

**ENVIRONMENT & TRANSPORT CABINET COMMITTEE**

**Thursday, 11th January, 2024**

**10.00 am**

**Council Chamber**







## AGENDA

### ENVIRONMENT & TRANSPORT CABINET COMMITTEE

Thursday, 11 January 2024 at 10.00 am  
Council Chamber, Sessions House, County Hall,  
Maidstone.

Ask for: **Emily Kennedy**  
Telephone: **03000 419625**

#### Membership (17)

|                            |   |
|----------------------------|---|
| Conservative (12):         | Mr S Holden (Chairman), Mr N J Collor (Vice-Chairman), Mr T Bond, Mr C Broadley, Mr D Crow-Brown, Mr M Dendor, Mr A R Hills, Mr H Rayner, Mr D Robey, Mr A Sandhu, MBE and Mr M Whiting |
| Labour (2):                | Ms M Dawkins and Mr B H Lewis   |
| Liberal Democrat (1):      | Mr I S Chittenden   |
| Green and Independent (2): | Mr M Baldock, Mr M Hood   |

#### **UNRESTRICTED ITEMS**

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

- 1 Introduction/Webcast announcement
- 2 Apologies
- 3 Declarations of Interest
- 4 Minutes of the meeting held on 15 November 2023 (Pages 1 - 8)
- 5 Revised Draft Revenue Budget 2024-25 and 2024-27 MTFP, Draft Capital Programme 2024-34 and Treasury Management Strategy (Pages 9 - 148)
- 6 Southern Water Presentation
- 7 Verbal Updates by Cabinet Members and Corporate Director
- 8 Performance Dashboard (Pages 149 - 160)
- 9 23/00118 - Procurement and award of contract/s for Highway Arboriculture Programmed Works (Pages 161 - 174)
- 10 23/00116 - Local Electric Vehicle Infrastructure (LEVI) Project (Pages 175 - 194)

- 11 23/00117 - North Thanet Link Road Scheme (Pages 195 - 284)
- 12 Highways Term Maintenance Contract - Update and Next Steps (Pages 285 - 292)
- 13 23/00123 - Extension of Waste Recycling Payments to Collection Authorities (Pages 293 - 304)
- 14 Work Programme (Pages 305 - 306)

### **EXEMPT ITEMS**

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

Benjamin Watts  
General Counsel  
03000 416814

**Wednesday, 3 January 2024**

**KENT COUNTY COUNCIL**

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**ENVIRONMENT & TRANSPORT CABINET COMMITTEE**

MINUTES of a meeting of the Environment & Transport Cabinet Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Wednesday, 15 November 2023.

PRESENT: Mr S Holden (Chairman), Mr T Bond, Mr C Broadley, Mr I S Chittenden, Mr D Crow-Brown, Ms M Dawkins, Mr M Dendor, Ms J Hawkins, Mr M A J Hood, Mrs S Hudson, Mr B H Lewis, Mr H Rayner, Mr D Robey, Mr A Sandhu, MBE, and Mr M Whiting

**UNRESTRICTED ITEMS****1. Apologies**

*(Item 2)*

Apologies were received from Mr Baldock and Mr Collor, for whom Ms Hawkins and Mrs Hudson were present.

**2. Declarations of Interest**

*(Item 3)*

There were no declarations of interest.

**3. Minutes of the meeting held on 14 September 2023**

*(Item 4)*

RESOLVED that the minutes of the meeting held on 14 September 2023 were an accurate record and that they be signed by the Chairman.

**4. Initial Draft Budget 2024-25 and Medium Term Financial Plan 2024-27**

*(Item 5)*

1) Mr Oakford outlined the report.

2) Members comments on the following points in relation to the report:

- Cabinet Members were asked to clarify what kind of recommendations or changes to the proposed budget they would be 'open to'. Advice was given to committee members that this was their opportunity to make suggestions on the budget but Members should bear in mind when making suggestions that largescale decisions such as bringing all SEND home-to-school transport in-house were not able to be undertaken 'overnight'.
- A Member suggested that savings should be made for home-to-school transport by 'stopping taxis ripping [KCC] off'.
- A Member suggested that KCC adopt the network of speed cameras in order to receive the revenue from Transport Management Penalties.

3) RESOLVED to note the initial draft capital and revenue budgets including responses to the consultation.

## **5. Southern Water presentation**

*(Item 6)*

Apologies were received from Southern Water. The presentation would be made to the committee at the January meeting.

## **6. Verbal Update by Cabinet Members and Corporate Director**

*(Item 7)*

*Simon Jones (Corporate Director, GET) was in attendance for this item*

1) Mr Baker said whilst Kent avoided the worst conditions from Storm Ciaran, KCC's teams planning and resilience during the storm and its aftermath ensured services continued as well as possible with the least disruption and impact on residents.

KCC's drainage team received over 400 enquiries between Wednesday, 1 November and Monday, 6 November, of which 100 were classed as emergencies. KCC had organised for all contractors to be available dealing with the aftermath of the storm to clear blocked drainage systems.

Tree surgeons were also deployed across Folkestone, Dover, Thanet and Ashford and West Kent surgeons assisted East Kent to clear fallen trees and branches.

There were also acts of personal assistance. Highways Inspector, James Pesad happened upon a fallen tree in St. Augustine's Road, Ramsgate. Mr Pesad pulled over and put his beacons on to allow him to make the site as safe as possible. He then called in to have the incident logged and requested the Operations team to get it safely removed. Luckily nobody was hurt, but a roof was lost from a nearby outhouse, as was featured on BBC News.

The work of KCC's highways maintenance teams continues to be noticed nationally:

- KCC won the Connected Parking award for our Park Map Project at the 2023 British Parking Awards, and;
- The Chestfield Tunnel Lighting Project had been shortlisted for the Caron and Sustainability Initiative of the Year 2023 and Innovation in Tunnel Fit-Out, Maintenance and Refurbishment 2023 at the New Civil Engineers Magazine Tunnelling Awards 2023. The results were to be announced on 7 December. The new lighting was to deliver energy savings of over 1m kWh per annum which is a 63.23% reduction in energy consumption; the equivalent to over 340 homes per annum.

Other completed schemes included:

- Preservation work on the A229 to avoid water ingress and oxidisation which will extend the life cycle of the road by 5 years. The work was done using a new emulsion, Finaphalt-G which is less expensive, takes less time and is more environmentally friendly than traditional surfacing methods.

- The team also completed a 4km full depth road reconstruction at Morsham and a stabilisation of the carriageway reconstruction scheme at Boughton Hill Embankment.

2) Members responded to the update as follows:

- Officers were commended for their efforts during Storm Ciaran. Thanks were also given to Mr Baker for his communication and efforts during the storm.

3) Mr Hills said a newsletter had been produced and sent to Members regarding the environmental circular economy.

4) Members thanked Miss Carey for the work that she had done in the role of Cabinet Member for the Environment and had been undertaken regarding the environmental circular economy.

5) Mr Jones added to the update on Storm Ciaran, saying that while Highways were at the front end of the response, the Public Rights of Way team, County Parks team and Waste team had also responded to the challenges brought by the storm. The Waste team in particular were very proactive - all customers with bookings for HWRC sites were messaged to alert them to the potential for disruption due to weather conditions, with the possibility of site closures if weather conditions deteriorated. Fortunately, all sites remained open and fully functional.

KCC's Insight and Development team had reported back on the initial evaluation of the cross-border policy implemented at the HWRCs from April 2023. The policy had been in place for 6-months and to date had seen a reduction in usage by those living outside of Kent, of 67%

The winter service started on Friday, 20 October 2023 and was to run until Friday, 19 April 2024. This meant KCC was closely monitoring weather and road conditions to be ready to deploy our winter service fleet at any time. Demand on the network continued to be high for the time of year across the operational teams, especially considering the recent storms and wet weather. Unfortunately, there was an increase in reported potholes across the county, due to the fragile condition of the network. Contingency plans were being drawn up to deal the demand, going into the winter period.

Since the amended contract with Amey at the end of August, Amey continued to review their service and performance, along with implementing changes. This was to ensure they drove performance and operational efficiencies across the board. The review included workshops with both highway officers and the Amey team from operatives up to senior managers, to understand issues from both a client / contractor view and find solutions to benefit all. Any changes would take time to embed, but Mr Jones was hopeful with this approach that benefits would be seen.

Progress had been made in terms of recruitment to the positions of Road Closure Inspectors. KCC had been able to make three offers, out of the four available positions, (which were accepted). Due to notice periods, it was expected that the first three officers would start in December, with training to commence through until the end of February 2024. Recruitment had not been successful in West Kent, where KCC had not been able to appoint to the role. West Kent was considered to be a

particularly difficult area to recruit to, due to its proximity to London, which often attracted recruitment through higher pay scales. However, KCC was advertising for the role again and it was hoped a fourth Inspector would be appointed.

Although KCC did not have the designated road closure inspectors, work was still on going to ensure that opportunities were taken to drive efficiencies on the network. The work that was done with South-East Water in Leeds was a good example of what can be achieved. The project was completed 3 months ahead of schedule. KCC was able to bring a coordinated approach and allowed others to undertake works at the same time, to further reduce later closures. To undertake these levels of coordination and engagement, it had a huge impact on highways staff, which was not sustainable in the long term without additional resources and support. It was suggested that time be allowed for the team to embed and bring a full progress report to the March's meeting of Environment & Transport Cabinet Committee.

6) Members asked questions and the following points were noted:

- Utility companies were empowered under legislation to access the local road network.
- KCC was not informed until after work has started in the case of emergency road closures. However, emergency services should be informed. It was noted that disruption was expected for emergency works as unlike planned works, notifications could not be sent out in advance. KCC worked with utility companies to try to minimise the level of disruption.
- The new contract with Amey was being embedded so that service was improved but it was planned that lessons learned would be brought to a committee meeting in 2024.

7) RESOLVED to note the reports.

## **7. Performance Dashboard**

*(Item 8)*

*Matt Wagner (Interim Chief Analyst) and Simon Jones (Corporate Director, GET) were in attendance for this item*

1) Mr Wagner introduced the report for quarter 3 of the 2023/24 financial year. There were 19 key performance indicators (KPIs); 13 were rated green, 5 amber and 1 red.

The indicator rated red was under Highways and Transport: Priority (Member) enquiries completed within 20 working days.

2) Further to Members' questions, it was noted:

- The figures showed a 9-year high on reports of road defects and naturally, where service provision is scaled, there will be a delay where the volume of work is more due to exceptional events. The response to this had been encouraging and service provision was meeting the volume of work only months later.
- It was felt that quality of responses to highways related enquiries had improved. There had been some historic issues with how enquiries had been dealt with but the situation had since improved.



3) RESOLVED to note the Performance Dashboard.

**8. 23/00099 - Active Travel Schemes**

*(Item 9)*

*Simon Jones (Corporate Director, GET) was in attendance for this item*

1) Mr Baker introduced the report.

2) Members asked questions and the following was noted:

- It was hoped that more would be done in east Kent and broader geographical spread of schemes.
- Work needed to be undertaken with the district and borough councils as they had a great deal of influence on Active Travel Schemes.
- The schemes were welcomed but concerns were raised about funding of the schemes in the longer term and getting the best value for money from contractors, due to the funding arrangements of the schemes.

3) RESOLVED to endorse the recommendations as outlined in the report.

**9. 23/00104 - Bus Service Improvement Plan (BSIP) - Tranche 2 Grant Offer**

*(Item 10)*

*Stephen Pay, Planning and Operations Manager, was in attendance for this item*

1) Mr Baker introduced the report.

2) Mr Pay outlined the report.

3) Members asked questions and it was noted:

- There was some flexibility on how the funding was used in terms of bringing back services. Value for money needed to be demonstrated.

4) RESOLVED to endorse the recommendations as outlined in the report.

**10. 23/00095 - Pencester Road, Dover - Northbound Bus Contraflow**

*(Item 11)*

*Stephen Pay, Planning and Operations Manager, and Barry Stiff, Senior Project Manager*

1) Mr Baker introduced the report.

2) Mr Pay and Mr Stiff outlined the report.

3) Members asked questions and the following was noted:

- There were additional on-street parking spaces available suitable for disabled parking in the immediate area. It was hoped that more people would use the buses.

4) RESOLVED to endorse the recommendations as outlined in the report.

## **11. 23/00096 - Rennie Drive Fastrack Junction and Bus Lane**

*(Item 12)*

*Graham Killick, MCP Project Manager was in attendance for this item*

1) Mr Baker introduced the report.

2) Mr Killick outlined the report.

3) Members asked questions and the following was noted:

- The scheme was welcomed and it was felt that projects such as this would mean that there were fewer car journeys.

4) RESOLVED to endorse the recommendations as outlined in the report.

## **12. Heritage Conservation Strategy - proposed change to Windmills policy**

*(Item 13)*

*Matthew Smyth (Director for Environment and Waste) and Lis Dyson, Heritage Conservation Manager were in attendance for this item*

1) Mr Hills introduced the report.

2) Mr Smyth outlined the report.

3) Members asked questions and the following was noted:

- It was clarified that there was to be one consultation but options to answer questions on the individual windmills.
- Concerns were raised about the placing of responsibility for the windmills on volunteers, how sustainable this was in the long term and the liability on cost for trustees. Also raised, was the concern that when in private ownership, other windmills in Kent were not all being well maintained.
- It was noted that when the windmills were acquired, the financial responsibilities of upper tier local authorities were different (particularly in the case of those acquired in the 1950s). It was felt it was important to consider the careful disposal of assets and take forward a consultation on the matter.
- The changes proposed were very specific to the divestment of the windmills and did not apply to wider heritage assets.
- Following a consultation process, a key decision would need to be made and therefore, the matter would be brought back to the committee.

4) Councillor Chittenden proposed and Mr Lewis seconded the following motion:

*To recommend that the Cabinet Member for Environment not undertake a consultation on the proposed change to the Heritage Conservation Strategy (Windmills policy).*

5) Upon being put to the vote, the motion was declared LOST.

6) RESOLVED to note the recommendations as outlined in the report.

**13. 23/00093 - Pre-Submission Draft Kent Minerals and Waste Local Plan 2024-39 and Kent Minerals and Waste Development Scheme Update**  
*(Item 14)*

*Sharon Thompson (Head of Planning) was in attendance for this item*

1) Mr Hills introduced the report

2) Mrs Thompson outlined the report regarding the pre-submission draft of the Kent Minerals and Waste Local Plan 2024-39 and the Kent Minerals and Waste Development Scheme Update. It was clarified that what was being considered was the Minerals and Waste Local Plan. Members were not being asked to comment or consider the Mineral Sites Plan or, in particular, the nominated site at Oaken Wood, Aylesford. The Mineral Sites Plan work was not due to come before Members until the autumn of 2024 after detailed assessment work was completed.

3) Further to questions from Members, it was noted that:

- It was explained that in relation to the nominated site at Oaken Wood, which was designated as a PAWS site (Plantations on Ancient Woodland Sites), it was the soils that are the vital component, rather than the trees themselves.
- The amount of aggregate based upon the government's calculations showed that there was a shortfall in hard rock, hence there was a need for a call for sites as part of the plan making process. How the need was to be met, was a matter for the Sites Plan work.
- There was a policy set out in the plan for circumstances where development was proposed for the Dungeness Nuclear Power site and for certain types of development at the site also required an environmental permit from the Environment Agency.

4) RESOLVED to endorse the recommendations as outlined in the report.

**14. Work Programme**  
*(Item 15)*

RESOLVED to note the work programme.

