly important with the new PSR legislation that is at present, untested.
- 9.2 Due to the complexity/number of components within some Public Health services, combined with the changing commissioning arrangements in the health system and the uncertainty that the new PSR legislation brings, it is likely that some short term extensions on current contracts will be required. Enacting contract extensions would enable a longer term, more forward thinking view that aligns with external factors (such as legislation and confirmation of budgets) and opportunities (such as joint commissioning).
- 9.3 Resources – capacity of staff and stakeholders to engage in the programme of work within the timescales, given the majority of work is within existing resources. Careful planning and advanced notification will support this, alongside a team-led approach to the review. It is also likely that work will need to be phased.
- 9.4 Changes in national guidance – for example, national policy or programme guidance for delivery. To mitigate this, staff will engage with national networks and providers and develop mechanisms for managing change through contracts.
- 9.5 Costs – the preferred model cannot exceed current financial allocations and the methodology will utilise cost effective approaches and analysis tools. However if budgets are not set high enough then there may not be a market to deliver services.
- 9.6 Limited opportunities to deliver savings – with increased demand and caseloads being more more complex, there may be reduced opportunities for the programme to deliver financial savings.
- 9.7 Stability of workforce – developing a sustainable workforce is key to being able to deliver services efficiently, effectively and safely. The new Provider Selection Regime (PSR) legislation, changes in the health system landscape and the uncertainty of future contracts is a risk that could result in de-stabilising the

workforce. Changes of supplier or approaching the end of a contract may result in high vacancy rates, staff turnover and loss of productivity.

- 9.8 Missing opportunities to jointly commission – the result of moving ahead at pace to procure new contracts could result in missing out on potential future joint commissioning opportunities, resulting in continued and fragmented commissioning. Ongoing conversation with other commissioners and building flexibility into contracts will help to mitigate this.
- 9.9 External funding security – a series of additional investment has supported enhancement and development of new services. This includes Start for Life, substance misuse, weight management and stop smoking services. In addition, the Public Health Grant allocation and income for NHS pay (for commissioned health services) is often received annually. Lack of clarity on future funding levels makes it challenging to confirm budgets for these services, however mitigations will include; contractual breakclauses and pricing reviews.

## **10 Timings**

- 10.1 The programme will be phased into blocks of activity and services grouped according to contract expiry date, complexity of service and alternative market providers. It will also be necessary to reduce the potential risk around new procurement routes under PSR.
- 10.2 The transformation programme will be phased into blocks, with the services that are lower value, lower risk and ahead in terms planning starting the review first. The timings for the full project are currently being worked through and will be available at the next update.

## **11 Conclusions**

- 11.1 The Public Health Service Transformation Programme presents an exciting opportunity to apply evidence based thinking and collaboration to transform prevention services in Kent. The programme is well underway and has (since the Cabinet Committee were last updated); reviewed and collected data and evidence, delivered engagement workshops for providers and external stakeholders. This evidence collection will now feed into the next phase of the programme which is to develop improved service options and an accompanying business case.
- 11.2 Major changes to services may or may not need to go out to public consultation depending on the level of change proposed. The transformation programme will explore different options to ensure best value by including cross cutting themes into all relevant service changes'. For example, reducing harm from alcohol and substance misuse will be considered in the Family Hub offer and Children and Young People's services, and promoting good oral health can be considered across all services.
- 11.3 The Public Health Transformation Programme is designing services to meet the growing demands and changes in population, to re-think how resources can be

delivered to meet needs, particularly of the most vulnerable people, whilst also delivering best value in models that are sustainable and fit for the future.

11.4 The programme will be phased into blocks of activity and services grouped according to contract expiry date, complexity of service, alternative market providers and route to market. Further details will be provided as part of the next update to this committee.

## 12. Recommendation(s):

12.1 The Health Reform and Public Health Cabinet Committee is asked to **NOTE** the information contained within this update report, and to **COMMENT** on the programme and next steps.

## 13. Contact details

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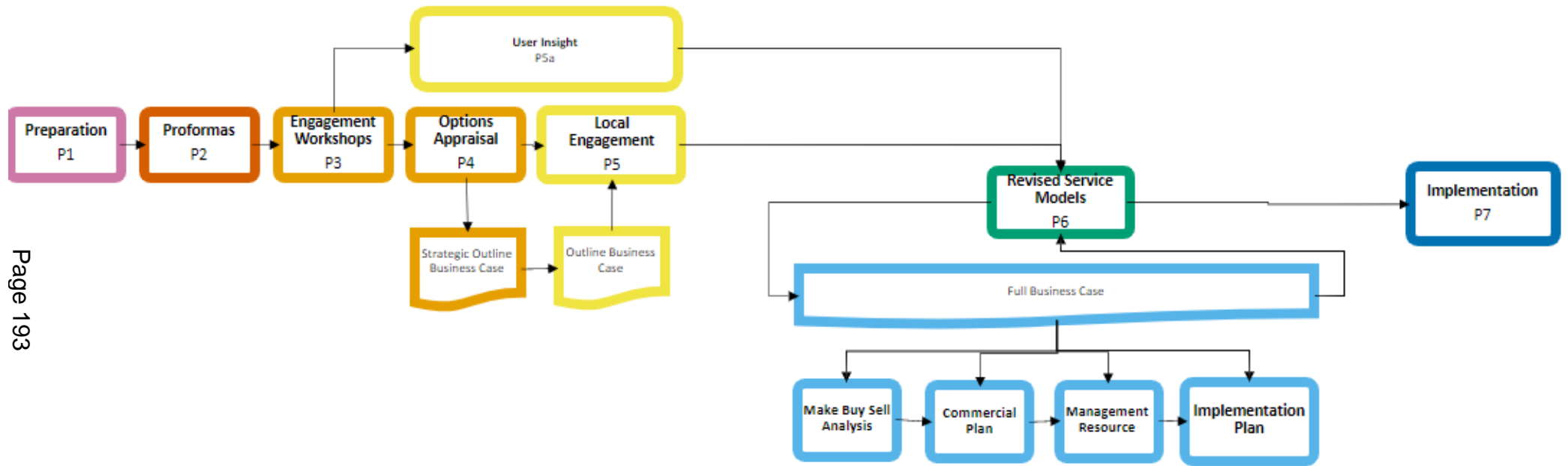
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Appendix 1 Public Health Service Transformation Workstreams and Phases



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# Integrated Commissioning Return on Investment for Public Health Services

November 2023



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**Produced by**



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**| National level ROIs unless stated otherwise**

Service	Return on Investment	Source
CYP Counselling	£8: £1	Place2Be's one-to-one counselling service in UK primary schools: an updated cost-benefit analysis, 2022
Contraception	£11.09: £1	Health Economics Evidence Resource, 2019. Bayer HealthCare. Contraception Atlas. 2013.
Health Visiting	£1.37 - £9.20: £1 (9 Social Return on Investment studies)	Health Economics Evidence Resource, 2019. Department for Education. Conception to age 2-the age of opportunity report. 2013.
HIV testing	Screening for HIV in primary care is cost effective	Health Economics Evidence Resource, 2019. Baggaley et al, Cost-effectiveness of screening for HIV in primary care: a health economics modelling analysis, 2017
Infant Feeding	Cost saving and positive health gains	Health Economics Evidence Resource, 2019. PHE Best Start in Life ROI tool.
LARC Services	£13.42: £1	Health Economics Evidence Resource, 2019. Bayer HealthCare. Contraception Atlas. 2013.
Online STI Services	£2.5: £1	Kent. Public Health England, Sexual and reproductive health: ROI tool. 2020. Please note: assumes additional testing increases from 14% to 29% (England default values)
Oral Health (provision of tooth brushes)	£1.03-£1.54: £1	Health Economics Evidence Resource, 2019. Public Health England, Oral health of children aged 0-5 years: ROI tool. 2016.
Pharmacy Services	£15.6: £1	Public Health England, Sexual and reproductive health: ROI tool. 2020. Value