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**From:** Neil Baker, Cabinet Member for Highways and Transport  
Roger Gough, Leader and Acting Cabinet Member for Environment  
Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate & Traded Services

**To:** Environment & Transport Cabinet Committee – 11 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 Environment & Transport 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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# Revised Draft Revenue Budget 2024-25 and 2024-27 MTFP, Draft Capital Programme 2024-34 and Treasury Management Strategy

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

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

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

Circulated to Cabinet Committees and Scrutiny Committee

Classification Unrestricted

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### Directorates – abbreviations in this report

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

1.1 This report updates the initial draft revenue budget 2024-25 and three-year medium term financial plan (MTFP) 2024-27 following its publication on 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<br>£'m | 2023-24<br>£'m | Change<br>£'m | 2024-25<br>£'m | 2023-24<br>£'m | Change<br>£'m |
| Council Tax                      | 931.0          | 876.8          | 54.3          | 36,062.2       | 33,984.3       | 2,077.9       |
| Settlement Funding<br>Assessment | 215.8          | 206.0          | 9.8           | 16,562.7       | 15,671.1       | 891.5         |
| Business Rate<br>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<br>(incl. ASCL)<br>£p | 2024-25<br>(incl. increase in ASCL)<br>£p | Increase<br>£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<br>(incl. ASCL)<br>£p | 2024-25<br>(excl. increase in ASCL)<br>£p | 2024-25<br>(incl. increase in ASCL)<br>£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<br>2023-24<br>taxbase<br>£p | Estimated<br>2024-25<br>taxbase<br>£p | Change<br>£p    | Change<br>%  |
|----------------------|-----------------------------------|---------------------------------------|-----------------|--------------|
| 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 &<br>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<br>Funded<br>£'m | Externally<br>Funded<br>£'m | Total<br>£'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<br>£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<br>£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<br>£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<br>£14.3m                                     | Additional net cost of estimated pay award and progression after savings from appointing new staff lower in pay ranges.   |
| Service Strategies & Improvements<br>£11.9m       | Other estimated spending increases to deliver strategic priorities and/or service improvements and outcomes including financing the capital programme.  |
| Government & Legislative<br>£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<br>£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<br>£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<br>£11.3m                   | Review of amounts set aside for debt repayment (MRP) based on asset life and increased investment income returns.   |
| Income Generation<br>£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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### 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<br>£000s | Prior Years Spend<br>£000s | Cash Limits     |                 |                 |                 |
|----------|-------------------------------------|------|---------------------|----------------------------|-----------------|-----------------|-----------------|-----------------|
|          |                                     |      |                     |                            | 2024-25         | 2025-26         | 2026-27         | 2027-28         |
|          |                                     |      |                     |                            | Year 1<br>£000s | Year 2<br>£000s | Year 3<br>£000s | Year 4<br>£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<br>£000s | Year 6<br>£000s | Year 7<br>£000s | Year 8<br>£000s | Year 9<br>£000s | Year 10<br>£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      | £000s      |
| 1   | Home Support Fund & Equipment [2]             | Provision of equipment and/or alterations to individuals' homes   | 250         | 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>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          | 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>   | <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> | <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       |

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

## Growth, Environment & Transport (GET)

| ROW REF   | Project  | Description of Project  | Cash Limits    |               |               |               |               |               |
|-----------|--|---|----------------|---------------|---------------|---------------|---------------|---------------|
|           |  |   | 2028-29        | 2029-30       | 2030-31       | 2031-32       | 2032-33       | 2033-34       |
|           |  |   | Year 5         | Year 6        | Year 7        | Year 8        | Year 9        | Year 10       |
|           |  |   | £000s          | £000s         | £000s         | £000s         | £000s         | £000s         |
| 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<br>£000s | Year 6<br>£000s | Year 7<br>£000s | Year 8<br>£000s | Year 9<br>£000s | Year 10<br>£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        |
| <b>4</b>  | <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            |
| <b>11</b> | <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>     |
| <b>12</b> | <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<br>£000s | Year 6<br>£000s | Year 7<br>£000s | Year 8<br>£000s | Year 9<br>£000s | Year 10<br>£000s |
| 1       | Corporate Property Strategic Capital Delivery [1] [2] | Costs associated with delivering the capital programme  | 2,500           | 2,500           | 2,500           | 2,500           | 2,500           | 2,500            |
| 2       | Disposal Costs [1]                                    | Costs of disposing of surplus property  | 650             | 650             | 650             | 650             | 650             | 650              |
| 3       | Modernisation of Assets (MOA) [1]                     | Maintaining KCC estates   | 3,000           | 3,000           | 3,000           | 3,000           | 3,000           | 3,000            |
| 4       | <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                |
| 11      | <b>Total Individual Projects</b>                      |   | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>         |
| 12      | <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<br>£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<br>£000s  | Year 2<br>£000s | Year 3<br>£000s | Year 4<br>£000s | Year 5<br>£000s | Year 6<br>£000s | Year 7<br>£000s | Year 8<br>£000s | Year 9<br>£000s | Year 10<br>£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<br>£000s | externally funded<br>£000s | TOTAL<br>£000s     |  | core funded<br>£000s | externally funded<br>£000s | TOTAL<br>£000s     | core funded<br>£000s | externally funded<br>£000s | TOTAL<br>£000s     | core funded<br>£000s | externally funded<br>£000s | TOTAL<br>£000s     |
| 1,191,493.8          |                            | <b>1,191,493.8</b> | Revised Base Budget  | 1,315,610.6          |                            | <b>1,315,610.6</b> | 1,415,651.6          |                            | <b>1,415,651.6</b> | 1,478,424.1          |                            | <b>1,478,424.1</b> |
|                      |                            |                    | <b>Spending</b>  |                      |                            |                    |                      |                            |                    |                      |                            |                    |
| 63,485.7             | 24.6                       | <b>63,510.3</b>    | Base Budget Changes  | 22,089.2             | 0.0                        | <b>22,089.2</b>    | 23,855.0             | 0.0                        | <b>23,855.0</b>    | 19,900.0             | 0.0                        | <b>19,900.0</b>    |
| 1,919.8              | 1,186.6                    | <b>3,106.4</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                        | <b>0.0</b>         |
| 14,189.5             | 664.1                      | <b>14,853.6</b>    | Pay  | 14,311.9             | 505.1                      | <b>14,817.0</b>    | 7,830.8              | 0.0                        | <b>7,830.8</b>     | 7,845.1              | 0.0                        | <b>7,845.1</b>     |
| 65,154.4             | 4,316.2                    | <b>69,470.6</b>    | Prices   | 49,568.4             | 967.4                      | <b>50,535.8</b>    | 30,545.0             | 0.0                        | <b>30,545.0</b>    | 22,560.5             | 0.0                        | <b>22,560.5</b>    |
| 33,500.6             | 501.1                      | <b>34,001.7</b>    | Demand & Cost Drivers  | 85,349.7             | 284.7                      | <b>85,634.4</b>    | 83,845.6             | 0.0                        | <b>83,845.6</b>    | 82,277.0             | 0.0                        | <b>82,277.0</b>    |
| 4,232.9              | -370.5                     | <b>3,862.4</b>     | Service Strategies & Improvements                            | 11,871.7             | -1,538.8                   | <b>10,332.9</b>    | 2,597.6              | -4,952.0                   | <b>-2,354.4</b>    | 3,138.8              | 0.0                        | <b>3,138.8</b>     |
| -221.6               | 30,703.9                   | <b>30,482.3</b>    | Government & Legislative                                     | 1,293.1              | -23,337.5                  | <b>-22,044.4</b>   | -320.0               | -4,520.6                   | <b>-4,840.6</b>    | 0.0                  | 0.0                        | <b>0.0</b>         |
| <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                      | <b>-15,641.3</b>   | Income   | -15,406.6            | -281.3                     | <b>-15,687.9</b>   | -3,935.5             | 0.0                        | <b>-3,935.5</b>    | -5,044.0             | 0.0                        | <b>-5,044.0</b>    |
| -3,893.3             | 0.0                        | <b>-3,893.3</b>    | Financing  | -11,279.6            | 0.0                        | <b>-11,279.6</b>   | 8,222.4              | 0.0                        | <b>8,222.4</b>     | -281.8               | 0.0                        | <b>-281.8</b>      |
| 23,328.9             | -608.4                     | <b>-23,937.3</b>   | Policy   | -10,610.2            | -9.2                       | <b>-10,619.4</b>   | -39,726.1            | 0.0                        | <b>-39,726.1</b>   | -5,402.9             | 0.0                        | <b>-5,402.9</b>    |
| <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                  | <b>-34,712.1</b>   | Increases in Grants and Contributions                        |                      | 20,949.1                   | <b>20,949.1</b>    |                      | 8,136.0                    | <b>8,136.0</b>     |                      | 0.0                        | <b>0.0</b>         |
| <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                        | <b>23,516.3</b>    | Contributions to reserves                                    | 36,699.7             | 0.0                        | <b>36,699.7</b>    | 29,910.0             | 0.0                        | <b>29,910.0</b>    | 15,560.0             | 0.0                        | <b>15,560.0</b>    |
| -29,458.7            | 0.0                        | <b>-29,458.7</b>   | Removal of prior year Contributions                          | -24,739.6            | 0.0                        | <b>-24,739.6</b>   | -36,699.7            | 0.0                        | <b>-36,699.7</b>   | -29,910.0            | 0.0                        | <b>-29,910.0</b>   |
| -5,318.9             | -3,198.1                   | <b>-8,517.0</b>    | Drawdowns from reserves                                      | -14,191.5            | -1,350.5                   | <b>-15,542.0</b>   | 0.0                  | 0.0                        | <b>0.0</b>         | 0.0                  | 0.0                        | <b>0.0</b>         |
| 4,976.3              | 3,795.7                    | <b>8,772.0</b>     | Removal of prior year Drawdowns                              | 5,318.9              | 3,811.0                    | <b>9,129.9</b>     | 14,191.5             | 1,350.5                    | <b>15,542.0</b>    | 0.0                  | 0.0                        | <b>0.0</b>         |
| <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

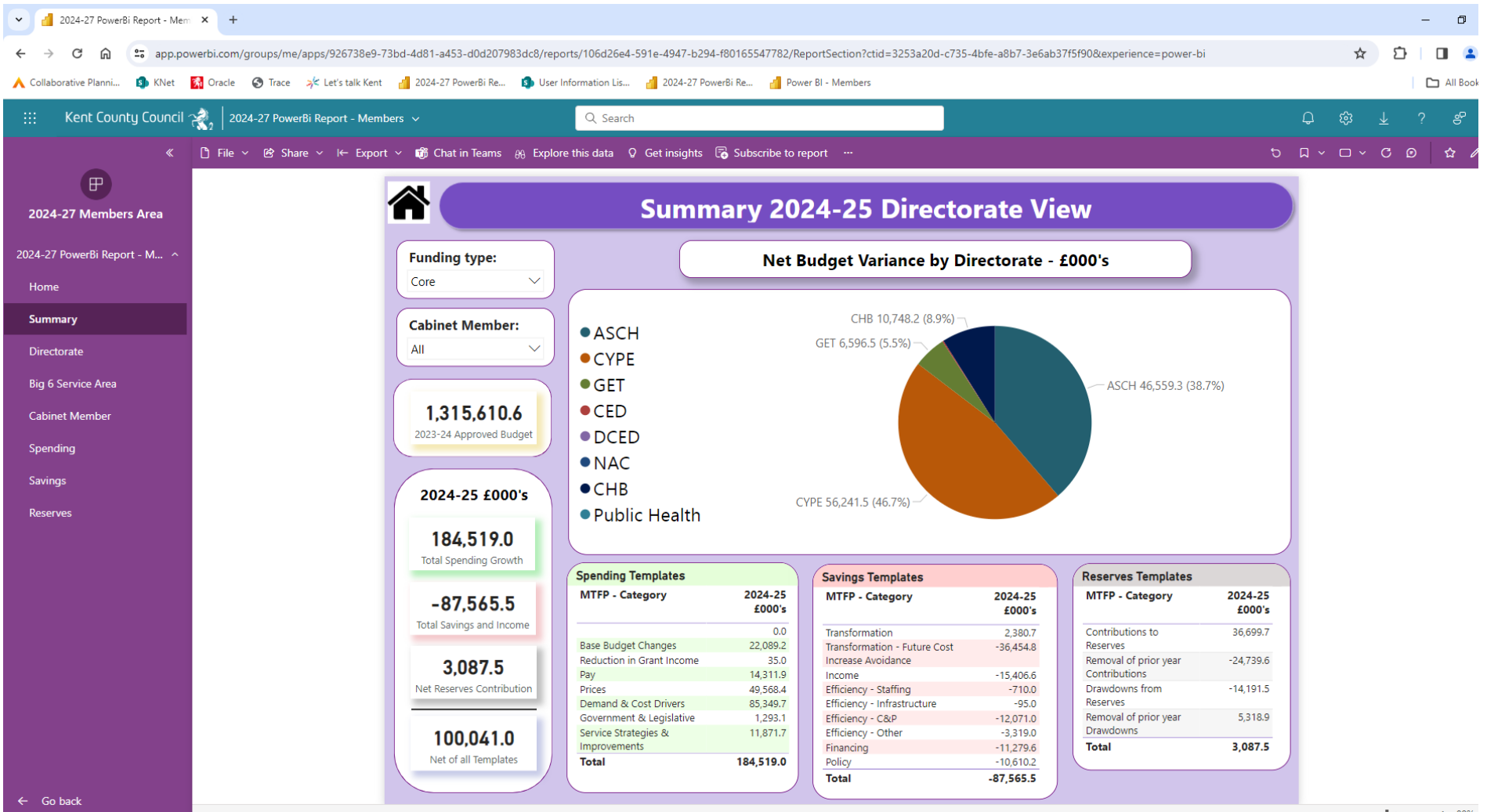
| 2023-24                   |  | 2024-25                   | 2025-26                   | 2026-27                   |
|---------------------------|--|---------------------------|---------------------------|---------------------------|
|                           | <b>FUNDING</b>   |                           |                           |                           |
| 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><u>1,315,610.6</u></b> | <b>Total Funding</b>   | <b><u>1,415,651.6</u></b> | <b><u>1,478,424.1</u></b> | <b><u>1,548,015.1</u></b> |



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

|  | TOTAL              |                   |                    | ASCH<br>Adult Social Care & Health |                   |                  | PH<br>Public Health | CYPE<br>Children, Young People & Education |                   |                  | GET<br>Growth, Environment & Transport | CED<br>Chief Exec's Dept | DCED<br>Deputy Chief Executive's Department | NAC<br>Non Attributable Costs | CHB<br>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                             | 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                             | 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                             | 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>       | 262.0                                  | 0.0                      | 4,489.7                                     | 0.0                           | 0.0                             | 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

Kent County Council | 2024-27 PowerBi Report - Members

2024-27 Members Area

2024-27 PowerBi Report - M...