(emergency contraceptive)		based on example parameters set out in the guidance document.
Postural Stability	£2.88: £1	Health Economics Evidence Resource, 2019. PHE Falls prevention ROI tool
NHS Health Checks	£2.93: £1	<a href="https://assets.publishing.service.gov.uk/media/61af4e0fe90e07043e8ff4e9/annex-e-health-economic-modelling.pdf">https://assets.publishing.service.gov.uk/media/61af4e0fe90e07043e8ff4e9/annex-e-health-economic-modelling.pdf</a> Review of the NHS Health Check, Annex E: health economic modelling, Published 7 December 2021 Model is based over 20 years to year 2040. ROI increases with improved uptake among the eligible population and follow-up with healthy lifestyle interventions.
Weight Management	Cost-effective	Health Economics Evidence Resource, 2019. Brown M, et al., editors. Managing overweight and obesity among children Report on Economic Modelling and Cost Consequence Analysis 2013: NICE, UK Health Forum, University of East Anglia.
Smoking (tobacco control services)	£11.20: £1	Health Economics Evidence Resource, 2019. Estimating Return on Investment of Tobacco Control: NICE Tobacco ROI Tool, Version 3.0 accessed here: <a href="https://docslib.org/estimating-return-on-investment-of-tobacco-control-nice-tobacco-roi-tool#google_vignette">https://docslib.org/estimating-return-on-investment-of-tobacco-control-nice-tobacco-roi-tool#google_vignette</a>
Alcohol/drug misuse for children	£4.66-£8.38: £1	<a href="https://www.gov.uk/government/publications/specialist-drug-and-alcohol-services-for-young-people-a-cost-benefit-analysis">https://www.gov.uk/government/publications/specialist-drug-and-alcohol-services-for-young-people-a-cost-benefit-analysis</a>
Alcohol/drug misuse for adults (structured drug treatment)	£2.50: £1	Health Economics Evidence Resource, 2019. Summary of key findings from the Drug Treatment Outcomes Research Study (DTORS) 2009
Alcohol/drug misuse for adults (structured)	Alcohol treatment gives a social return on investment of £3 for	<a href="https://www.adph.org.uk/wp-content/uploads/2021/12/What-Good-Looks-Like-Supporting-High-Quality-in-Alcohol-and-Drug-Prevention-and-Treatment.pdf">https://www.adph.org.uk/wp-content/uploads/2021/12/What-Good-Looks-Like-Supporting-High-Quality-in-Alcohol-and-Drug-Prevention-and-Treatment.pdf</a>

drug treatment)	every pound invested, to a total of £21 over 10 years. Drug treatment gives a social return on investment of £4 for every pound invested, to a total of £26 over 10 years (PHE, 2018)	
Alcohol care teams	£3.85: £1	<a href="https://www.longtermplan.nhs.uk/wp-content/uploads/2019/11/ACT-what-are-we-proposing-and-why-011119.pdf">https://www.longtermplan.nhs.uk/wp-content/uploads/2019/11/ACT-what-are-we-proposing-and-why-011119.pdf</a>
Alcohol identification and brief advice (IBA)	£27:£1	<a href="https://www.alcoholpolicy.net/2017/10/health-matters-phe-resource-on-brief-intervention-cquin.html">https://www.alcoholpolicy.net/2017/10/health-matters-phe-resource-on-brief-intervention-cquin.html</a>

## | Sources

[Health economics: evidence resource - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/health-economic-evidence-resource)

The health economic evidence resource (HEER) tool shows the main cost-effectiveness and return on investment evidence on activities in the public health grant. The HEER brings together recent economic evidence from the literature, which is commonly used and has been quality assured by Public Health England. The sources provided by the HEER are also given for clarity and ease of reference.

[PLTB04 Report \(place2be.org.uk\)](https://place2be.org.uk/pltb04-report)

Place2Be's one-to-one counselling service in UK primary schools: an updated cost-benefit analysis, Rachel Gomez, June 2022. Place2Be is an example provider of a CYP counselling service.

[Sexual and reproductive health: return on investment tool - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

A return on investment tool to inform the commissioning of sexual and reproductive health services for young people. Based on Kent's population and assuming a rise in STI testing from 14% to 29% from the use of online STI testing, which are the default values included in the tool as we do not have values for Kent.

<https://assets.publishing.service.gov.uk/media/61af4e0fe90e07043e8ff4e9/annex-e-health-economic-modelling.pdf>

Review of the NHS Health Check, Annex E: health economic modelling, Published 7 December 2021

<https://www.gov.uk/government/publications/specialist-drug-and-alcohol-services-for-young-people-a-cost-benefit-analysis>

Specialist drug and alcohol services for young people – a cost benefit analysis, 2011.

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**From:** Dan Watkins - Cabinet Member for Adult Social Care and Public Health  
Dr Anjan Ghosh - Director of Public Health

**To:** Health Reform and Public Health Cabinet Committee  
23 January 2024

**Subject:** **Health Inequalities – An overview on the differences in the wider determinants of health and health outcomes across Kent.**

**Classification:** Unrestricted

**Past Pathway:** None

**Future Pathway:** None

**Summary:** This report provides an overview of the concepts currently used to describe health inequalities and what kind of inequalities can be observed in Kent.

**Recommendation(s):** The Health Reform and Public Health Cabinet Committee is asked to **CONSIDER** and **COMMENT** on the content of this report.

## 1. Introduction

- 1.1 The purpose of this report is to provide an overview of the current concepts and principles on health inequalities as well as patterns which can be observed in Kent. Health inequalities are disparities in health outcomes and underlying determinants which exist between different population groups.
- 1.2 Health inequalities are avoidable, unfair, and systematic differences in health between different groups of people. Health inequalities, encompass variations in health status, life expectancy, and the prevalence of diseases among different socioeconomic groups, gender, age, ethnicity, disability, and geographic locations. Disparities are often rooted in wider determinants such as education, employment, income, and housing as well as factors like emotional wellbeing and social connectedness or isolation.
- 1.3 There is currently a renewed focus nationally and across all major health organisations in the UK to address health inequalities. The identification and reduction of inequalities are key themes of the Kent and Medway Integrated Care Strategy.

## 2. Key principles

### 2.1 Wider Determinants of Health

- 2.1.1 The health of a population is closely linked to the social gradient that can be observed. More deprived communities have poorer health outcomes overall.

Wider determinants of health are root causes for health outcomes and can be used as enablers for overall health and wellbeing for individuals and communities if addressed systematically. They include factors such as education, employment, income, housing, access to green spaces, air quality (the environment), as well as crime rates, and social inclusion. For example, secure and decent housing is a key requirement for a person's health and wellbeing throughout their life.

## **2.2 Intersectionality**

2.2.1 It is important to acknowledge that individuals and groups in our community often experience multiple forms of disadvantage at the same time, requiring a nuanced and tailored as well as a joined-up approach across systems. As an example, homelessness, mental ill health, and drug use often coincide and can lead to repeated episodes of ill health, hospital admissions, and encounters with the justice system. It has been estimated, that preventing homelessness for one year would result in a reduction in public expenditure of £9,266 per person, through costs otherwise resulting from a much higher than typical contact with the NHS, mental health services and criminal justice system.

## **2.3 Proportionate Universalism**

2.3.1 Proportionate Universalism takes account of the observation that it is more effective to apply key interventions universally across a population with specific approaches and intensity to certain groups with higher levels of need. It requires an approach where interventions are proportionate to the level of disadvantage, with a focus on areas and groups with higher levels of need or certain risk factors. For example, giving every child the best start in life aims at reducing the social gradient and by doing so reducing health inequalities as well as health outcomes for every individual child.

## **2.4 Inclusion Health Groups**

2.4.1 Inclusion health describes population groups who are socially excluded, who typically experience multiple overlapping risk factors for poor health and are often not accounted for in electronic records. These groups include the homeless and rough sleepers, vulnerable migrants, sex workers, Gypsy, Roma, and Traveller, victims of modern slavery, people who are in prison or contact with the criminal justice system, and people with drug and alcohol dependence and other socially excluded groups.

## **3. What can be observed in Kent?**

3.1 The following chapters describe the variation of some wider determinants of health and health outcomes that can be observed across Kent.

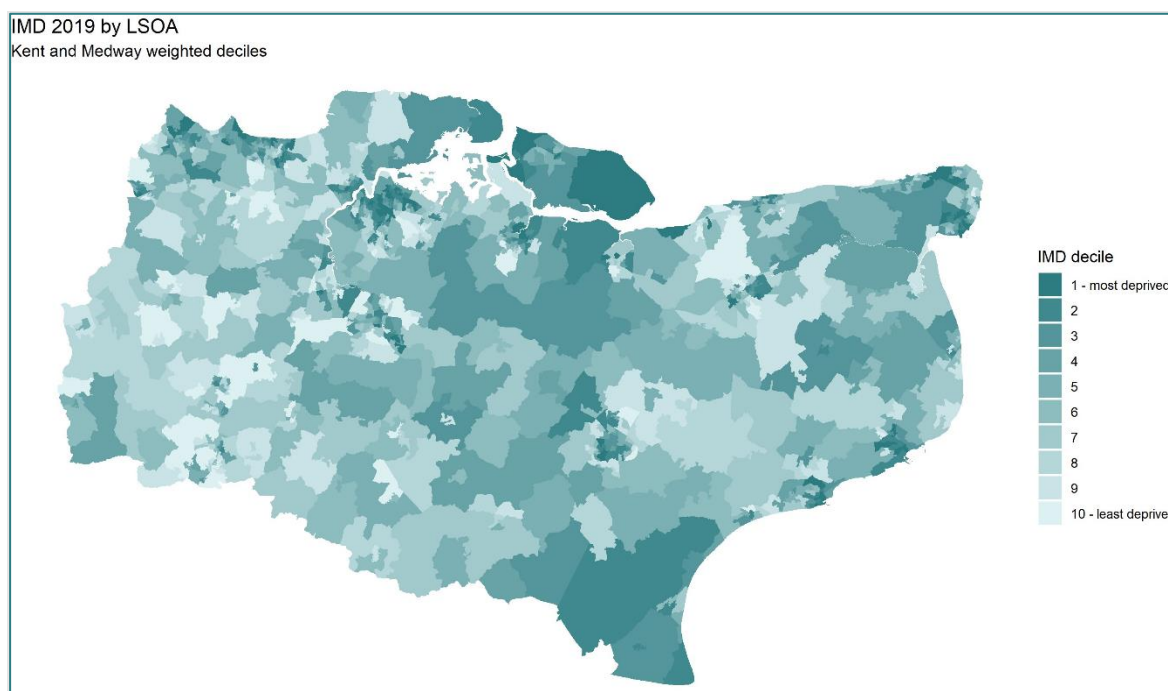
### **3.2. Geographical variation, Indices of Deprivation**

3.2.1 Last updated in 2019, the Indices of Multiple Deprivation (IMD) is a measure of area level relative deprivation of the 32,844 neighbourhood areas known as Lower Super Output Areas in England<sup>1</sup>. Areas are ranked according to indicators in seven domains: income, employment, education, health, crime,

barriers to housing and services and living environment<sup>1</sup>. To simplify the ranking, deprivation deciles have been created. Each small area is divided into 10 equal groups ranging from the most deprived 10% (IMD decile 1) of small areas nationally, to the least deprived 10% (IMD decile 10).