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Directorate

Big 6 Service Area

Cabinet Member

**Spending**

Savings

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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Reserves

Go back

**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 Members Area**

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- Home
- Summary
- Directorate
- 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

**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> |

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

**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**

| MTFP Category                             | Directorate | Cabinet Member | Headline description of spending increase | Brief description of spending increase   | Initial Draft Budget 2024-25 Amount £000's | Revised Draft Budget 2024-25 Amount £000's | 2024-25 Change in value £000's | 2025-26 Amount £000's | 2026-27 Amount £000's | What priority service area (Big 6) does the Spending Template relate to? | Is this Externally or Core funded? |
|---|-------------|----------------|---|--|--|--|--------------------------------|-----------------------|-----------------------|--|------------------------------------|
| Demand & Cost Drivers                     | CYPE        | Sue Chandler   | Children's Social Care                    | Estimated impact of an increase in population of children in Kent, leading to increased demand for support services for children with a disability including complexity of packages.   | 2,260.0                                    | 2,260.0                                    | 0.0                            | 2,570.0               | 2,470.0               | Integrated Children's Services   | Core                               |
| Demand & Cost Drivers                     | CYPE        | Rory Love      | Home to School transport Mainstream       | Estimated impact of rising pupil population on Mainstream Home to School transport   | 1,400.0                                    | 1,400.0                                    | 0.0                            | 500.0                 | 500.0                 | Transport  | Core                               |
| Demand & Cost Drivers                     | CYPE        | Sue Chandler   | Care Leavers                              | Estimated increase in number of children supported by the care leaver service  | 250.0                                      | 250.0                                      | 0.0                            | 125.0                 | 0.0                   | Integrated Children's Services   | Core                               |
| Demand & Cost Drivers                     | GET         | Roger Gough    | Waste - tonnage changes                   | Estimated impact of changes in waste tonnage as a result of population and housing growth  | 936.7                                      | 963.7                                      | 27.0                           | 1,016.5               | 1,021.7               | Waste  | Core                               |
| Demand & Cost Drivers                     | GET         | Clair Bell     | Coroners                                  | Increase in budget for toxicology analysis due to increasing number and complexity of cases  | 60.0                                       | 60.0                                       | 0.0                            | 3.7                   | 4.1                   | Other  | Core                               |
| Demand & Cost Drivers                     | GET         | Clair Bell     | Trading Standards                         | Increase in legal costs as a result of more Crown Court cases  | 55.0                                       | 55.0                                       | 0.0                            | 0.0                   | 0.0                   | Other  | Core                               |
| Demand & Cost Drivers                     | GET         | Roger Gough    | Planning Applications                     | Costs of the independent examination of the Minerals & Waste Local Plan by the Planning Inspectorate in the summer of 2024   | 50.0                                       | 50.0                                       | 0.0                            | -50.0                 | 0.0                   | Other  | Core                               |
| Demand & Cost Drivers                     | GET         | Neil Baker     | Streetlight energy & maintenance          | Adoption of new streetlights at new housing developments and associated increase in energy costs   | 27.5                                       | 27.5                                       | 0.0                            | 27.5                  | 0.0                   | Highways   | Core                               |
| Demand & Cost Drivers                     | GET         | Clair Bell     | Public Rights of Way                      | Adoption of new routes   | 12.0                                       | 12.0                                       | 0.0                            | 12.0                  | 12.0                  | Other  | Core                               |
| <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**

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

**APPENDIX G: 2024-27 DRAFT BUDGET - SPENDING PROPOSALS**

| MTFP Category                          | Directorate | Cabinet Member | Headline description of spending increase            | Brief description of spending increase  | Initial Draft Budget 2024-25 Amount £000's | Revised Draft Budget 2024-25 Amount £000's | 2024-25 Change in value £000's | 2025-26 Amount £000's | 2026-27 Amount £000's | What priority service area (Big 6) does the Spending Template relate to? | Is this Externally or Core funded? |
|--|-------------|----------------|--|---|--|--|--------------------------------|-----------------------|-----------------------|--|------------------------------------|
| Prices                                 | GET         | Neil Baker     | Kent Travel Saver                                    | Provision for price inflation related to the Kent Travel Saver and Kent 16+ Travel Saver which is recovered through uplifting the charge for the pass - Kent Travel Saver   | 463.5                                      | 463.5                                      | 0.0                            | 479.7                 | 0.0                   | Transport  | Core                               |
| Prices                                 | GET         | Neil Baker     | Highways Management                                  | The handing back of the urban grass cutting and rural verge mowing contract by Folkestone & Hythe District Council  | 100.0                                      | 100.0                                      | 0.0                            | 0.0                   | 0.0                   | Highways   | Core                               |
| Prices                                 | GET         | Clair Bell     | Contract related inflation - PROW                    | Provision for price inflation related to Public Rights of Way contracts   | 81.7                                       | 56.3                                       | -25.4                          | 38.2                  | 38.2                  | Other  | Core                               |
| Prices                                 | GET         | Clair Bell     | Contract related inflation                           | Provision for price inflation related to Highways, Waste and other contracted services (based on contractual indices) - Coroners Funeral Directors contract   | 37.0                                       | 37.0                                       | 0.0                            | 38.0                  | 40.0                  | Other  | Core                               |
| Prices                                 | GET         | Clair Bell     | Coroners   | Provision for inflationary increase in specialist pathologist fees  | 25.5                                       | 25.5                                       | 0.0                            | 10.7                  | 11.8                  | Other  | Core                               |
| Prices                                 | GET         | Clair Bell     | Contract related inflation                           | Provision for price inflation related to Highways, Waste and other contracted services (based on contractual indices) - Coroners Post Mortem contract   | 21.2                                       | 21.2                                       | 0.0                            | 21.6                  | 21.9                  | Other  | Core                               |
| Prices                                 | GET         | Clair Bell     | Contract related inflation                           | Provision for price inflation related to Highways, Waste and other contracted services (based on contractual indices) - annual uplift to the SLA with Tunbridge Wells Borough Council for the running costs of the Amelia   | 13.0                                       | 13.0                                       | 0.0                            | 13.0                  | 13.0                  | Other  | Core                               |
| Prices                                 | GET         | Clair Bell     | Other Transport Related inflation                    | Provision for price inflation related to other transport services including subsidised bus services - Mobile libraries fuel   | 5.0  | 5.0  | 0.0                            | 1.0                   | 1.0                   | Other  | Core                               |
| Prices                                 | GET         | Neil Baker     | Other Transport Related inflation                    | Provision for price inflation related to other transport services including subsidised bus services - concessionary fares   | 0.0  | 0.0  | 0.0                            | 333.6                 | 333.6                 | Transport  | Core                               |
| Prices                                 | GET         | Neil Baker     | Provision for price inflation for Streetlight Energy | Provision for price changes related to Streetlight energy, as estimated by Commercial Services/LASER.   | -777.3                                     | -798.6                                     | -21.3                          | -1,559.4              | 0.0                   | Highways   | Core                               |
| Prices                                 | NAC         | Peter Oakford  | Levies   | Estimated increase in Environment Agency Levy together with impact of estimated change in taxbase   | 23.8                                       | 23.8                                       | 0.0                            | 25.0                  | 26.2                  | Other  | Core                               |
| Prices                                 | NAC         | Peter Oakford  | Non specific price provision                         | Non specific provision for CPI inflation on other negotiated contracts without indexation clauses - increase in Inshore Sea Fisheries Conservation Area (IFCA) Levy   | 21.2                                       | 21.2                                       | 0.0                            | 22.3                  | 23.4                  | Other  | Core                               |
| <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**

|               |             |                       |   |  | <b>-48,638.0</b>                           | <b>-66,906.9</b>                           | <b>-24,423.7</b>               | <b>-84,861.2</b>      | <b>-51,780.4</b>      |  |                                    |
|---------------|-------------|-----------------------|---|--|--|--|--------------------------------|-----------------------|-----------------------|--|------------------------------------|
| 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                                   | <b>-2,600.0</b>                            | -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  | <b>-1,000.0</b>                            | -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                                      | <b>-82.5</b>                               | 0.0                            | 0.0                   | 0.0                   | Other  | Core                               |
| Policy        | CED         | Peter Oakford         | Member Services   | End Select Committees and Short Focused Inquiries  | -20.0                                      | <b>-20.0</b>                               | 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  | <b>-2,300.0</b>                            | -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                                   | <b>-1,200.0</b>                            | 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  | <b>-913.0</b>                              | -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                                     | <b>-781.0</b>                              | 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                                   | <b>-400.0</b>                              | 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                                      | <b>100.0</b>                               | 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                                      | <b>250.0</b>                               | 0.0                            | 0.0                   | -478.6                | Transport  | Core                               |
| Policy        | DCED        | Peter Oakford         | Corporate Landlord  | Review of Office Assets  | -763.9                                     | <b>-763.9</b>                              | 0.0                            | -310.6                | -1,238.0              | Other  | Core                               |
| Policy        | DCED        | Peter Oakford         | Corporate Landlord  | Review of Community Delivery including Assets  | -101.0                                     | <b>-101.0</b>                              | 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                                     | <b>-433.0</b>                              | 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  | <b>-200.0</b>                              | -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  | <b>-60.8</b>                               | -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                                      | <b>-55.0</b>                               | 0.0                            | 0.0                   | 0.0                   | Other  | Core                               |
| Policy        | GET         | Roger Gough           | Planning Applications   | Savings from delayed recruitment   | -50.0                                      | <b>-50.0</b>                               | 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                                     | <b>0.0</b>                                 | 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  | <b>0.0</b>                                 | 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  | <b>0.0</b>                                 | 0.0                            | -1,086.5              | 0.0                   | Vulnerable Adults  | Core                               |
| Policy        | ASCH        | Dan Watkins           | Adult Social Care   | Review of in-house services  | 0.0  | <b>0.0</b>                                 | 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  | <b>0.0</b>                                 | 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  | <b>0.0</b>                                 | 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  | <b>0.0</b>                                 | 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  | <b>0.0</b>                                 | 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/<br>Neil Baker/<br>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:<br>- Libraries, Registration and Archives<br>- Kent Travel Saver<br>- Supported Buses<br>- Household Waste Recycling Centres<br>- 16+ Home to School Transport<br>- Waste Collection Partnerships<br>- Regeneration & Economic Development<br>- Services for Schools<br>- Schools maintenance<br>- 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<br><br>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:<br>- Cost drivers in demand led services, largely in Adult Social Care, Children in Care and Home to School Transport<br>- Contract Reviews including their scope<br>- Scope of Council ambitions<br>- 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> |
|-----------------|--------------|

| Directorate                          | Risk Title  | Source/Cause of Risk   | Risk Event   | Consequence   | Current Likelihood (1-5) | Estimated Maximum Financial Exposure<br>£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                                      |
| <b>Page 103</b>                      | 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> |
|-----------------|--------------|

| Directorate | Risk Title   | Source/Cause of Risk  | Risk Event  | Consequence   | Current Likelihood (1-5) | Estimated Maximum Financial Exposure<br>£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> |
|-----------------|--------------|

| Directorate | Risk Title                        | Source/Cause of Risk   | Risk Event  | Consequence  | Current Likelihood (1-5) | Estimated Maximum Financial Exposure<br>£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.<br>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                                       |
| ALL         | Capital - Developer Contributions | Developer contributions built into funding assumptions for capital projects are not all banked.  | Developer contributions are delayed or insufficient to fund projects at the assumed budget level.   | Additional unbudgeted forward funding requirement and potential unfunded gaps in the capital programme   | 4                        | 15.0                                       |
| ALL         | Revenue Inflation                 | The Council must ensure that the Medium Term Financial Plan (MTFP) includes robust estimates for spending pressures.   | Price pressures rise above the current MTFP assumptions and we are unsuccessful at suppressing these increases. Each 1% is estimated to cost £14m.  | Additional unfunded cost that leads to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves. Potential recurring budget pressure for future years.   | 3                        | 14.0                                       |
| CYPE        | Market Sustainability             | Availability of suitable placements for looked after children.<br><br>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.<br><br>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> |
|-----------------|--------------|

| Directorate   | Risk Title   | Source/Cause of Risk   | Risk Event  | Consequence   | Current Likelihood (1-5) | Estimated Maximum Financial Exposure<br>£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.<br>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<br>Page 106   | Capital - highways grant allocation  | DfT capital grant funding has reduced by £9m resulting in insufficient capital funding available to continue at previous budgeted and approved service/investment levels, leading to an accelerated managed decline in the state of our highways network. Kent Highways invest c£70m of capital each year (£25m Council, £40-£45m pa DfT) and this is less than half of what is recommended under best practice asset management principles. | The requirement to manage safety concerns may lead to increased unbudgeted revenue spend on reactive works or an increase in the level of Category 1 & 2 works required on key strategic routes. The Council was already operating a managed decline in the state of the network due to increasing traffic volumes, increasing inflation without compensating increases in funding etc so this will further exacerbate that position.   | An overspend on the capital/revenue budget, requiring alternative offsetting savings or temporary funding from reserves/other sources. A re-prioritisation of the Council's capital programme would be required or service levels would need to be reduced. Asset management backlog (currently in excess of £700m) would continue to grow at an even quicker rate.   | 4                        |  |
| ALL   | Capital  | Capital project costs are subject to higher than budgeted inflation.   | Increase in building inflation above that built into business cases.  | Capital projects cost more than budgeted, resulting in an overspend on the capital programme, or having to re-prioritise projects to keep within the overall budget. For rolling programmes (on which there is no annual inflationary increase), the level of asset management preventative works will reduce, leading to increased revenue pressures and maintenance backlogs.   | 4                        |  |
| ALL   | Contract retender  | Contracts coming up for retender are more expensive due to prevailing market conditions and recruitment difficulties   | This risk could result in a shortage of potential suppliers and/or increases in tender prices over and above inflation  | Higher than budgeted capital/revenue costs resulting in overspends unless that can be offset by specification changes   | 4                        |  |

## Appendix J: Budget Risks Register 2024-25

|                 |              |
|-----------------|--------------|
| <b>TOTAL £m</b> | <b>586.5</b> |
|-----------------|--------------|

| Directorate | Risk Title   | Source/Cause of Risk  | Risk Event  | Consequence  | Current Likelihood (1-5) | Estimated Maximum Financial Exposure<br>£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> |
|-----------------|--------------|

| Directorate | Risk Title  | Source/Cause of Risk   | Risk Event  | Consequence  | Current Likelihood (1-5) | Estimated Maximum Financial Exposure<br>£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.<br>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:<br>(1) the Statutory Override could be extended, and<br>(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.<br><br>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> |
|-----------------|--------------|

| Directorate                   | Risk Title  | Source/Cause of Risk   | Risk Event   | Consequence  | Current Likelihood (1-5) | Estimated Maximum Financial Exposure<br>£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> |
|-----------------|--------------|

| Directorate                   | Risk Title   | Source/Cause of Risk  | Risk Event  | Consequence   | Current Likelihood (1-5) | Estimated Maximum Financial Exposure<br>£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><br>Page 110       | Changes to OFSTED regulation for 16 & 17 year olds   | The Department of Education has introduced quality standards, registration and inspection requirements for providers of supported accommodation for 16 & 17 year olds looked after children. Local Authorities are no longer permitted to place or arrange accommodation in unregulated accommodation for any child under 18 from October 2023. Future commissioning must reflect the new OFSTED regulations. | The cost of regulated accommodation is more expensive and could add a further pressure on placement costs in future. Additional Government funding may not be sufficient to fully compensate.   | Additional unfunded cost that leads to an overspend on the revenue budget, requiring compensating in year savings or temporary unbudgeted funding from reserves. Potential recurring budget pressure for future years. Further discussions with Home Office if the additional costs relating to UAS Children cannot be managed within existing grant rates. | 3                        |  |
| <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<br>i) price increases and/or increased demand; and/or<br>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.<br>(ii) Public Health Reserves could be exhausted  | 3                        |  |

## Appendix J: Budget Risks Register 2024-25

|                 |              |
|-----------------|--------------|
| <b>TOTAL £m</b> | <b>586.5</b> |
|-----------------|--------------|

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

**Likelihood Rating**

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

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

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

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

### A) Revenue Support Grant

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

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

### B) New Homes Bonus

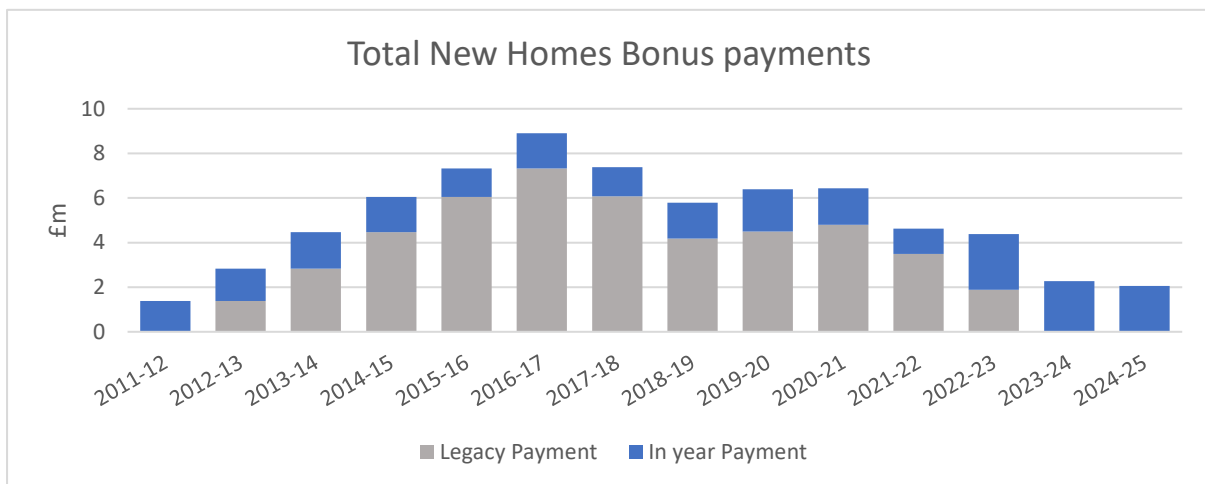
The New Homes Bonus (NHB) scheme was introduced in 2011-12 to help tackle the national housing shortage. The scheme was designed to reward those authorities that increased their housing stock either through new build or by bringing empty properties back into use. The grant is un-ringfenced.