- 3.2.2 The map below (figure 1) highlights the pattern of deprivation across Kent and Medway. The most deprived areas are darker, and the least deprived areas are lighter. The highest levels of deprivation can be seen mainly in the coastal regions with some urban areas having high levels of deprivation also.

**Figure 1: IMD decile in Kent and Medway, LSOA**



### 3.3 Variation in the wider determinants of health

#### **Employment rates**

- 3.3.1 In March 2023, the average percentage of the Kent population aged 16 to 64 claiming job seekers allowance or other unemployment related benefits was 3.3%, lower than the national average of 3.8%. However, this differs significantly across the districts from 5.7% in Thanet to 2% in Sevenoaks.
- 3.3.2 In 2022/2023, the employment rate gap in Kent between individuals aged 16 to 64 with a physical or mental long-term health condition and the overall employment rate was 12.6 percentage points, comparable to the national rate of 10.4.
- 3.3.4 For those receiving long-term support for a learning disability (aged 18 to 64), the employment rate gap in 2021/2022 was 70.2 percentage points in Kent, closely aligning with the national gap of 70.6.

- 3.3.5 In 2020/2021, the employment rate gap in Kent for individuals aged 18 to 69 in contact with secondary mental health services on the Care Plan Approach was 66.9 percentage points, similar to the national gap of 66.1.

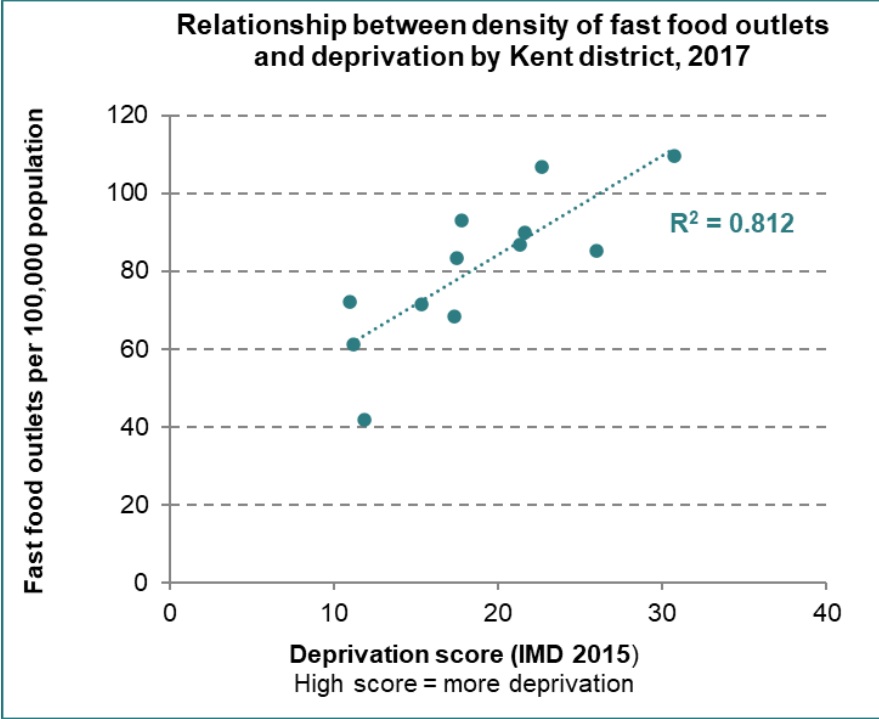
### **Crime rates**

- 3.3.6 The total recorded crime rate in Kent (excluding fraud) in the year ending June 2023 was 93.2 per 1,000 of the population (173,230). This is a 5% decrease from June 2022 where the rate was 97.8 (182,689). Of all the local authorities in the Southeast, Kent has the highest rate compared to Hampshire (79.0), Surrey (60.6), Sussex (75.6) and Thames Valley (72.9). The rate in Kent is also higher than the national level at 92.5 per 1,000 of the population. The rate of violence against a person was 40.6 per 1,000 (75,460) with the rate of sexual offences being 3.5 per 1,000 of the population (6,497) in the year ending June 2023.
- 3.3.7 This is police recorded crime reported in the Crime Survey for England and Wales. Police recorded crime is sensitive to changes in Police operational activity so results should be interpreted with caution<sup>2</sup>.
- 3.3.8 Swale and Thanet are amongst the most deprived areas in Kent, with Sheerness and Margate Central wards having higher rates of crime compared to other areas. The number of recorded crimes increased by 23% in Sheerness between April and September 2023 (688 crimes between April and June compared to 843 crimes between July and September). There was a 10% increase in crime in Margate Central within this same period (665 crimes between April and June compared to 729 crimes between July and September)<sup>3</sup>.

**Density of fast-food outlets**

3.3.9 The term ‘fast-food’ refers to energy dense meals that are easily and readily available. It includes, but is not limited to, chicken and chip shops, kebab shops and pizza places. Evidence suggests an association between fast food consumption and obesity, with a higher prevalence of obesity existing in more deprived areas<sup>4</sup>.

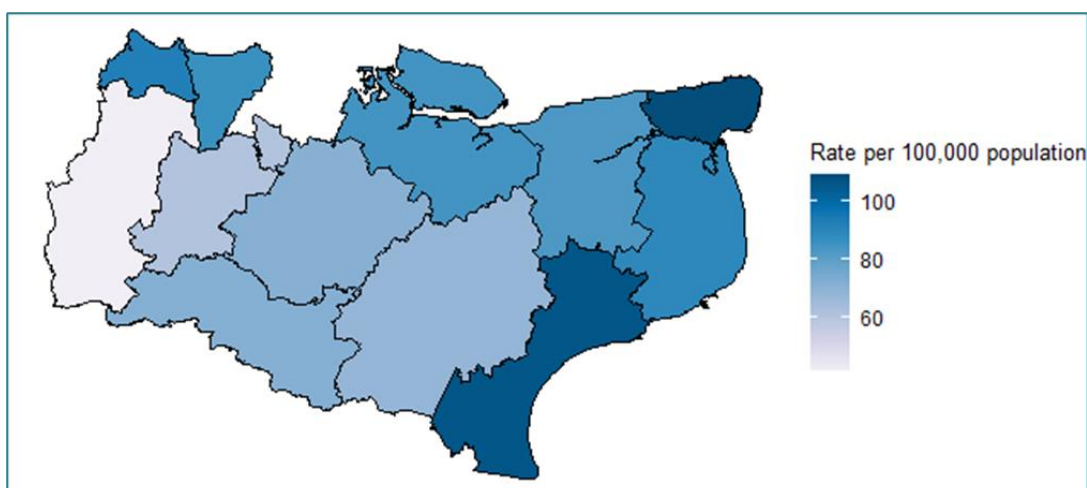
**Figure 2: Density of fast-food outlets in Kent, 2017**



3.3.10 The chart above (figure2) illustrates the correlation between the density of fast-food outlets in Kent districts and area level deprivation<sup>5</sup>. The correlation score is 0.8, a positive correlation, which indicates there is a greater density of fast-food outlets in more deprived areas.

3.3.11 Within Kent, Thanet had the highest number of fast-food outlets, with a rate of 109.7 per 100,000 of the population. Folkestone and Hythe also had a high rate at 106.8 per 100,000 of the population (see figure 3). The most recent Kent annual public health report shows that coastal communities are amongst the most deprived areas in Kent and have worse health outcomes<sup>6</sup>. Factors such as an unhealthy diet can contribute to this problem.

**Figure 3: Density of fast-food outlets by Kent district, 2017**



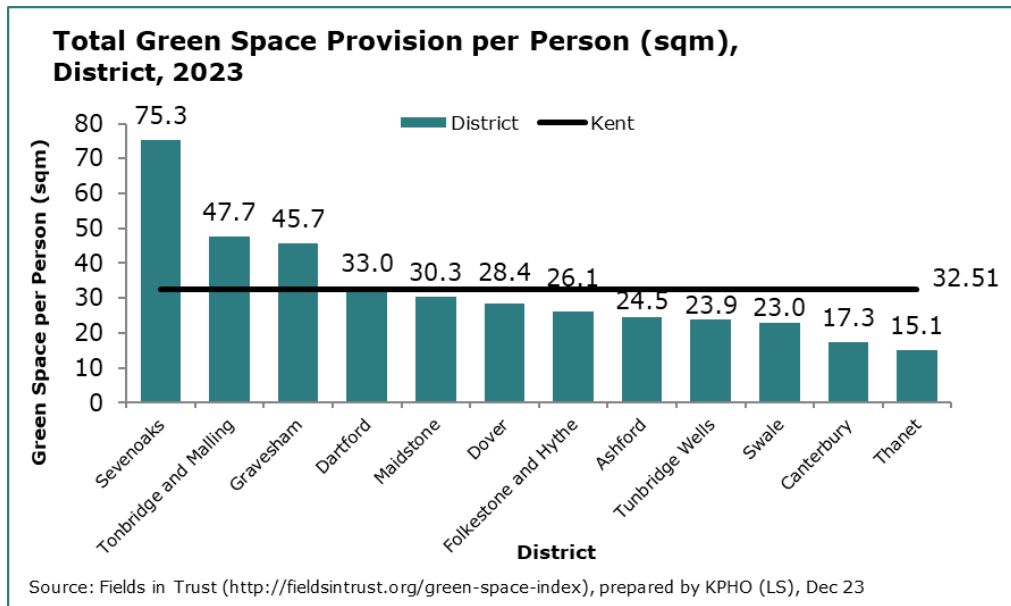
### **Housing**

- 3.3.12 In the three years to March 2021, the highest rates of overcrowding in England were in Bangladeshi, Arab, black African, and Pakistani households<sup>7</sup>. According to 2021 census data in Kent, areas with the highest proportions of these four ethnic groups also had the highest rates of overcrowding. By district, Dartford and Gravesham had the highest rates of overcrowding.
- 3.3.13 9.7% of houses in Kent are fuel poor compared to 8.6% in the south-east and 13.4% in England<sup>8</sup>. Coastal towns tend to have the highest rates of fuel poverty, however rates in Canterbury are among the highest in Kent. Areas in Kent with higher rates of private rented and social housing are associated with higher rates of fuel poverty.
- 3.3.14 Overcrowding and fuel poverty both follow a deprivation gradient in Kent such that the most deprived areas tend to have the highest rates, and least deprived areas tend to have the lowest rates.
- 3.3.15 The average monthly rent for privately rented properties in Kent is highest in districts of Sevenoaks, Dartford and Tonbridge and Malling. Sevenoaks has the highest average monthly rent – 40% above the Kent average<sup>9</sup>.

### **Green space and air quality**

- 3.3.16 The charity ‘Fields in trust’ has produced a Green Space Index, designed to illustrate how well individuals are served by local parks and green spaces<sup>10</sup>. The chart below (figure 4) shows the total green space provision per person by district, reported in square meters. The Green Space Index is compiled using the Ordnance Survey Open Greenspace product. The typologies which are within the Index are Bowling Greens; Other Sports Facilities; Play Spaces; Playing Fields; Public Parks or Gardens; and Tennis Courts. Typologies that are excluded are Allotments & Community Growing Spaces; Cemeteries; Religious Grounds; and Golf Courses.

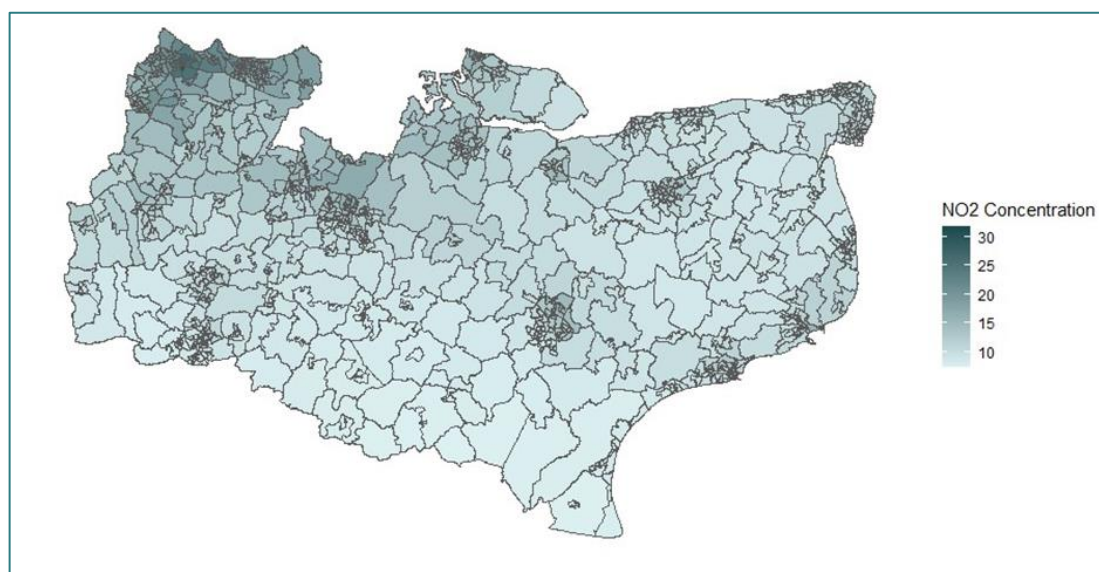
**Figure 4: Green space provision per person, Kent district, 2023**



- 3.3.17 Thanet ranks as the most deprived district in Kent, Tunbridge Wells ranks as the least deprived district in Kent. Tonbridge and Malling and Sevenoaks are ranked 2<sup>nd</sup> and 3<sup>rd</sup> least deprived respectively and Swale is ranked 2<sup>nd</sup> most deprived district.
- 3.3.18 Only Sevenoaks, Tonbridge and Malling and Gravesham met the ‘Fields in Trust’ minimum stand of green space provision using their Green Space Index. This index analyses the provision of parks, play and outdoor sport facilities per 1,000 people.
- 3.3.19 The map below (Figure 5) shows the level of Nitrogen Dioxide (NO<sub>2</sub>) by Lower Super Output Area (LSOA) from DEFRA. Higher levels of NO<sub>2</sub> can be seen in Northwest Kent towards London. Nitrogen dioxide is a gaseous air pollutant produced by road traffic and other fossil fuel combustion processes. It contributes to the formation and modification of other air pollutants, such as ozone and particulate matter, and to acid rain. Nitrogen dioxide is known to cause pulmonary oedema, an accumulation of excessive fluid in the lungs. It can irritate airways and aggravate respiratory diseases. Nitrogen dioxide is one of six widespread air pollutants that have national air quality standards to limit them in the outdoor air<sup>11</sup>.



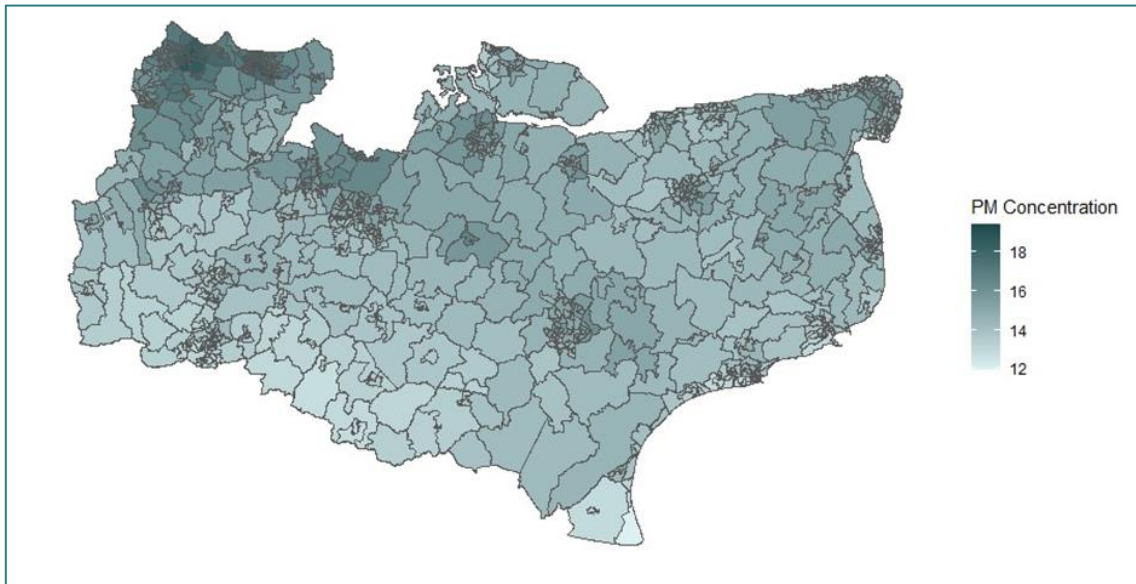
**Figure 5: Map of the level of Nitrogen Dioxide by LSOA, 2019**



3.3.20 The map below (figure 6) shows the level of Particulate Matter (PM10) by Lower Super Output Area (LSOA) from DEFRA. Higher levels of PM can be seen in North Kent with lower levels to the South and Coastal Areas. Particulate matter (PM) comprises inhalable particles with various compositions, including sulphate, nitrates, ammonia, and others. PM is categorized by size, with PM2.5 and PM10 being most relevant for health in regulatory contexts. Coarse particles primarily originate from sources like pollen, sea spray, and wind-blown dust, while finer particles (PM2.5) come from both primary (combustion) and secondary (chemical reactions) sources. Indoor PM sources include combustion of polluting fuels, cooking, and heating, while outdoor sources encompass traffic, industrial activities, and more. Health risks associated with PM10 and PM2.5 include cardiovascular, cerebrovascular, and respiratory impacts, with both short-term and long-term exposures linked to morbidity, mortality, adverse perinatal outcomes, and lung cancer, as classified by WHO's International Agency for Research on Cancer (IARC). PM is a key indicator for assessing health effects of air pollution<sup>11</sup>.