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

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

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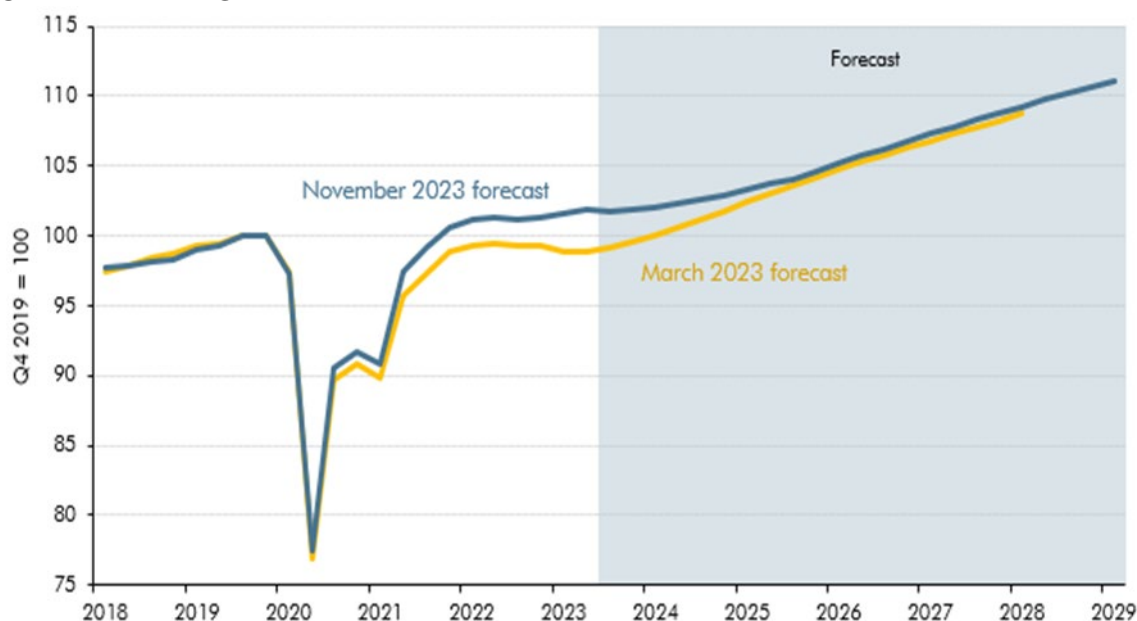
## Economic & Fiscal Context

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.

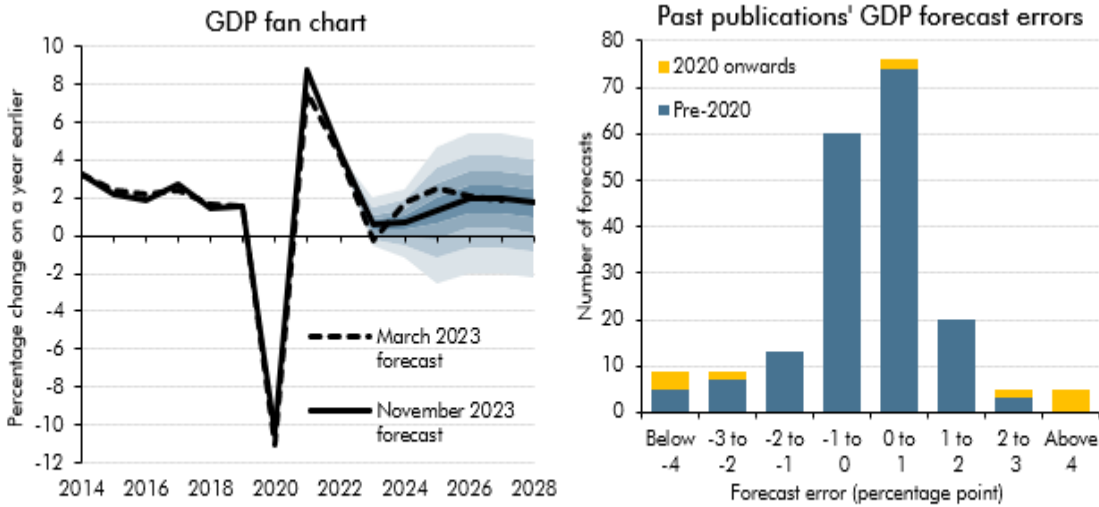
Chart 1 – Real GDP



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

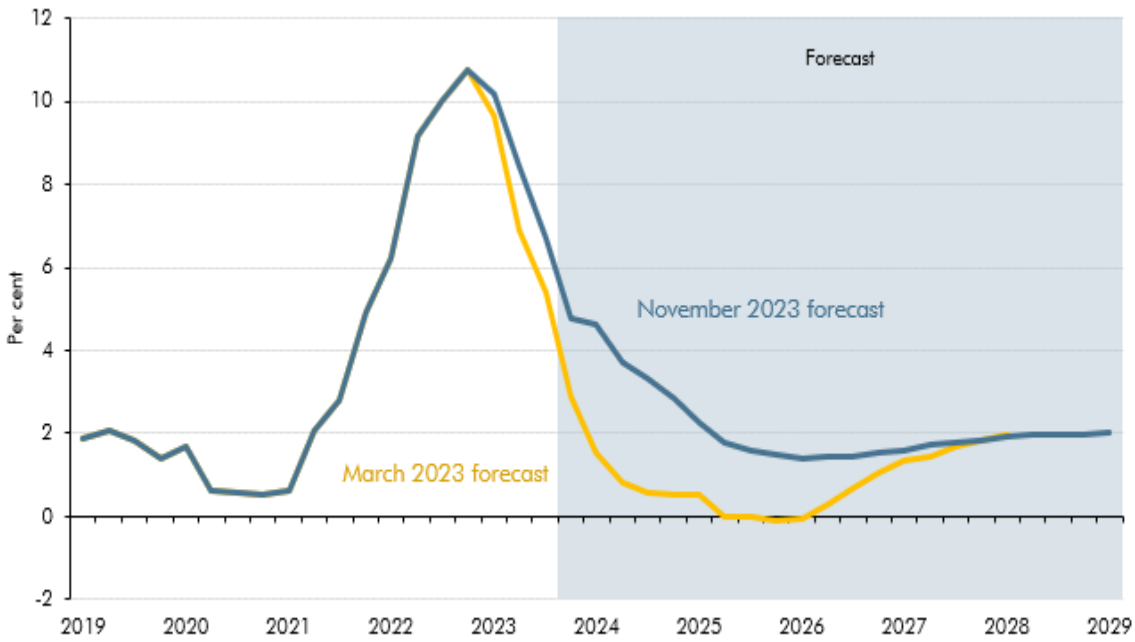


Note: On the left-hand chart, successive pairs of lighter-shaded areas around our forecast represent 20 per cent probability bands. The right-hand chart shows the distribution of forecast errors for every Autumn forecast since 1987. Source: ONS, OBR

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.

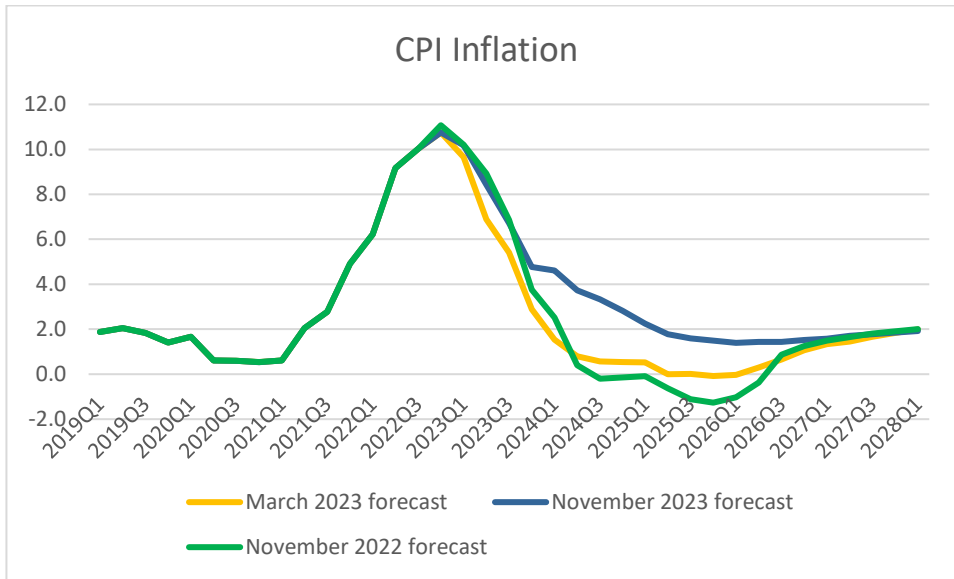
Chart 3 – CPI Inflation



Source: ONS, OBR

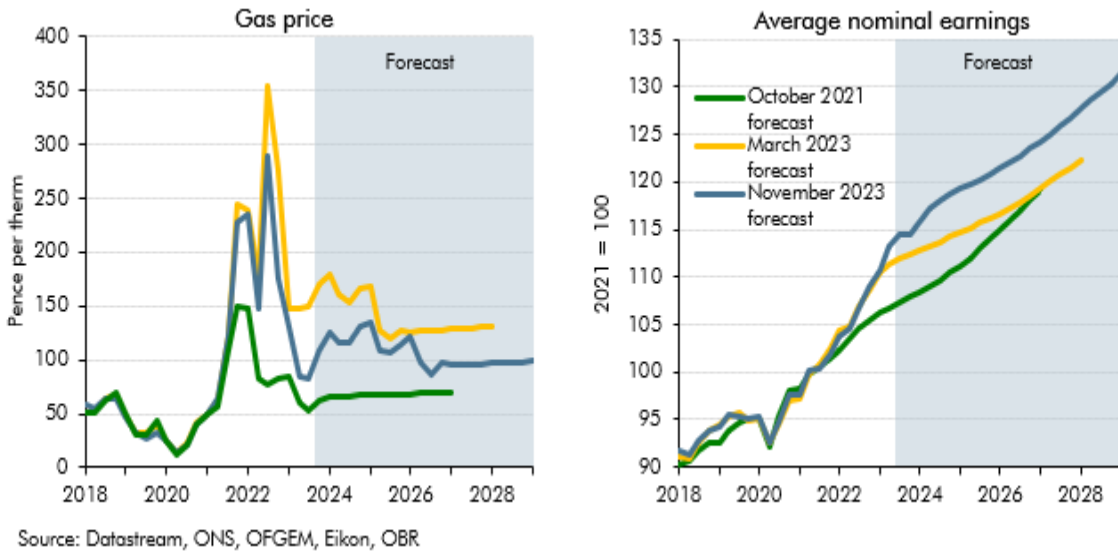
We have also compiled a comparison with previous November 2022 forecast where at one stage inflation was forecast to be negative in Chart 4 below.

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



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

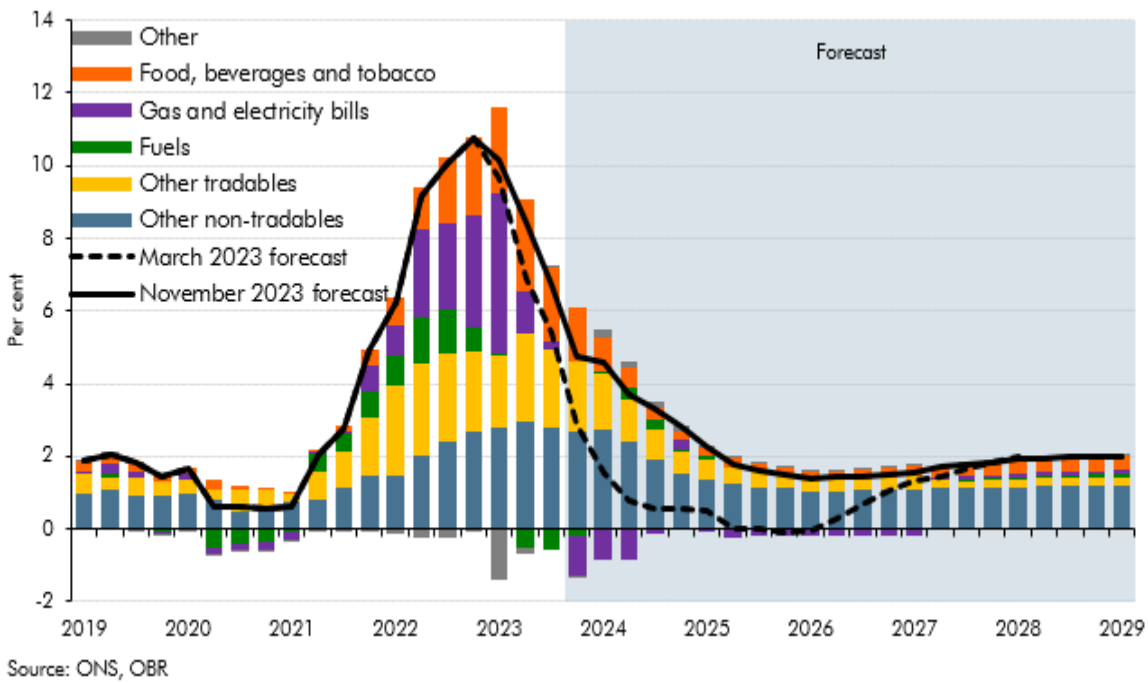
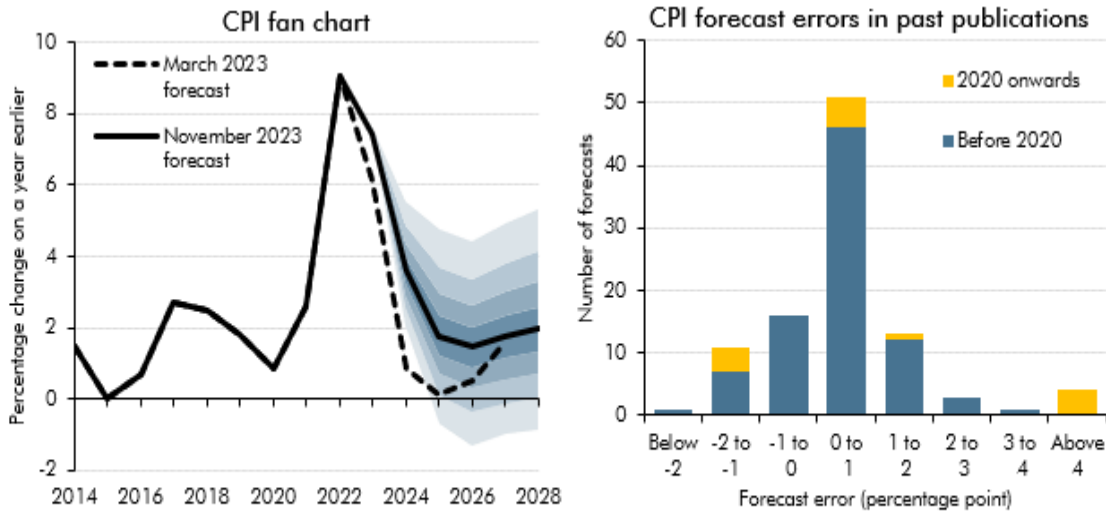