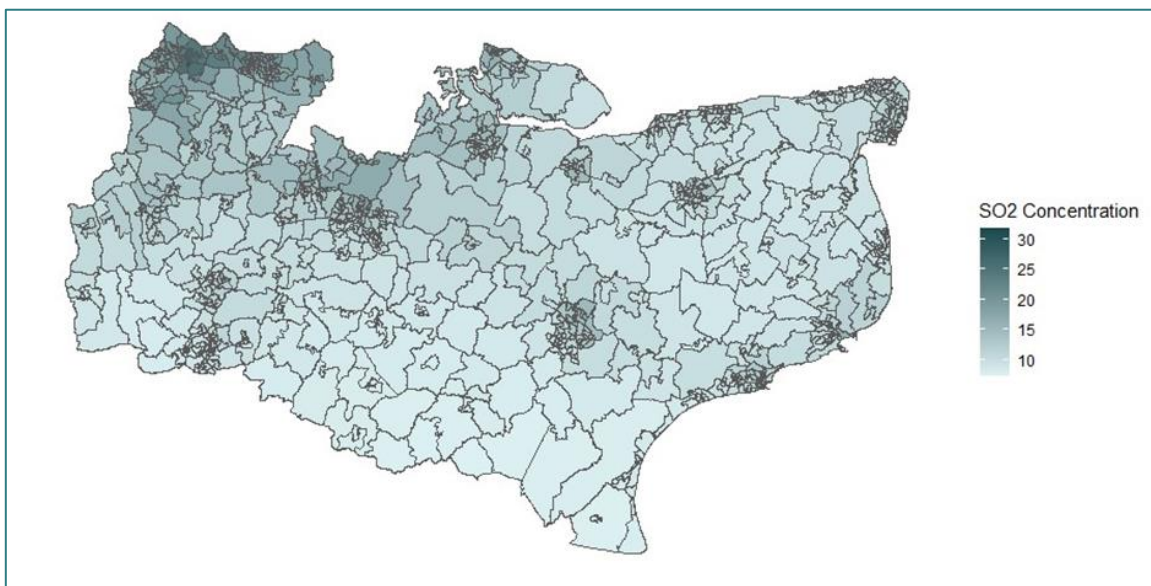


**Figure 6: Map of the level of Particulate Matter (PM10) by LSOA, 2019**



3.3.21 The map below (figure 7) shows the level of Sulphur Dioxide (SO<sub>2</sub>) by Lower Super Output Area (LSOA) from DEFRA. Higher levels of SO<sub>2</sub> can be seen in North-West Kent towards London. Sulphur dioxide (SO<sub>2</sub>) is a colourless gas that is readily soluble in water. It is predominantly derived from the combustion of fossil fuels for domestic heating, industries and power generation. Exposure to SO<sub>2</sub> is associated with asthma hospital admissions and emergency admissions<sup>11</sup>.

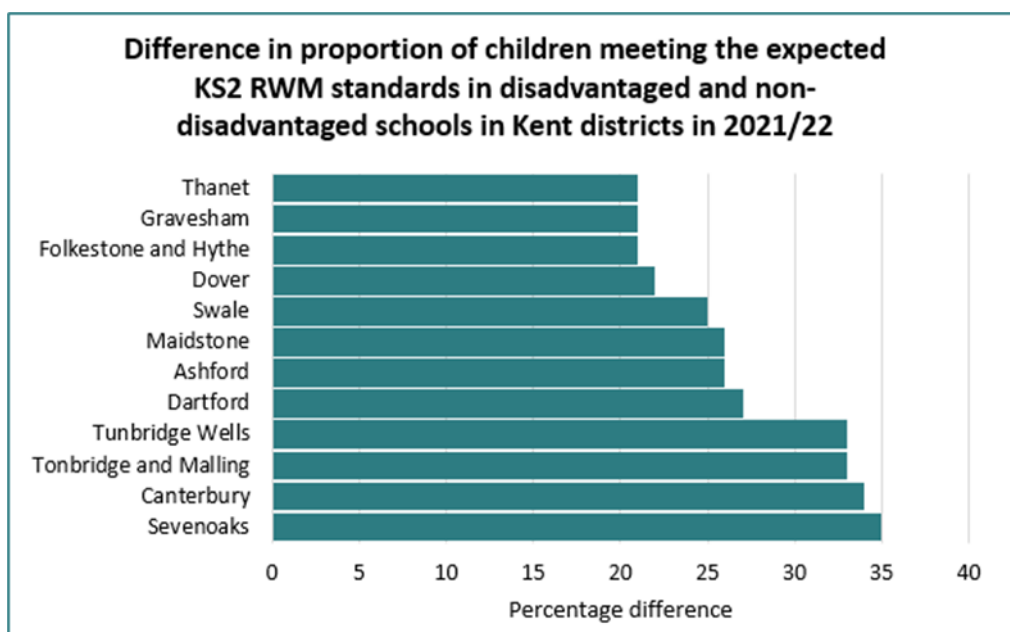
**Figure 7: Map of the level of Sulphur Dioxide by LSOA, 2019**



## Education

- 3.3.22 Approximately 22.2% of children in Kent were eligible for free school meals (FSM) in 2022/2023. Children who were eligible for FSM had about twice as many school absences in the year 2021/2022 than those who were not eligible for FSM (12.3% and 6.6% respectively)<sup>12</sup>. More worryingly, 3.7% of children eligible for FSM were severely absent in the same year (absent more than 50% of possible sessions) compared to non-eligible children (0.9% severely absent)<sup>12</sup>.
- 3.3.23 The rates of persistent absence (more than 10% of possible sessions missed) varied significantly by ethnicity in 2022/2023. The highest rates of absences were seen in children with ethnicities Traveller of Irish Heritage (75%) and Gypsy Roma (69%). That is, 75% of children who are Travellers of Irish Heritage are absent for more than 10% of the school year. For children with Black African and Any Other Asian Background ethnicities, the rates were much lower at 11.8% and 16.6% respectively<sup>12</sup>.
- 3.3.24 Reading, writing and maths (RWM) standards provide an insight into academic performance in children. Across Kent, there is considerable inequality in the proportion of pupils who achieve an 'expected' standard in RWM at KS2 level. For each district, schools can be divided by disadvantage status into "disadvantaged" and "not known to be disadvantaged." For disadvantaged schools, the proportion of children meeting the expected standard ranges across districts from 34% to 48%, and from 62% to 70% in the non-disadvantaged schools. The districts which have the best performing, non-disadvantaged schools also have the largest attainment gaps between disadvantaged/non-disadvantaged schools. Namely Sevenoaks, Canterbury, Tonbridge and Malling and Tunbridge Wells where the differences in the proportion of children achieving the expected standard for RWM are 35%, 34%, 33% and 33% respectively. This compares to Gravesham, Folkestone and Hythe and Thanet where the differences in attainment are 21%<sup>12</sup>. (See figure 8)

**Figure 8: Percentage difference in children meeting expected RWM standards, Kent districts, 2021/2022**



### 3.4 Differences in health outcomes

#### Life expectancy at birth

3.4.1 **Males:** From 2016 to 2020, the average life expectancy at birth for males in Kent was 79.7 years, slightly higher than the national average of 79.5 years in England. To gauge the disparity in life expectancy at birth across the county, the Slope Index of Inequality was used. This index measures how much life expectancy varies with deprivation, representing the range in years of life expectancy across the social gradient from most to least deprived. For males in Kent from 2018 to 2020, the Slope Index of Inequality was 7.8 years, compared to 9.7 years for England as a whole.

3.4.2 **Females:** From 2016 to 2020, the average life expectancy at birth for females in Kent was 83.3 years, slightly surpassing the national average of 83.2 years in England. The Slope Index of Inequality for females in Kent during 2018 to 2020 was 5.6 years compared to 7.9 years for England as a whole.

#### Healthy life expectancy

3.4.3 Healthy life expectancy shows the years a person can expect to live in good health, rather than a disability or in poor health (see table 1).

3.4.4 Over the past decade, the healthy life expectancy for males in Kent has shown a slight increase. In contrast, the healthy life expectancy for females has declined during the same period. The available data doesn't explain this trend, prompting the need for further investigation.

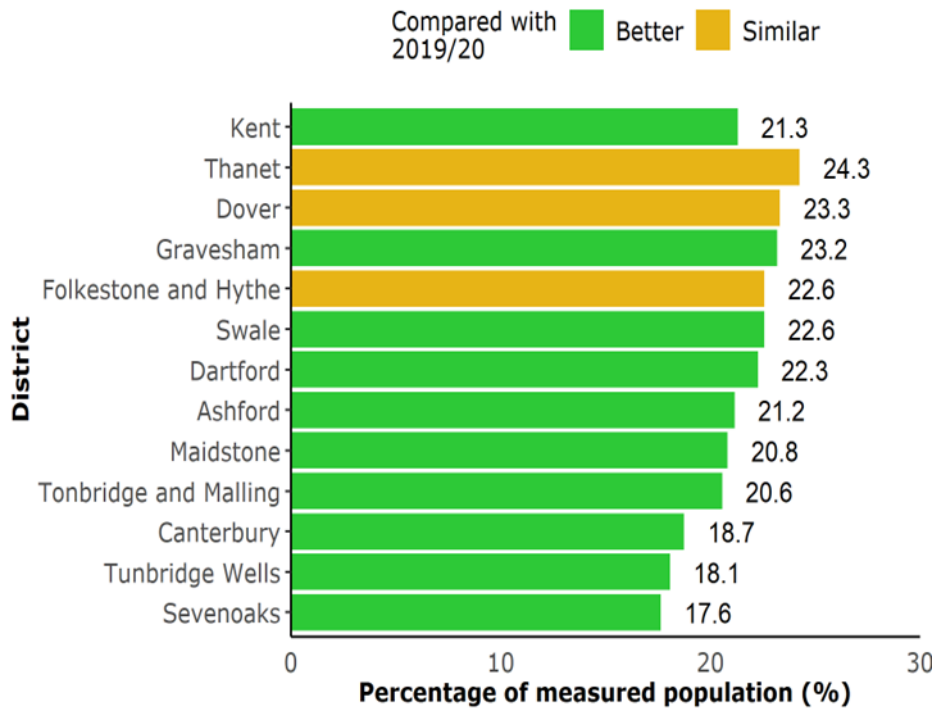
**Table 1: Healthy life expectancy in males and females in Kent and England 2010 to 2020**

Period	Males		Females	
	Kent	England	Kent	England
2010 to 12	63.3	63.2	66.4	64.0
2011 to 13	62.9	63.2	65.8	63.8
2012 to 14	63.6	63.4	64.5	63.9
2013 to 15	63.7	63.4	65.4	64.1
2014 to 16	64.1	63.3	65.1	63.8
2015 to 17	64.2	63.4	64.0	63.8
2016 to 18	63.8	63.4	64.9	63.9
2017 to 19	63.8	63.2	64.6	63.5
2018 to 20	64.6	63.1	63.6	63.9

### **Excess weight**

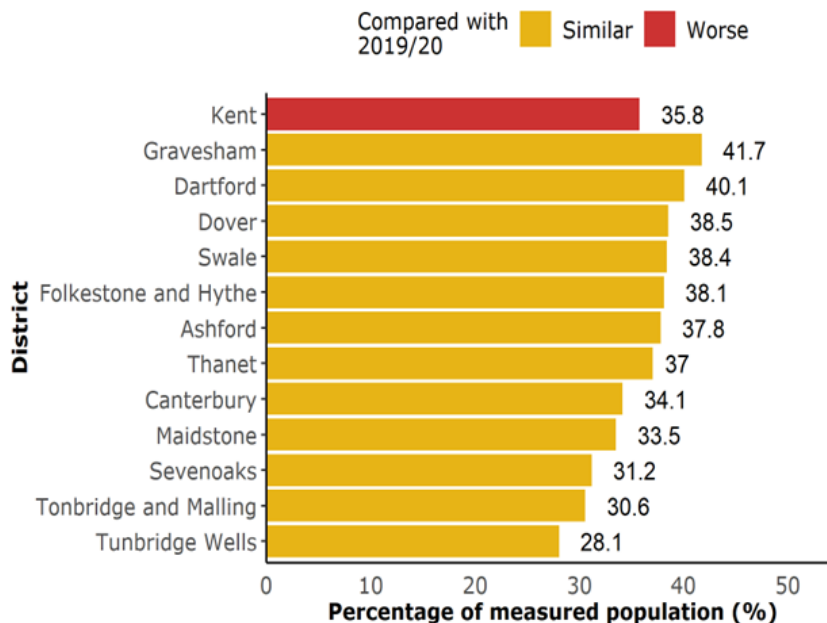
- 3.4.5 Excess weight is a term used to categorise obesity and being overweight. The National Child Measurement Programme (NCMP) measures children at ages 4 to 5 (reception/ year R) and ages 10 to 11 (year 6).
- 3.4.6 The percentage of children living in the most deprived areas, between the ages of 4 to 5 with excess weight was almost double that of children living in the least deprived areas. In 2020/2021, 34.3% of children living in the most deprived areas were found to have excess weight compared to 19.5% in the least deprived areas, this decreased to 26% and 16.5% respectively in 2021/2022<sup>13</sup>.
- 3.4.7 Within Kent, Thanet had the highest prevalence of children in year R with excess weight at 24.3%, surpassing the Kent average of 21.3%. Dover and Gravesham also had a high prevalence with 23.3% and 23.2% respectively. Sevenoaks had the lowest at 17.6%, 2021/2022. However, most districts showed an improvement in lowering excess weight in this year group, compared to the previous year<sup>14</sup>. (See figure 9)

**Figure 9: Prevalence of excess weight in children in year R by district in Kent, 2021/22**



3.4.8 The prevalence of excess weight in Kent in children in year 6 (figure 10) increased in 2021/2022 compared to the previous year (35.8% compared to 34.6%). At 41.7%, Gravesham had the highest prevalence of children with excess weight, followed by Dartford at 40.1%. The prevalence was lowest in Tunbridge Wells (28.1%)<sup>14</sup>.

**Figure 10: Prevalence of excess weight in children in year 6 by district in Kent, 2021/22**



## **Child obesity**

3.4.9 The table (table 2) below shows the prevalence of obesity amongst children in reception. The prevalence of obesity is highest amongst children of Black ethnicity with 20.6% of children being classified as obese in 2020/2021. This is 75% higher than the proportion of children classified as obese amongst the Asian and Mixed ethnic groups (9.5 in 2021/2022) and the White ethnic group (9.4% in 2021/2022). The prevalence of obesity amongst children of Black ethnicity decreased to 16.5% in 2021/2022. Children of White ethnicity had the lowest prevalence of obesity in year R<sup>14</sup>.

**Table 2: Prevalence of obesity in children in Year R by ethnic group, 2017 to 2022, Kent**

Ethnic group	Proportion obese %				
	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Asian	7.6	9.3	11.6	15.7	9.5
Black	12.5	16.1	14.6	20.6	16.5
Mixed	8.7	10.5	9.1	14.8	9.5
White	8.3	10.3	10.3	13.5	9.4

3.4.10 Children in year R, living in the most deprived areas were found to be more than twice as likely to be obese when compared to children living in the least deprived areas in both 2020/2021 (most deprived - 20%; least deprived - 7.2%) and 2021/2022 (most deprived – 12.9%; least deprived – 6.4%). A similar trend can be seen for children in year 6, with the prevalence of obesity being 30.4% amongst children in the most deprived areas compared to 13.2% in the least deprived areas in 2021/2022<sup>14</sup>.

## **Chronic Obstructive Pulmonary Disease (COPD) admissions by deprivation**

3.4.11 Emergency hospital admissions for chronic obstructive pulmonary disease (COPD) in Kent's most deprived communities are approximately four times higher than the least deprived. Over the past five years to 2022/2023 admission rates have been relatively stable in the least deprived but have reduced by around a third in the most deprived, thereby reducing the deprivation inequality<sup>15</sup>.

3.4.12 The rates in the most deprived areas are proportionately much higher, 127% above the Kent average compared to the least deprived areas which is 55% below the Kent average<sup>15</sup>.

## **Premature mortality in mental health**

3.4.13 Based on data from 2018 to 2020<sup>16</sup> in Kent, people with severe mental illness (SMI) were around 4 times more likely to die prematurely than those who do not have SMI. Between the periods 2015 to 2017 and 2018 to 2020,

premature mortality in adults with SMI has increased by around 14% to 101 per 100,000. This value for Kent is higher than the south-east region but similar to England. Males with SMI in Kent have a 50% higher rate of premature mortality compared to females with SMI.

### **Alcoholic liver disease mortality**

3.4.14 The mortality rate from alcoholic liver disease was 9.5 per 100,000 in Kent in 2022. This rate has increased from 4.9 per 100,000 since 2018. There is a marked difference between the mortality rates of those who live in an area in the 10% most deprived and 10% least deprived areas of Kent. Those in the most deprived decile have almost 4 times the rate of mortality at 24.6 per 100,000, compared to 6.3 per 100,000 in the least deprived decile<sup>17</sup>.

### **Respiratory disease mortality under 75**

3.4.15 Respiratory disease mortality under 75 rates varied significantly across Kent districts in 2022. Dover has the highest mortality rate at 46 per 100,000, followed by Folkestone and Hythe (40). Tonbridge and Malling have the lowest mortality rate at 19 per 100,000, and the overall Kent rate was 29.9 per 100,000. Those in the most deprived decile had 4 times the mortality rate of those in the least deprived decile (65 and 16 per 100,000 respectively)<sup>17</sup>.