Chart 7 – CPI Inflation Fan Chart and Forecast Errors in Previous Publications

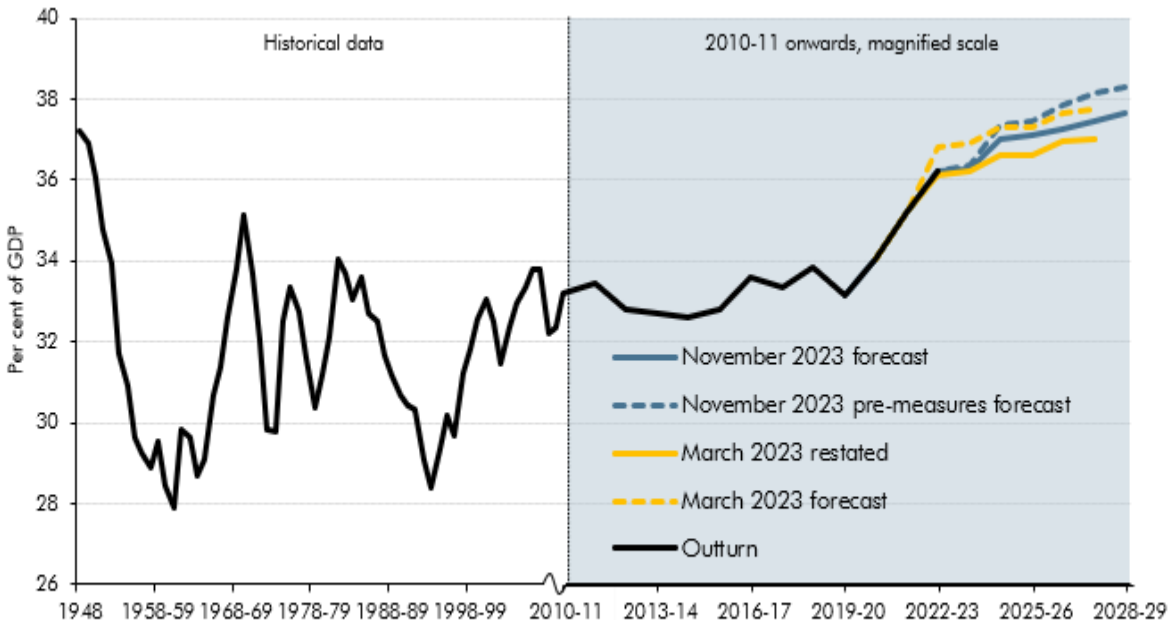


Note: On the left-hand chart, successive pairs of lighter-shaded areas around our forecast represent 20 per cent probability bands. The right-hand chart shows the distribution of forecast errors for every Autumn forecast since 2003. Source: ONS, OBR

**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



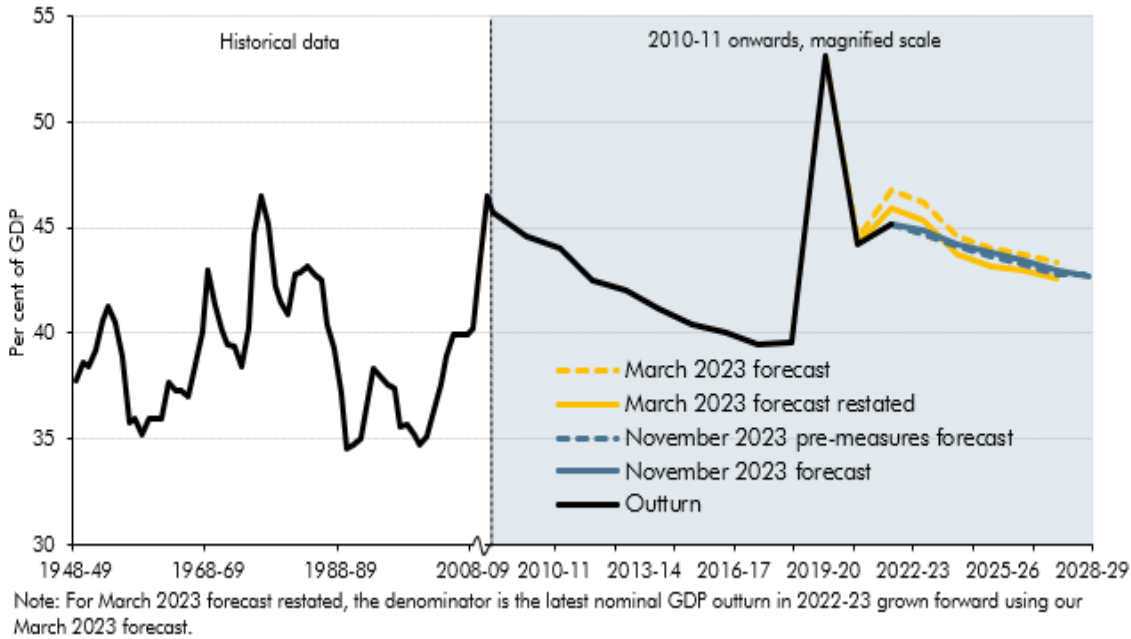
Note: For March 2023 forecast restated, the denominator is the latest nominal GDP outturn in 2022-23 grown forward using our March 2023 forecast. Source: ONS, OBR

<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

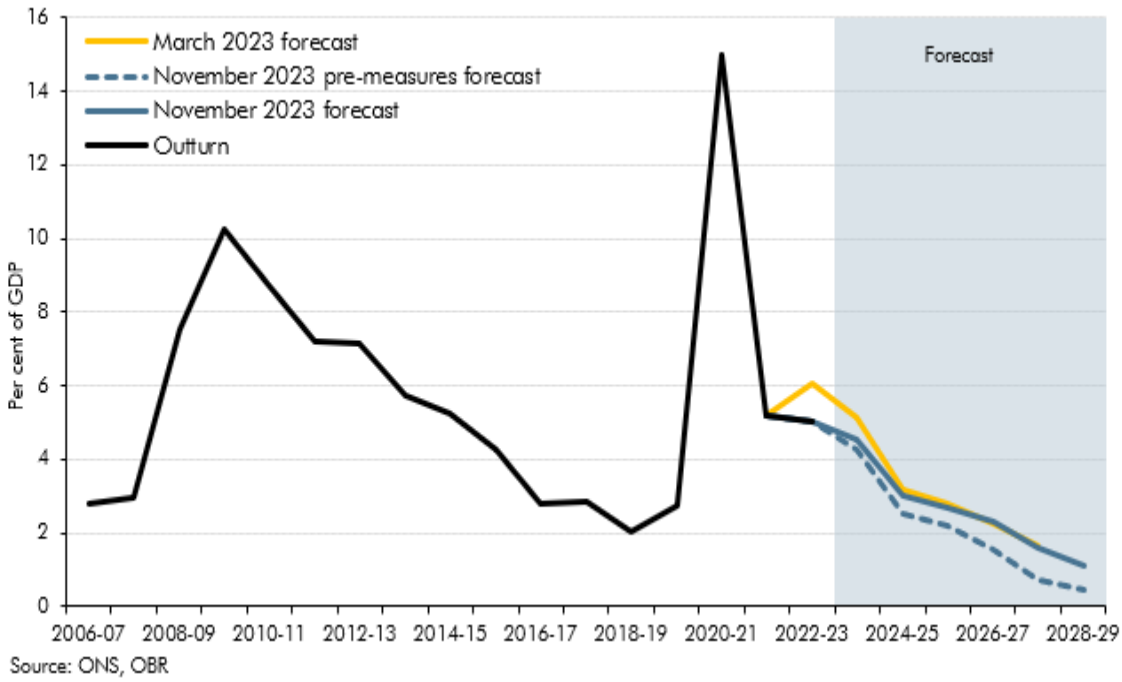


### Fiscal Context – Public Sector Borrowing and Total Debt

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.

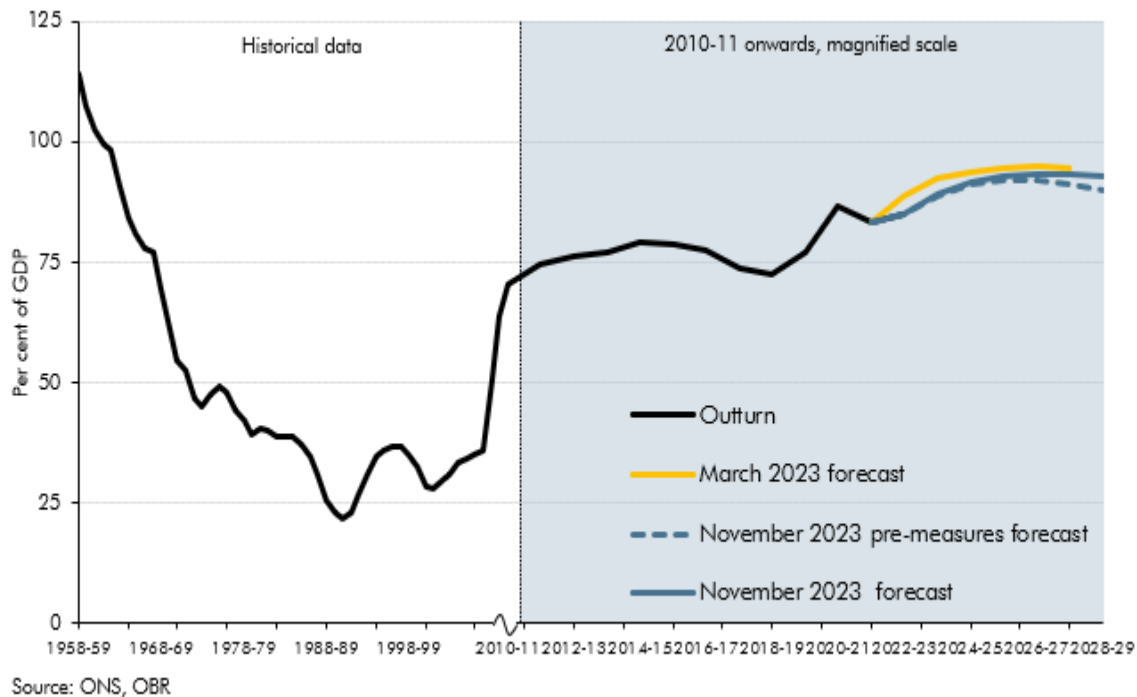


Chart 10 – Public Sector Net Borrowing



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>    |

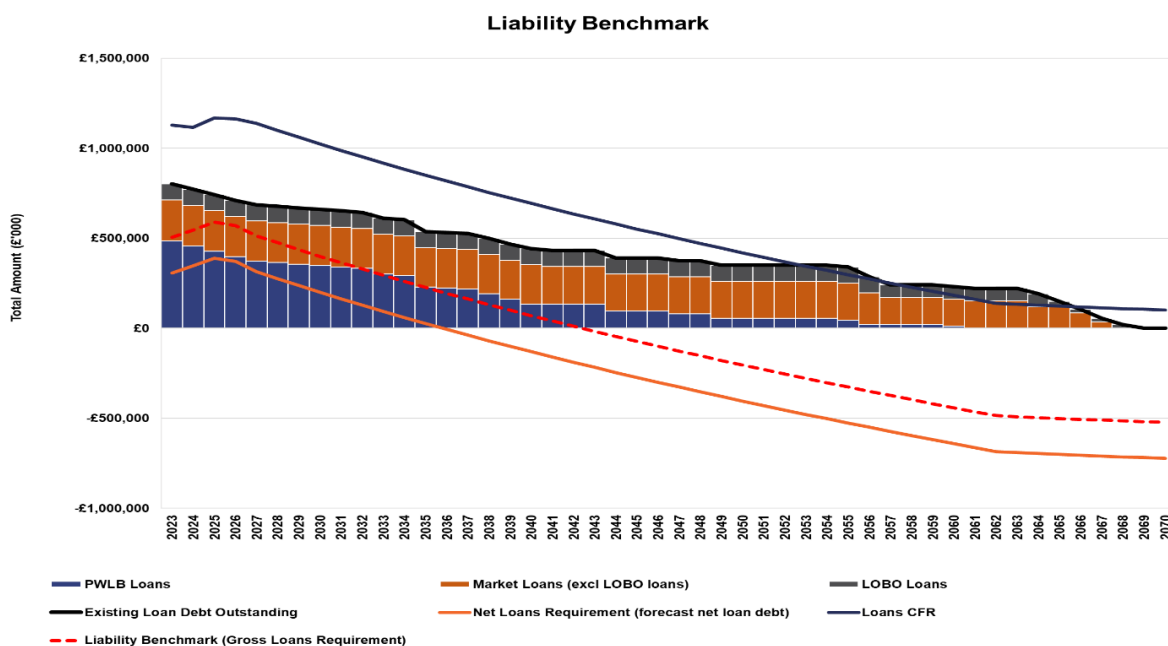
23. The Council's capital expenditure plans are the key driver of treasury management activity and the starting point for the treasury management strategy is the Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from 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: Neil Baker, Cabinet Member for Highways and Transportation  
Roger Gough, Leader of the Council  
Simon Jones, Corporate Director for Growth, Environment and Transport

To: Environment & Transport Cabinet Committee – 11 January 2024

Subject: Performance Dashboard

Classification: Unrestricted

**Summary:**

The Environment and Transport Cabinet Committee Performance Dashboard shows performance against targets set for Key Performance Indicators (KPIs). The latest Dashboard includes data up to September/October 2023.

Thirteen of the nineteen KPIs achieved target for latest performance and are RAG rated Green. Five KPIs are below target but did achieve the floor standard and are RAG rated Amber. One KPI is below floor standard and is RAG rated Red.

**Recommendation(s):**

The Environment and Transport Cabinet Committee is asked to NOTE the Performance Dashboard.

**1. Introduction**

1.1. Part of the role of Cabinet Committees is to review the performance of the functions of the Council that fall within the remit of the Committee. To support this role, Performance Dashboards are regularly reported to each Cabinet Committee throughout the year, and this is the fourth report for the 2023/24 financial year.