### **Suicide**

3.4.16 The mortality rate from suicide and undetermined injury in those aged 10 years old and over was 11.9 per 100,000 in Kent in 2022. Across districts this ranged from 17 per 100,000 in Swale to 7.1 per 100,000 in Sevenoaks, however due to low absolute numbers, none of the differences between districts are statistically significant. Those in the 10% most deprived areas of Kent had higher rates of suicide than those in the least deprived decile (16.8 per 100,000 and 10.0 per 100,000 respectively)<sup>18</sup>. Perhaps the most striking inequality in suicide rates is that between males and females. 17.9 per 100,000 males took their lives in Kent compared to 5.8 per 100,000 females in the period 2019-2021<sup>19</sup>.

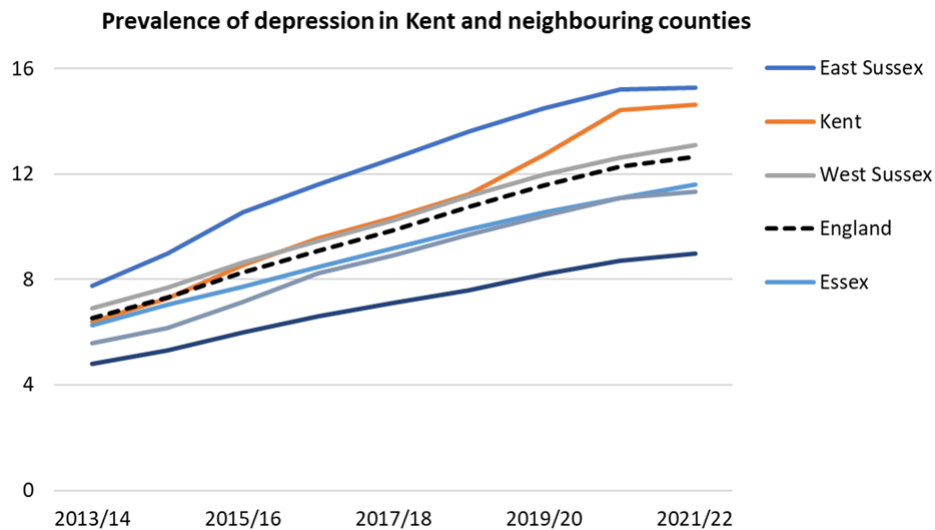
### **Depression prevalence**

3.4.17 In 2022/2023, the prevalence of depression in those aged 18+ in Kent was 15.5%, higher than the national prevalence of 13.2%. There are differences between districts in Kent, with Thanet having a significantly higher prevalence than all other districts at 17.6%, and Gravesham having the lowest prevalence at 11.7%. The most recent analysis by deprivation level was in 2020/21. This showed there was a 4.7% difference in the prevalence of depression between those who are in the 10% most deprived and 10% least deprived areas in Kent (16.7% and 12.0% respectively)<sup>20</sup>.



3.4.18 In recent years depression in Kent has increased at a faster rate than in other nearby counties and since 2013, there are approximately 130,000 additional people living with depression<sup>20</sup>.

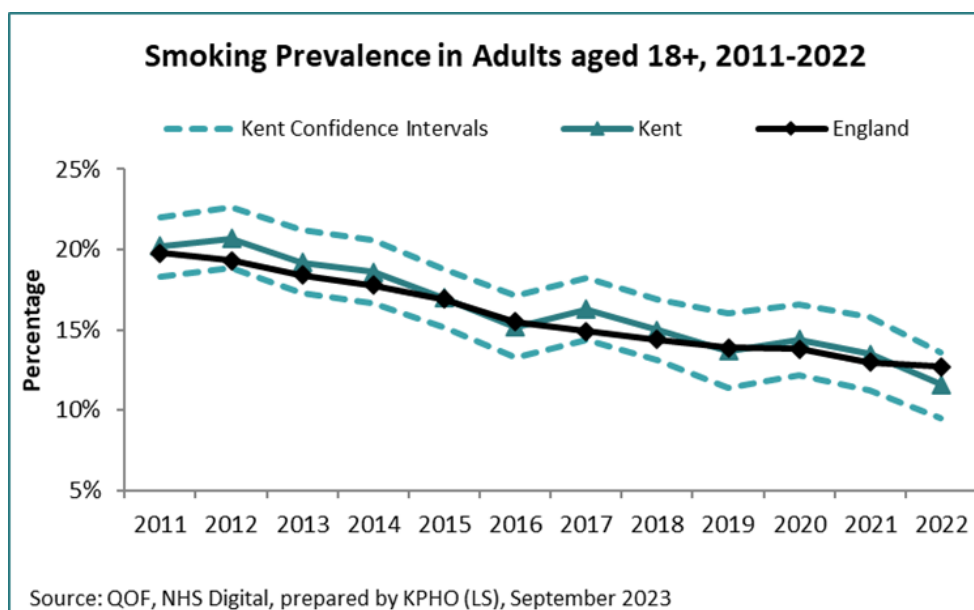
**Figure 11: Depression prevalence in Kent and neighbouring areas**



### Smoking prevalence

3.4.19 In Kent, there are an estimated 144,128 adult smokers, equal to 11.6% of the adult population (18 years +). Since 2011, there has been an 8.6% decline in smoking prevalence and 85,113 fewer smokers. Kent's prevalence is slightly lower than the England rate (12.7%) which has seen a 7.1% decrease since 2011<sup>21</sup>. (see figure 12)

**Figure 12 Smoking prevalence in adults aged 18+, 2011 to 2022**





3.4.20 There is significant variation in smoking prevalence at district level<sup>22</sup>, reflecting higher rates in areas of deprivation and among routine and manual workers, where people are likely to be heavy smokers with high nicotine dependency. (see table 3)

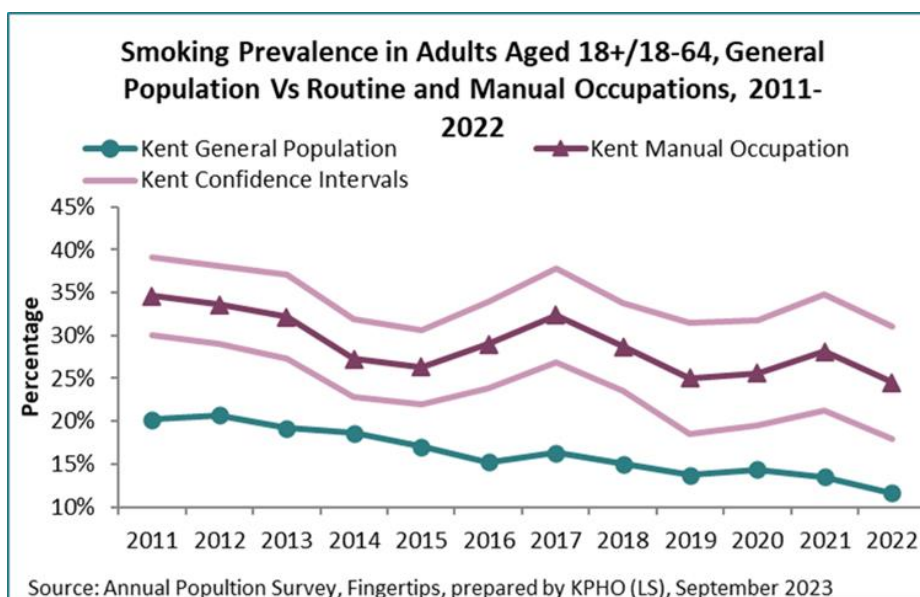
**Table 3: Estimated Smoking Prevalence (Kent Districts)**

Area	Smoking prevalence (%)	Estimated number of current smokers
Folkestone and Hythe	18.9%	17,399
Sevenoaks	15.3%	14,382
Ashford	13.6%	13,721
Thanet	12.8%	14,293
Dartford	12.0%	10,254
Dover	11.8%	11,239
Tunbridge Wells	11.3%	10,375
Canterbury	11.2%	15,322
Swale	11.1%	12,952
Gravesham	8.3%	6,751
Maidstone	7.8%	10,489
Tonbridge and Malling	6.7%	6,838
<b>Kent</b>	<b>11.6%</b>	<b>144,128</b>
<b>England</b>	<b>12.7%</b>	<b>5,614,225</b>

3.4.21 In 2022, the lowest smoking prevalence was in Tonbridge and Malling (6.7%) and Maidstone (7.8%). Folkestone and Hythe (18.9%) and Sevenoaks (15.3%) currently have the highest smoking rates, but levels fluctuate year on year, depending on survey response rates so annual figures alone should not be regarded as accurate indicators of smoking prevalence. The high prevalence rate for Sevenoaks in 2022 is likely due to be the low survey response rate rather than an increase in smoking rates. Thanet, Swale and Dover districts have had higher smoking rates over time, commensurate with more areas of higher deprivation<sup>22</sup>.

3.4.22 Smoking rates are higher in lower socio-economic groups causing greater health inequalities. In 2022, 1 in 4 people in routine and manual occupations in Kent were smokers (24.5%), higher than the England average (22.5%) (OHID, 2022). Smoking rates among this group have declined in Kent since 2017<sup>23</sup> (see figure 13).

**Figure 13: Smoking prevalence by occupation in adults in Kent, 2011 to 2022**



#### 4. Approaches to reduce inequalities

4.1 NHS England and Integrated Care Boards (ICBs) have a legal duty to have regard to reducing inequalities associated with access to and outcomes from NHS services. This means that health inequalities must be properly and seriously considered when making decisions or exercising functions, including balancing those needs against any other challenging factors. ICBs and NHS trusts must also provide annual narrative for progress to address inequalities.

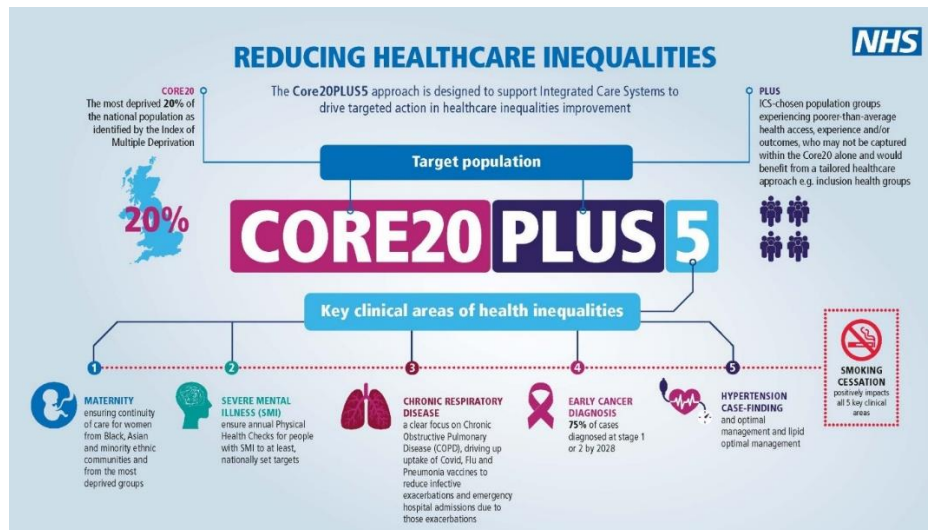
#### The Core20 PLUS5 programme

4.2 Core20PLUS5 is a national NHS England approach to support the reduction of healthcare inequalities at both national and system level. The approach identifies 5 focus clinical areas requiring accelerated improvement, maternity, severe mental illness, chronic respiratory disease, early cancer diagnosis and hypertension. The approach, which initially focussed on healthcare inequalities experienced by adults, has now been adapted to apply to children and young people.

4.3 **Core20:** The most deprived 20% of the population as identified by the Index of Multiple Deprivation are being targeted with an attempt to reduce inequalities in healthcare outcomes in the 5 focus clinical areas.

4.4 **PLUS5:** PLUS population groups are being identified at a local level by each Integrated Care System. They include ethnic minority communities; people with a learning disability and autistic people; people with multiple long-term health conditions; other groups that share protected characteristics as defined by the Equality Act 2010; groups experiencing social exclusion (Inclusion health groups), and coastal communities.

**Figure 14: NHS England's Core20plus5 (adults) – an approach to reducing healthcare inequalities**



### The National Framework for NHS Action on Inclusion Health

- 4.5 The national framework for NHS - action on inclusion health was published in October 2023 (see figure 14). It is intended to support systems to plan, develop and improve health services to meet the needs of people in inclusion health groups. The framework is based on five principles for action on inclusion health, outlining actions to address issues which are common across inclusion health groups. The framework focuses on the role that the NHS plays in improving healthcare, highlighting the importance of working in partnership across sectors and with other members of the Integrated Care System.
- 4.6 Inclusion health describes population groups who are socially excluded, who typically experience multiple overlapping risk factors for poor health and are often not accounted for in electronic records. This includes people who experience homelessness, vulnerable migrants, Gypsy, Roma and Traveller communities, sex workers, people in contact with the justice system, those with drug and alcohol dependence and victims of modern slavery but can also include other socially excluded groups.
- 4.7 In December 2023, The Office of Health Improvement and Disparities Southeast published an overview of available data and published evidence for Kent and Medway ICS.
- 5. Conclusion**
- 5.1 Health inequalities often have their root causes in wider determinants of health and are linked to deprivation. There has recently been a renewed focus on reducing inequalities which is one of the key themes in the Kent and Medway Integrated Care Strategy. Reducing inequalities in health and wellbeing will require improved data collection and the ability to describe inequalities in our local area as well as joint-up action across all organisations under the umbrella of the Integrated Care Strategy.

## 6. Recommendation

6.1	Recommendation(s): The Health Reform and Public Health Cabinet Committee is asked to <b>CONSIDER</b> and <b>COMMENT</b> the content of this report.
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## 7. Background Documents

<https://www.england.nhs.uk/about/equality/equality-hub/national-healthcare-inequalities-improvement-programme/core20plus5>

[NHS England » A national framework for NHS – action on inclusion health](#)

## 8. Contact details

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**From:** Benjamin Watts, General Counsel

**To:** Health Reform and Public Health Cabinet Committee – 23 January 2024

**Subject:** **Work Programme 2024**

**Classification:** Unrestricted

**Past and Future Pathway of Paper:** Standard agenda item

**Summary:** This report gives details of the proposed work programme for the Health Reform and Public Health Cabinet Committee.

**Recommendation:** The Health Reform and Public Health Cabinet Committee is asked to consider and agree its Work Programme for 2024.

## **1. Introduction**

- 1.1 The proposed work programme, appended to the report, has been compiled from items in the Future Executive Decision List and from actions identified during the meetings and at agenda setting meetings, in accordance with the Constitution.
- 1.2 Whilst the chairman, in consultation with the cabinet members, is responsible for the programme's fine tuning, this item gives all members of this cabinet committee the opportunity to suggest amendments and additional agenda items where appropriate.

## **2. Work Programme**

- 2.1 The proposed work programme has been compiled from items in the Future Executive Decision List and from actions arising and from topics, within the remit of the functions of this cabinet committee, identified at the agenda setting meetings. Agenda setting meetings are held 6 weeks before a cabinet committee meeting, in accordance with the constitution.
- 2.2 The cabinet committee is requested to consider and note the items within the proposed Work Programme, set out in appendix A to this report, and to suggest any additional topics to be considered at future meetings, where appropriate.
- 2.3 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 to support more effective forward agenda planning and allow members to have oversight of significant service delivery decisions in advance.
- 2.4 When selecting future items, the cabinet committee should consider the contents of performance monitoring reports. Any 'for information' items will be

sent to members of the cabinet committee separately to the agenda and will not be discussed at the cabinet committee meetings.

### **3. Conclusion**

- 3.1 It is vital for the cabinet committee process that the committee takes ownership of its work programme 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 for future items to be considered. This does not preclude members making requests to the chairman or the Democratic Services Officer between meetings, for consideration.

**4. Recommendation:** The Health Reform and Public Health Cabinet Committee is asked to consider and agree its Work Programme for 2024.

**5. Background Documents:** None

### **6. Contact details**

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**HEALTH REFORM AND PUBLIC HEALTH CABINET COMMITTEE  
WORK PROGRAMME**

<b>Item</b>	<b>Cabinet Committee to receive item</b>
Verbal Updates – Cabinet Member and Corporate Director	Standing Item
Work Programme 2021/22	Standing Item
Update on COVID-19	Temporary Standing Item
<b>Key Decision Items</b>	
Performance Dashboard	January, March, July, September
Update on Public Health Campaigns/Communications	Biannually (January and July)
Draft Revenue and Capital Budget and MTFP	Annually (November)
Annual Report on Quality in Public Health, including Annual Complaints Report	Annually (November)
Risk Management report (with RAG ratings)	Annually (March)

**5 MARCH 2024**

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	Public Health Performance Dashboard – Quarter 3 2023/24	Regular Item
7	Risk Management report (with RAG ratings)	Annual Item
8	Update on Public Health Campaigns/Communications	Regular Item - Deferred from January
9	Work Programme	Standing Item

**14 MAY 2024**

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

**2 JULY 2024**

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	Public Health Performance Dashboard – Quarter 4 2023/24	Regular Item
7	Update on Public Health Campaigns/Communications	Regular Item
8	Work Programme	Standing Item

**ITEMS FOR CONSIDERATION THAT HAVE NOT YET BEEN ALLOCATED TO A MEETING**

Place-Based Health – Healthy New Towns.

Lessons Learnt paper from Asymptomatic testing site – added at HRPH CC 20/01/2022

Mental Health for Younger People + Young Minds Presentation – added by Andrew Kennedy on 24/01/2022 – Young People, Body Image, and Mental Health (Requested by Mr J Meade 05/09/23) (Chair would like both to come to committee soon) (Dr Ghosh may have overarching report ready for Jan or Mar 2024)

Public Health Inequalities: Report on geographical poverty index figures – Requested by Mr Jeffery on 23/11/2022

Gypsy, Roma and Traveller (GRT) Health: Report on child immunisation and suicide prevention in the GRT community – Requested by Ms Constantine on 23/11/2022

Overview of Health Protection in Kent – 31/03/23

Substantive item on Social Prescribing – added by Andrew Kennedy 31/03/2023

Implications of Climate Change for Public Health – suggested by Mr Cole 11/07/2023

Preventative Agenda Paper – Ms Hamilton – Dr Ghosh to update on when report will be ready 7/11/23