**2. Performance Dashboard**

2.1. The Dashboard provides a progress report on performance against target for the Key Performance Indicators (KPIs) for 2023/24. The current Environment and Transport Cabinet Committee Performance Dashboard is attached as Appendix 1.

2.2. The current Dashboard provides results up to the end of September/October 2023.

2.3. KPIs are presented with RAG (Red/Amber/Green) ratings to show progress against targets. Details of how the ratings are generated are outlined in the Guidance Notes, included with the Dashboard in Appendix 1.

- 2.4. Three of the six KPIs in Highways & Transportation achieved target for latest month performance and are RAG rated Green. Two are below target but above floor standard and are RAG rated Amber, these are: Faults reported by the public completed in 28 calendar days, and Member enquiries completed within 20 working days. One is below floor standard and is RAG rated Red, namely Customer satisfaction with service delivery (100 Call Back).
- 2.5. All three digital take-up indicators in Highways and Transportation were RAG rated Green.
- 2.6. Seven of the ten indicators for Environment and Waste were above target and are RAG rated Green. The remaining three indicators relating to municipal and HWRC waste recycled and composted remain below target and are rated Amber.

#### **4. Recommendation(s):**

The Environment and Transport Cabinet Committee is asked to NOTE the Performance Dashboard.

#### **5. Contact details**

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# **Environment and Transport Performance Dashboard**

## **Financial Year 2023/24**

### **Results up to September/October 2023**

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Produced by Kent Analytics



## Guidance Notes

Data is provided with monthly frequency except for Waste Management and Greenhouse Gases where indicators are reported with quarterly frequency and as rolling 12-month figures to remove seasonality.

### RAG RATINGS

|       |  |
|-------|--|
| GREEN | Target has been achieved                             |
| AMBER | Floor Standard* achieved but Target has not been met |
| RED   | Floor Standard* has not been achieved                |

\*Floor Standards are the minimum performance expected and if not achieved must result in management action

### Activity Indicators

Activity Indicators representing demand levels are also included in the report. They are not given a RAG rating. Instead, they are tracked within an expected range represented by Upper and Lower Thresholds. The Alert provided for Activity Indicators is whether they are within their expected range or not. Results can either be within their expected range (**Yes**), or **Above** or **Below** their expected range.

## Key Performance Indicators Summary

| Highways & Transportation  | Monthly RAG | YTD RAG |
|--|-------------|---------|
| HT01 : Potholes repaired in 28 calendar days (routine works not programmed)      | GREEN       | AMBER   |
| HT02 : Faults reported by the public completed in 28 calendar days               | AMBER       | AMBER   |
| HT04 : Customer satisfaction with service delivery (100 Call Back)               | RED         | AMBER   |
| HT08 : Emergency incidents attended to within 2 hours                            | GREEN       | RED     |
| HT12 : Streetlights, illuminated signs and bollards repaired in 28 calendar days | GREEN       | GREEN   |
| HT14 : Member enquiries completed within 20 working days                         | AMBER       | RED     |

| Digital Take up   | RAG   |
|---|-------|
| DT01 : Percentage of public enquiries for Highways Maintenance completed online | GREEN |
| DT03 : Percentage of concessionary bus pass applications completed online       | GREEN |
| DT04 : Percentage of speed awareness courses booking completed online           | GREEN |

| Environment & Waste   | RAG   |
|---|-------|
| WM01 : Municipal waste recycled and composted   | AMBER |
| WM02 : Municipal waste converted to energy  | GREEN |
| WM01 + WM02 : Municipal waste diverted from landfill                                      | GREEN |
| WM03 : Waste recycled and composted at HWRCs  | AMBER |
| WM04 : Percentage of HWRC waste recycled and wood converted to energy at biomass facility | AMBER |
| WM08 : Overall score for mystery shopper assessment of HWRCs                              | GREEN |
| WM10 : Customer satisfaction with HWRCs   | GREEN |
| EW2 : Greenhouse Gas emissions from KCC estate (excluding schools)                        | GREEN |
| EW1 : Percentage of statutory planning consultee responses submitted within 21 days       | GREEN |
| DT05 : Percentage of HWRC voucher applications completed online                           | GREEN |

|                                      |                           |                       |
|--------------------------------------|---------------------------|-----------------------|
| <b>Division</b>                      | <b>Corporate Director</b> | <b>Cabinet Member</b> |
| <b>Highways &amp; Transportation</b> | <b>Simon Jones</b>        | <b>Neil Baker</b>     |

### Key Performance Indicators

| Ref  | Indicator description   | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Month RAG | Year to Date | YTD RAG | Target | Floor | Prev. Yr |
|------|---|--------|--------|--------|--------|-----------|--------------|---------|--------|-------|----------|
| HT01 | Potholes repaired in 28 calendar days                                     | 87%    | 85%    | 75%    | 90%    | GREEN     | 80%          | AMBER   | 90%    | 80%   | 76%      |
| HT02 | Faults reported by the public completed in 28 calendar days               | 86%    | 90%    | 89%    | 88%    | AMBER     | 83%          | AMBER   | 90%    | 80%   | 84%      |
| HT04 | Customer satisfaction with service delivery (100 Call Back)               | 87%    | N/a    | 83%    | N/a    | RED       | 88%          | AMBER   | 95%    | 85%   | 94%      |
| HT08 | Emergency incidents attended to within 2 hours                            | 95%    | 99%    | 96%    | 99%    | GREEN     | 94%          | RED     | 98%    | 95%   | 94%      |
| HT12 | Streetlights, illuminated signs and bollards repaired in 28 calendar days | 93%    | 92%    | N/a    | N/a    | GREEN     | 94%          | GREEN   | 90%    | 80%   | 95%      |
| HT14 | Priority Enquiries completed within 20 working days                       | 38%    | 44%    | 85%    | 76%    | AMBER     | 42%          | RED     | 85%    | 75%   | 74%      |

\* Not available at time of reporting.

HT01 – Due to demands of Winter and to keep roads as safe as we can, we have empowered stewards and inspectors to undertake repairs where it is safe to do so and these repairs are now included in results, thus for October the number of potholes requiring repairs was 1,526 of which 1,375 were completed on time, meeting the 90% target. The Highways Management team and Amey (the term maintenance contractor) continue to work collaboratively together to ensure performance remain on the target level.

HT02 – Although this KPI has recovered from lower performance earlier in the year, the latest performance is slightly under target. From July this year to October, the service has had 19,643 enquiries, which is nearly 5,000 more than last year and above expectations.

HT04 – Some customers remain unhappy with delays to repairs following on from the very busy winter and spring where we received high numbers of pothole issues. Feedback has also mentioned the quality of repairs and poor communications regarding how enquiries are progressing. This feedback goes to all service managers to investigate and implement improvements as required.

HT08 – The service dealt with a total of 615 emergency incident calls between July and October, of which 599 (97%) were responded to within 2 hours, but with all incidents made safe. The Highways Management team and Amey are collaboratively working together through a series of workshops and steering groups to ensure performance gets back to the target level.

HT14 – This area of work is now under a newly centralised team within the Deputy Chief Executive’s Department who work closely with the Highways & Transportation Division. Performance has improved since the backlog of cases are dealt with. However, there are still a number of historic cases which the team are following up on that have exceeded the 20-day target. Higher numbers of enquiries were received in September and October relating to bus services and the start of the school year, however performance remained above the floor standard.

## Activity Indicators

| Ref   | Indicator description   | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23       | Year to Date  | In expected range? | <u>Expected Range</u><br>Upper   Lower |        |
|-------|---|--------|--------|--------|--------|--------------|---------------|--------------------|--|--------|
| HT01b | Potholes due to be repaired (arising from routine faults reported)  | 1,659  | 777    | 1,019  | 918    | 846          | <b>8,936</b>  | <b>Above</b>       | 7,900                                  | 5,100  |
| HT02b | Routine faults reported by the public due for completion            | 6,325  | 5,540  | 5,132  | 4,349  | 4,622        | <b>43,934</b> | <b>Above</b>       | 32,800                                 | 25,800 |
| HT06  | Number of new enquiries requiring further action (total new faults) | 7,800  | 7,362  | 6,998  | 6,597  | 6,673        | <b>53,978</b> | Yes                | 56,400                                 | 45,200 |
| HT07  | Work in Progress (active enquiries/jobs) - end of month snapshot    | 9,499  | 8,759  | 8,247  | 7,681  | <b>8,845</b> | N/a           | <b>Above</b>       | 6,600                                  | 5,600  |
| HT13  | Streetwork permits issued   | 14,139 | 12,345 | 12,485 | 11,822 | 12,888       | <b>87,011</b> | Yes                | 96,600                                 | 79,200 |

HT01b & HT02b – The number of potholes requiring repair and faults due for completion is above the expected range owing to the adverse weather both in summer and autumn, but teams have been working hard to decrease the backlog.

HT07 – Work in progress is lower than earlier in the year as the backlog of repairs is addressed, however it has increased in October and remains higher than the expected range.



|                                    |                           |                       |
|------------------------------------|---------------------------|-----------------------|
| <b>Division</b>                    | <b>Corporate Director</b> | <b>Cabinet Member</b> |
| <b>Highways and Transportation</b> | <b>Simon Jones</b>        | <b>Neil Baker</b>     |

### Digital Take-up indicators

| Ref  | Indicator description  | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Year to Date | YTD RAG | Target | Floor | Prev. Year |
|------|--|--------|--------|--------|--------|--------------|---------|--------|-------|------------|
| DT01 | Percentage of public enquiries for Highways Maintenance completed online | 63%    | 64%    | 62%    | 62%    | 66%          | GREEN   | 60%    | 50%   | 65%        |
| DT03 | Percentage of concessionary bus pass applications completed online       | 80%    | 77%    | 77%    | 78%    | 77%          | GREEN   | 75%    | 65%   | 75%        |
| DT04 | Percentage of speed awareness courses bookings completed online          | 89%    | 88%    | 87%    | 84%    | 88%          | GREEN   | 85%    | 75%   | 86%        |

|   |                           |                        |
|---|---------------------------|------------------------|
| <b>Division</b>                           | <b>Corporate Director</b> | <b>Cabinet Members</b> |
| <b>Environment &amp; Circular Economy</b> | <b>Simon Jones</b>        | <b>Roger Gough</b>     |

**Key Performance Indicators - Rolling 12 months except WM08 (Quarterly) and WM10 (Half-yearly)**

| Ref   | Indicator description   | Sep-22        | Dec-22 | Mar-23 | Jun-23    | Sep-23       | RAG   | Target | Floor |
|-------|---|---------------|--------|--------|-----------|--------------|-------|--------|-------|
| WM01  | Municipal waste* recycled and composted   | 43%           | 43%    | 42%    | 42%       | <b>42%</b>   | AMBER | 50%    | 42%   |
| WM02  | Municipal waste* converted to energy  | 56%           | 57%    | 58%    | 58%       | <b>58%</b>   | GREEN | 49%    | 44%   |
| 01+02 | Municipal waste diverted from landfill  | 99.2%         | 99.2%  | 99.8%  | 99.9%     | <b>99.9%</b> | GREEN | 99%    | 95%   |
| WM03  | Waste recycled and composted at Household Waste Recycling Centres (HWRCs)               | 47%           | 43%    | 42%    | 42%       | <b>43%</b>   | AMBER | 50%    | 42%   |
| WM04  | Percentage HWRC waste recycled/composted & wood converted to energy at biomass facility | 67%           | 66%    | 65%    | 66%       | <b>66%</b>   | AMBER | 70%    | 65%   |
| WM08  | Overall score for mystery shopper assessment of Household Waste Recycling Centres       | 96%           | 95%    | 96%    | 96%       | <b>97%</b>   | GREEN | 97%    | 90%   |
| WM10  | Customer satisfaction with HWRCs  | New indicator |        | 96%    | No Survey | <b>96%</b>   | GREEN | 95%    | 90%   |

\* This is waste collected by Districts, and by KCC via HWRCs.

WM01 – This KPI now appears steady at 42%. However, there was reduced recycling in the Canterbury City Council area in July and August at around 20% due to strike action which affected the refuse collections there. The 50% target for this KPI is within the Kent Joint Municipal Waste Strategy agreed by the Kent Resource Partnership. Those Collection Authorities with Inter Authority Agreements with KCC do achieve better rates of recycling.

WM03 – A slight improvement in this KPI in the 12 months to September is largely due to a slightly wetter summer this year producing increased volumes of organic waste which can be composted.

WM04 – This KPI appears fairly stable at the 66% mark, with similar volumes of wood being taken to HWRC's each month which is now converted to energy.

|   |                           |                        |
|---|---------------------------|------------------------|
| <b>Division</b>                           | <b>Corporate Director</b> | <b>Cabinet Members</b> |
| <b>Environment &amp; Circular Economy</b> | <b>Simon Jones</b>        | <b>Roger Gough</b>     |

**Activity Indicators** (Rolling 12 months)

| Ref   | Indicator description  | Sep-22  | Dec-22  | Mar-23  | Jun-23  | Sep-23         | In expected range? | Expected Range<br>Upper   Lower |         |
|-------|--|---------|---------|---------|---------|----------------|--------------------|---------------------------------|---------|
| WM05  | Waste tonnage collected by District Councils                         | 562,674 | 557,810 | 555,365 | 559,642 | <b>560,292</b> | Yes                | 570,000                         | 550,000 |
| WM06  | Waste tonnage collected at HWRCs                                     | 93,920  | 93,898  | 94,238  | 96,894  | <b>100,514</b> | Yes                | 120,000                         | 100,000 |
| 05+06 | Total waste tonnage collected  | 656,594 | 651,708 | 649,603 | 656,536 | <b>660,806</b> | Yes                | 690,000                         | 650,000 |
| WM07  | Waste tonnage converted to energy at Allington Waste to Energy Plant | 320,213 | 318,761 | 323,934 | 323,801 | <b>324,700</b> | Yes                | 340,000                         | 320,000 |
| WM09  | Wood Tonnage converted to energy at Biomass Facility                 | 12,238  | 16,589  | 21,648  | 22,384  | <b>22,604</b>  | Yes                | 23,000                          | 20,000  |

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WM06 – Most of the increase in tonnage at HWRCs has come from additional organic waste collected across Kent, probably due to a wetter summer than last year. There was also additional waste taken to Canterbury and Herne Bay HWRCs as residents in these areas disposed of waste normally collected at the kerbside.

| Division                       | Corporate Director | Cabinet Member |
|--------------------------------|--------------------|----------------|
| Environment & Circular Economy | Simon Jones        | Roger Gough    |

**Key Performance Indicator** (rolling 12-month total, reported one Quarter in arrears)

| Ref | Indicator description  | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Jun-23 | RAG   | Target | Floor  |
|-----|--|--------|--------|--------|--------|--------|--------|-------|--------|--------|
| EW2 | Greenhouse Gas emissions from KCC estate (excluding schools) in tonnes | 17,353 | 15,611 | 15,224 | 14,726 | 13,550 | 12,637 | GREEN | 14,227 | 15,615 |

EW2 – The greenhouse gas emission target for Quarter 1, 2023/24 has been met with a total of 12,637 tCO<sub>2</sub>e of greenhouse gas emissions compared with the target of 14,227 tCO<sub>2</sub>e. Electricity generated by KCC's Bowerhouse II solar farm has had a positive impact on offsetting KCC's emissions for the Quarter. Emissions remain ahead of the target, placing us in a good position to deliver our emission target for 2023/24.

**Key Performance Indicators** (monthly)

| Ref  | Indicator description   | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Year to Date | YTD RAG | Target | Floor |
|------|---|--------|--------|--------|--------|--------|--------------|---------|--------|-------|
| EW1  | Percentage of statutory planning consultee responses submitted within 21 days | 94%    | 96%    | 95%    | 86%    | 92%    | 93%          | GREEN   | 90%    | 80%   |
| DT05 | Percentage of HWRC voucher applications completed online                      | 100%   | 100%   | 99%    | 100%   | 100%   | 99.6%        | GREEN   | 98%    | 90%   |

**From:** Neil Baker Cabinet Member, Highways and Transportation  
Simon Jones – Corporate Director, Growth Environment and Transport.

**To:** Environment and Transport Cabinet Committee Meeting – 11<sup>th</sup> January 2024.

**Subject:** Procurement and award of contract/s for Highway Arboriculture Programmed Works

**Key decision** – 23/00118

**Classification:** Unrestricted

**Past Pathway of Paper:** N/A

**Future Pathway of Paper:** Cabinet Member Decision

**Electoral Division:** All

**Summary:** The procurement and award of this contract will facilitate programmed and ad-hoc tree works for a five-year period both on and adjacent to the highway network with the possibility to extend for a further three years. The current contract for this service comes to an end on 31<sup>st</sup> August 2024. A Key Decision is required to award the contract/s for this service as the value of the contract over the term, including optional extensions, exceeds £1m.

**Recommendation(s):**

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Highways and Transportation on the proposed decision to:

- APPROVE the procurement of the Arboriculture Programmed Works Contract and in consultation with the Cabinet Member for Highways and Transportation delegate authority to the Director of Highways and Transportation to approve the award of the subsequent contract to the preferred bidder and to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision

and

- in consultation with the Cabinet Member for Highways and Transportation DELEGATE authority to the Director of Highways and Transportation to award extensions of the Arboriculture Programmed Works Contract in accordance with the possible extension clauses within the contract

as shown at Appendix A.

## 1. Introduction

- 1.1 The arboriculture programmed works contract is required to ensure that KCC complies with its 'Duty of Care' under the Highway Act 1980 and fulfils its obligations in both Statute and Common Law as a land and tree owner.
- 1.2 The requirement is for the provision of safety critical tree works resulting from the Highway Soft Landscape Teams Tree Safety Audits.
- 1.3 The contract will also provide for street tree planting and allow KCC to fulfil its commitments to *Plan tree* by maintaining our current tree asset numbers and planting 850 trees p/a.
- 1.4 The current contract comes to an end on 31<sup>st</sup> August 2024 after five years which includes three one-year extensions, no further contract extensions can be made under this contract. In order to ensure continuity of service, new arrangements need to be in place from September 1<sup>st</sup>, 2024.
- 1.5 To allow for a three-month mobilisation period the successful tenderer will need to be appointed by the 1<sup>st</sup> June 2024.

## 2. Report

- 2.1 The contract will provide for:
  - Programmed tree works as a result of Tree Safety Audits (TSA).
  - Removal of dangerous trees and branches on both public and private property.
  - Removal of tree stumps and replacement tree planting.
  - Cyclical pollarding and basal growth removal
  - Emergency response during storm events
  - Management of Ash Dieback
  - Street tree planting
- 2.2 There are currently approximately 40,500 individual tree assets on the urban highway network and 80,000 within groups. There are a further 370,000 trees within tree belts, rural areas, and woodland fringes. A conservative application of the industry standard Capital Asset Valuation of Amenity Trees (CAVAT) system estimates the value of the 40,500 individual urban trees at over £371m.
- 2.3 It is important that Kent Highways delivers an effective fit for purpose highway arboriculture works service which operationally delivers, meets our statutory obligations in terms of highway Asset Management and public safety whilst protecting the reputation of the County Council in delivering this part of the Highway service.
- 2.4 The contract will support tree clearance services during emergency events such as storms or heavy snow.

- 2.5 Trees are a long-term organic asset and as such poor-quality tree works can have a long-lasting impact on the Soft Landscape asset with limited scope for rectification. This contract, through robust specification, contract management and quality monitoring delivers on this and secures the long-term future of our tree stock.
- 2.6 The arboriculture works contract requires specialist knowledge by those contractors undertaking the works. They must comply with British Standard BS3998: 2010 Tree Work Recommendations and have the requisite industry standard certificates of competence to carry out the works.
- 2.7 The contract will allow for street tree planting and will go towards the Councils commitment on *Plan Tree*. It will be used to plant between 850 and 1000 trees per year for Kent Highways.

### 3. Commissioning

- 3.1 Market engagement meetings were held during early June 2023. Eight SME's were shortlisted and provided detailed information on their preferences for lot size, contract term and specifications which have influenced the final commissioning strategy.
  - Lotting:  
Suppliers preferred smaller lots, enabling them the flexibility to bid for multiple lots to suit their business capacity and capability.
  - Contract Period:  
A contract term of greater than five years was preferred to allow investment in machinery and staff.
  - Investment in the Market:  
Resourcing is problematic to the industry; it is hard to retain skilled staff and attract school leavers to the industry. Continuing to combine tree planting and tree maintenance contracts provides suppliers with work requiring a varying level of skill and allows them to take on school leavers and/or apprentices.
- 3.2 The arboriculture works market is almost exclusively provided by SME's as the specialised nature of these works favours this type of supplier.
- 3.3 A Commercial Strategy report was provided to the Commercial and Procurement Oversight Board on the 31<sup>st</sup> October 2023 and subsequently approved with amendments to support the best value duty of "Securing Kent's Future".
- 3.4 This procurement will cover the whole of the county (12 districts). The contract is proposed to be let for five years with the option to extend by up to three years in one-year intervals (Eight years total).
- 3.5 The County has been divided into two lots and will be awarded on the basis of the most economically advantageous bid, with Tenderers being able to bid for both lots. The quality assessment will evaluate that Tenderers have the relevant

capability and resource to deliver the service countywide; if they fail this element the maximum number of Lots awarded will be capped to one.

3.6 The lotting strategy is as follows:

- Lot 1 – West (Gravesham, Sevenoaks, Dartford, Tonbridge & Malling, Maidstone and Tunbridge Wells)
- Lot 2 - East (Thanet, Dover, Folkestone & Hythe, Ashford, Canterbury, and Swale)

3.7 The procurement will be completed using a negotiated style process with selection questions and award in two stages and will be conducted under the close supervision of the Commercial and Procurement Division. The procurement timetable is detailed below.

3.8 Suppliers will be required to meet minimum standards for Health and Safety and other key selection criteria through a Selection Questionnaire (SQ) process. Once through the SQ stage successful tenderers will be requested to submit a price and answer further project specific quality questions. Once the quality threshold has been achieved evaluation will be based on price.

3.9 The Council reserves the right to undertake an optional negotiation stage (third stage). Following this stage tenderers will be invited to submit their final best and final offers, which is expected to focus on price rather than quality.

#### **Procurement timetable**

- SQ Out – 20<sup>th</sup> Nov 23
- SQ Return – 20<sup>th</sup> Dec 2023
- ITT Out – 29<sup>th</sup> Jan 2024
- ITT Return – 28<sup>th</sup> Feb 2024
- ITT Negotiation (if required) – mid – late March 2024
- Final ISFT Out –w/c 8<sup>th</sup> April 2024
- Evaluation and Award Governance – Est w/c 10<sup>th</sup> May
- Standstill period – 17<sup>th</sup> May - 27<sup>th</sup> May 2024
- Contract Award – Est end May 2024
- Mobilisation Period – June, July, August 2024
- Service Commencement Date – 1st September 2024

#### **4. Financial Implications**

4.1 The annual budget for the work covered by this contract is **£1.09m** per annum. The majority of the work is reactive and based around tree safety audits. The current forecast of safety critical work fits within the Soft Landscape base budgets. The total spend over the contract duration (five years plus extensions) is estimated at **£8.72m**.

4.2 This contract has been tendered based on existing specifications and work volumes and will be contained within the Highways - Soft Landscaping team's budgets.



- 4.3 The funding for this contract will come from both Capital and Revenue budgets. The revenue spend will be concerned with the delivery of the tree safety audit works and general maintenance and is forecast to be **£970k** p/a which fits within the Soft Landscape team's budget. The capital budget will be used for tree planting schemes and is forecast to be **£120k** p/a. which is included within the DfT capital grant and supplemented with additional Government Grants.
- 4.4 The contracts will allow for an annual uplift based on GM87, the Ground Maintenance index for soft landscaping services.
- 4.5 Delivery Options - To date three options for the future provision of these works have been considered, as set out below.
- **Option 1 – Do Nothing**  
Discounted as The Council has a legal duty to carry out safety critical maintenance of its trees.
  - **Option 2 – Procure one provider to deliver the county.**  
Unlikely to access SME providers and does not provide as much resilience as multiple providers but could deliver a more competitive price.
  - **Option 3 – Procure multiple providers across district grouped lots.**  
This is a similar model to other tree contracts E.g., Emergency Tree Contract. Provides more resilience throughout the County but may not deliver the most cost-effective solution.
  - **Option 4 – Procure across district grouped lots but allow one provider to deliver the County if most competitively priced.**  
Provides access to both SME's and larger providers. If two providers are lowest combined price this could also provide resilience.
- 4.6 To ensure that the Council obtains best value, Option 4 has been taken forward with a two-lot strategy. This provides the possibility for larger providers to bid for the whole County but still allows SME's to bid for individual lots. This will give a competitive tender process with the opportunity of more resilience to the supply chain.

## **5. Legal implications**

- 5.1 The Council has a 'Duty of Care' under the Highway Act 1980 and obligations under both Statute and Common Law as a land and tree owner. This includes ensuring that its trees are regularly inspected and raising appropriate works.
- 5.2 The award of any contracts will be in full compliance with all relevant procurement regulation.
- 5.3 This contract includes raising appropriate safety critical works to ensure public safety.

## **6. Policy Framework**

- 6.1 Allows compliance with the Highway Asset Management Plans risk-based approach and the principles of the Well-managed Highway Infrastructure Code of Practice 2018.
- 6.2 Kents Environment Strategy 2016 seeks to 'Improve the county of Kent's environmental, social and economic resilience to environmental change'. With sub-priority 9.4 seeking to 'Build resilience to the impacts of environmental change, disease and invasive species on human, plant and animal health'.
- 6.3 Objectives set out in 'Kent County Councils Tree Establishment Strategy 2022 – 2032' determine a key action point as 'exemplar provision for trees on our own estate' in addition to 'Improving protection to trees in Kent'.
- 6.4 The commissioning of a professional arboriculture works service will assist in facilitating Kent's objectives in *Plan Tree*, the 'Kent Tree Establishment Strategy 2022-2032'.

## **7. Equalities implications**

- 7.1 An equalities assessment for the Arboriculture Programmed Works service has been carried out as part of the commissioning process. No impacts have been found.

## **8. Conclusions**

- 8.1 The current Arboriculture Programmed Works contract will end on the 31<sup>st</sup> August 2024.
- 8.2 A procurement process has commenced in line with the timetable contained within this report and as detailed in the Commercial Strategy presented to the Commercial and Procurement Oversight Board on the 31<sup>st</sup> October 2023.
- 8.3 There are no further options to extend the existing contract.

**9. Recommendations:**

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Highways and Transportation on the proposed decision to:

- APPROVE the procurement of the Arboriculture Programmed Works Contract and in consultation with the Cabinet Member for Highways and Transportation delegate authority to the Director of Highways and Transportation to approve the award of the subsequent contract to the preferred bidder and to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision

and

- in consultation with the Cabinet Member for Highways and Transportation DELEGATE authority to the Director of Highways and Transportation to award extensions of the Arboriculture Programmed Works Contract in accordance with the possible extension clauses within the contract

as shown at Appendix A.

**10. Background Documents**

- Appendix A – Proposed Record of Decision
- Appendix B - EqIA SC22272 Highways Arboriculture Contract

**11. Contact Details**

|   |  |
|---|--|
| <p>Lead Officers:<br/>Andrew Loosemore<br/>Head of Highways<br/>03000 4116532<br/><a href="mailto:andrew.loosemore@kent.gov.uk">andrew.loosemore@kent.gov.uk</a></p> <p>Robin Hadley<br/>Soft Landscape Asset Manager<br/>03000 413647<br/><a href="mailto:robin.hadley@kent.gov.uk">robin.hadley@kent.gov.uk</a></p> | <p>Relevant Director:<br/>Haroona Chughtai<br/>Director of Highways &amp; Transportation<br/>03000 412479<br/><a href="mailto:haroona.chughtai@kent.gov.uk">haroona.chughtai@kent.gov.uk</a></p> |
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# KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

## DECISION TAKEN BY

Neil Baker, Cabinet Member – Highways & Transport

## DECISION NO:

23/00118

For publication

Key decision Yes

**Subject: Procurement and award of contract/s for Highway Arboriculture Programmed works**

### Decision:

As Cabinet Member for Highways and Transportation, I agree to:

APPROVE the procurement of the Arboriculture Programmed Works Contract and in consultation with the Cabinet Member for Highways and Transportation delegate authority to the Director of Highways and Transportation to approve the award of the subsequent contract to the preferred bidder and to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision and;

- in consultation with the Cabinet Member for Highways and Transportation DELEGATE authority to the Director of Highways and Transportation to award extensions of the Arboriculture Programmed Works Contract in accordance with the possible extension clauses within the contract.

### Reason(s) for decision:

The current Highway Arboriculture Programmed Works contract comes to an end on 31st August 2024 with no provision for further extension periods. In order to ensure continuity of service, new arrangements need to be in place from September 1st, 2024.

### Cabinet Committee recommendations and other consultation:

The Environment and Transport Cabinet committee will consider the proposal decision at its meeting on the 11<sup>th</sup> January 2024.

### Any alternatives considered:

- **Do Nothing** - Discounted as The Council has a legal duty to carry out safety critical maintenance of its trees.
- **Procure one provider to deliver the county.** This option is unlikely to access SME providers and does not provide as much resilience as multiple providers but could deliver a more competitive price.
- **Procure multiple providers across district grouped lots.** This is a similar model to other tree contracts E.g., Emergency Tree Contract. Provides more resilience throughout the County but may not deliver the most cost-effective solution.

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

.....  
signed

.....  
date

Name:

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## EQIA Submission – ID Number

### Section A

**EQIA Title**

Re-tender of Highways Arboriculture Term Works Contract\_ 2024 - 2029 Ref SC22272

**Responsible Officer**

Robin Hadley - GT TRA

### Type of Activity

**Service Change**

No

**Service Redesign**

No

**Project/Programme**

No

**Commissioning/Procurement**

Commissioning/Procurement

**Strategy/Policy**

No

**Details of other Service Activity**

No

### Accountability and Responsibility

**Directorate**

Growth Environment and Transport

**Responsible Service**

Highways/Soft Landscape Team

**Responsible Head of Service**

Andrew Loosemore - GT TRA

**Responsible Director**

Haroona Chughtai - GT TRA

### Aims and Objectives

The current Highways Tree Works Contract is due to end on 31 Sept 2024. The council is required to re-tender the contract under OJEU regulations due to the total value of works over the contract period. This contract ensures that Kent County Council highway assets are maintained in a safe condition.

Continuity of term tree works provision for the highway tree asset. Professional tree works are required to meet 'Duty of Care' to highway users and comply with the Highways Act 1980.

It contributes to KCC's strategic objectives through:

- Fewer people killed or seriously injured on Kent's roads
- Everyone can choose to travel safely, efficiently and pleasantly to employment, education, social and cultural opportunities
- Customer satisfaction by providing 'the right services in the right way for the right people'
- Maximising lifespan and minimising lifecycle costs of the highway and its assets and improving maintainability by embedding asset management principles into everything we do
- Cost effective statutory and discretionary services by commissioning well and being commercially astute.

### Section B – Evidence

Do you have data related to the protected groups of the people impacted by this activity?

|   |
|---|
| No  |
| <b>It is possible to get the data in a timely and cost effective way?</b>   |
| No  |
| <b>Is there national evidence/data that you can use?</b>  |
| Yes   |
| <b>Have you consulted with stakeholders?</b>  |
| Yes   |
| <b>Who have you involved, consulted and engaged with?</b>   |
| 1. Market Engagement conducted Spring 2023 with Contractors and stakeholders  |
| 2. The Highway Customer Service Module provides information annually regarding the impacts of tree works on customers and feedback on the service.  |
| The maintenance of the asset is highly variable as they are spread inconsistently around the county.  |
| Depending on the assets position, this will determine if there is a need to make local adjustments.   |
| The Customer Service Module provides data on requests to deal with trees. If the customer identifies as being disabled or other characteristic, then this will be assessed as to the action that is needed. |
| <b>Has there been a previous Equality Analysis (EQIA) in the last 3 years?</b>  |
| No  |
| <b>Do you have evidence that can help you understand the potential impact of your activity?</b>   |
| Yes   |
| <b>Section C – Impact</b>   |
| <b>Who may be impacted by the activity?</b>   |
| <b>Service Users/clients</b><br>Service users/clients   |
| <b>Staff</b><br>Staff/Volunteers  |
| <b>Residents/Communities/Citizens</b><br>Residents/communities/citizens   |
| <b>Are there any positive impacts for all or any of the protected groups as a result of the activity that you are doing?</b>  |
| Yes   |
| <b>Details of Positive Impacts</b>  |
| The positive effects of maintaining the asset impact the whole population. Locally it may have a greater impact on age or disability, but this will only be identified at the time.                         |
| Positive impacts include:   |
| 1. Unrestricted access for protected characteristics of age and disability  |
| 2. Increased Highway safety for all groups as a result of less trip hazards/obstructions/visibility issues  |
| 3. Increased biodiversity for all groups through the planting of new street trees   |
| 4. Highway infrastructure/assets not degraded by tree asset resulting in a safer highway which provides positive impacts for all groups.(streetlights/signage/safety cameras/bus routes)                    |
| <b>Negative impacts and Mitigating Actions</b>  |
| 19.Negative Impacts and Mitigating actions for Age  |



|  |
|--|
| <b>Are there negative impacts for age?</b>   |
| No   |
| <b>Details of negative impacts for Age</b>   |
| Not Applicable   |
| <b>Mitigating Actions for Age</b>  |
| Not Applicable   |
| <b>Responsible Officer for Mitigating Actions – Age</b>                            |
| Not Applicable   |
| <b>20. Negative impacts and Mitigating actions for Disability</b>                  |
| <b>Are there negative impacts for Disability?</b>                                  |
| No   |
| <b>Details of Negative Impacts for Disability</b>                                  |
| Not Applicable   |
| <b>Mitigating actions for Disability</b>   |
| Not Applicable   |
| <b>Responsible Officer for Disability</b>  |
| Not Applicable   |
| <b>21. Negative Impacts and Mitigating actions for Sex</b>                         |
| <b>Are there negative impacts for Sex</b>  |
| No   |
| <b>Details of negative impacts for Sex</b>   |
| Not Applicable   |
| <b>Mitigating actions for Sex</b>  |
| Not Applicable   |
| <b>Responsible Officer for Sex</b>   |
| Not Applicable   |
| <b>22. Negative Impacts and Mitigating actions for Gender identity/transgender</b> |
| <b>Are there negative impacts for Gender identity/transgender</b>                  |
| No   |
| <b>Negative impacts for Gender identity/transgender</b>                            |
| Not Applicable   |
| <b>Mitigating actions for Gender identity/transgender</b>                          |
| Not Applicable   |
| <b>Responsible Officer for mitigating actions for Gender identity/transgender</b>  |
| Not Applicable   |
| <b>23. Negative impacts and Mitigating actions for Race</b>                        |
| <b>Are there negative impacts for Race</b>   |
| No   |
| <b>Negative impacts for Race</b>   |
| Not Applicable   |
| <b>Mitigating actions for Race</b>   |
| Not Applicable   |
| <b>Responsible Officer for mitigating actions for Race</b>                         |
| Not Applicable   |
| <b>24. Negative impacts and Mitigating actions for Religion and belief</b>         |
| <b>Are there negative impacts for Religion and belief</b>                          |
| No   |
| <b>Negative impacts for Religion and belief</b>                                    |
| Not Applicable   |
| <b>Mitigating actions for Religion and belief</b>                                  |

|  |
|--|
| Not Applicable   |
| <b>Responsible Officer for mitigating actions for Religion and Belief</b>              |
| Not Applicable   |
| <b>25. Negative impacts and Mitigating actions for Sexual Orientation</b>              |
| <b>Are there negative impacts for Sexual Orientation</b>                               |
| No   |
| <b>Negative impacts for Sexual Orientation</b>   |
| Not Applicable   |
| <b>Mitigating actions for Sexual Orientation</b>                                       |
| Not Applicable   |
| <b>Responsible Officer for mitigating actions for Sexual Orientation</b>               |
| Not Applicable   |
| <b>26. Negative impacts and Mitigating actions for Pregnancy and Maternity</b>         |
| <b>Are there negative impacts for Pregnancy and Maternity</b>                          |
| No   |
| <b>Negative impacts for Pregnancy and Maternity</b>                                    |
| Not Applicable   |
| <b>Mitigating actions for Pregnancy and Maternity</b>                                  |
| Not Applicable   |
| <b>Responsible Officer for mitigating actions for Pregnancy and Maternity</b>          |
| Not Applicable   |
| <b>27. Negative impacts and Mitigating actions for Marriage and Civil Partnerships</b> |
| <b>Are there negative impacts for Marriage and Civil Partnerships</b>                  |
| No   |
| <b>Negative impacts for Marriage and Civil Partnerships</b>                            |
| Not Applicable   |
| <b>Mitigating actions for Marriage and Civil Partnerships</b>                          |
| Not Applicable   |
| <b>Responsible Officer for Marriage and Civil Partnerships</b>                         |
| Not Applicable   |
| <b>28. Negative impacts and Mitigating actions for Carer's responsibilities</b>        |
| <b>Are there negative impacts for Carer's responsibilities</b>                         |
| No   |
| <b>Negative impacts for Carer's responsibilities</b>                                   |
| Not Applicable   |
| <b>Mitigating actions for Carer's responsibilities</b>                                 |
| Not Applicable   |
| <b>Responsible Officer for Carer's responsibilities</b>                                |
| Not Applicable   |

**From: Neil Baker – Cabinet Member for Highways and Transport**  
**Simon Jones - Corporate Director Growth, Environment and Transport**

**To: Environment & Transport Cabinet Committee 11<sup>th</sup> January 2024**

**Subject: Local Electric Vehicle Infrastructure (LEVI) Project**

Key Decision: 23/00116

Classification: **Unrestricted**

**Past Pathway of report:** NA

**Future Pathway of report:** For Cabinet Member Decision

**Electoral Division:** Kent wide

**Summary:** This report provides an overview of the Local Electric Vehicle Infrastructure (LEVI) fund. It sets out the scope and objectives of the fund and recommends an approach to unlocking the funding and opportunity available to Kent.

**Recommendation(s):**

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Highways and Transportation on the proposed decision to:

(i) ACCEPT a Local Electric Vehicle Infrastructure (LEVI) grant of £12,081,000 capital from Department for Transport to support on-street electric charging point infrastructure provision subject to final review and consideration of detailed terms and conditions.

(ii) DELEGATE authority to the Corporate Director of Growth, Environment and Transport, after consultation with the Cabinet Member for Highways and Transport, and Corporate Director of Finance, to review and agree to the required terms and conditions to enter into the necessary grant arrangements.

(iii) Approve the procurement of a Charge Point Operator partner(s), who will be responsible for the installation, operation and maintenance of a county wide electric vehicle charger network in accordance with the LEVI criteria, subject to agreed terms and conditions.

(iv) DELEGATE authority to the Corporate Director of Growth, Environment and Transport to, in consultation with the Cabinet Member for Highways and Transport, negotiate, finalise and enter into relevant contracts to implement the required contract award

(v) DELEGATE authority to the Corporate Director of Growth, Environment and Transport, after consultation with the Cabinet Member for Highways and Transport

and the Corporate Director of Finance, to accept future years' allocations of the Local Electric Vehicle Infrastructure (LEVI) grant providing funding is given on similar terms.

(vi) DELEGATE authority to the Corporate Director of Growth, Environment and Transport, to take other actions, including but not limited to entering into contracts or other legal agreements, as required to implement the decision;

as shown at Appendix A.

## 1. Introduction

- 1.1 In March 2022 the Government published *Taking charge: the electric vehicle infrastructure strategy (reference 1)* which outlined their intention that Local Authorities should play a leading role in ensuring **equitable access** to Electric Vehicle Charge Points (EVCP) in their localities.
- 1.2 A year later, in February 2023, the Office for Zero Emissions Vehicles (OZEV) published their regional allocation of Local Electric Vehicle Infrastructure (LEVI) funding, of which Kent County Council (KCC), as a Tier 1 authority, was allocated £12,081,000 capital funds to influence the deployment of residential charging. This should primarily focus on on-street locations but can include off-street car parks, charging hubs and other destinations.
- 1.3 In addition, £720,000 revenue funds have been granted to KCC to provide staffing to develop a county wide approach to Electric Vehicle (EV) charging and determine the viability of the LEVI project.
- 1.4 The focus of the LEVI fund is to help deliver a step change in the deployment of local, primarily low power, on-street charging infrastructure to accelerate the commercialisation of, and investment in, the local charging infrastructure sector.
- 1.5 The grant conditions allow for Local Authorities to generate revenue income from the EVCP network - to be quantified following procurement exercise. This revenue can be reinvested into the network to reduce future funding pressures.
- 1.6 The LEVI funds must be drawn down by the end of March 2025. Therefore, application to OZEV, procurement and contract review must all take place in 2024.
- 1.7 Officers have engaged with the market, liaised with partner organisations and OZEV, analysed the available options and have recommended an approach to proceed to market.
- 1.8 A decision is required whether to proceed to formally submit an application to OZEV to accept the funds before proceeding to the tender stage to procure a private sector operator(s), with a view to implementing the EVCP Network in line with LEVI funding criteria.

## 2. Context

- 2.1 Domestic transport is the largest generator of emissions in the UK economy, accounting for 34% of the UK's total emissions in 2022 (reference 2). Of this, the large majority came from road transport vehicles. In Kent, road transport contributes to 44% of CO2 emissions and pollutants (reference 3).
- 2.2 In 2019 KCC recognised the UK climate emergency and, through the framework set out in the Kent and Medway Energy and Low Emissions Strategy (reference 4), a target to achieve net zero emissions for the county by 2050.
- 2.3 At a national level, the UK Government has committed to decarbonise transport, pledging to end the sale of most new petrol and diesel cars by 2030 and that all new cars and vans will be required to be fully zero emission at the tailpipe by 2035 (reference 5). However, research from the Office for Gas and Electricity Markets has found that 36% of households that do not intend to purchase an EV are deterred by the lack of charging points near their home (reference 6).
- 2.4 Currently, facilitating EV charging is not a statutory obligation for Local Authorities. However, in response to a consultation with Local Authorities on EV charging strategies (reference 7), the Department for Transport (DfT) will look to update local transport plans to include the need for local transport authorities to produce local EV charging strategies and ensure provision of chargepoints.
- 2.5 To date, KCC's programme of EVCP delivery has focused primarily on off-street provision within Local Authority car parks across urban and rural settings.

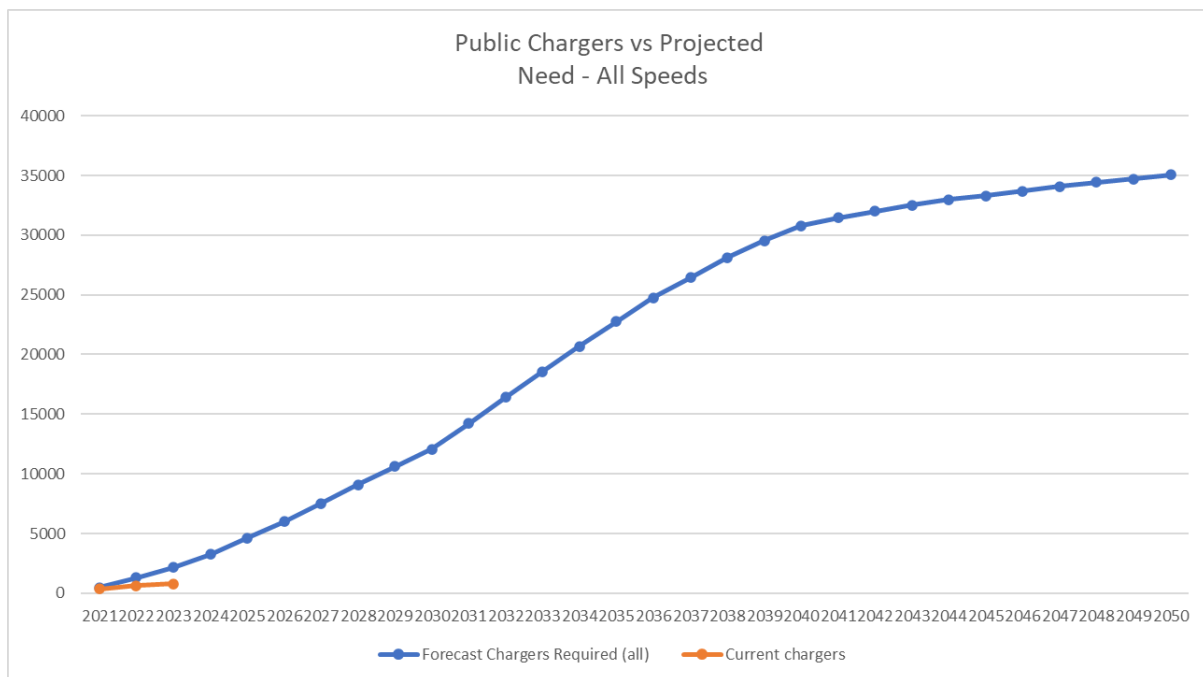
|                                |   |
|--------------------------------|---|
| The Kent EVCP Network          | A multi-partner framework is installing primarily 7kWh chargers in 150 car park locations around Kent under a concession model. 200 EVCP's have been installed to date with a further 200 in development. All District Authority Councils are able to join the framework. |
| The LEVI Pilot Project         | Delivering 100-150kw ultra rapid charging across 3 locations to test technologies, provide learning to the Office for Zero Emission Vehicles (OZEV) and create a revenue income for KCC.  |
| The Rapid Taxi charger Project | Installing 28 x 50 kw rapid chargers for the taxi community to encourage a switch to EV across the county. To date 24 sockets have been installed .   |
| The Parish Charger Network     | Set to install up to 100, 7kWh EVCP's in Parish communities across Kent in response to market failure in rural locations in the county. To date 52 EVCPs have been installed.   |
| Ultra Rapid Charging Hubs      | A project looking to create ultra rapid EVCP hubs on KCC owned land along the Strategic Road Network including A roads. In development with internal Governance decisions required.   |

- 2.6 Utilisation data ie, the measurement of how many hours the EVCP's are distributing electricity, is encouraging, and growing over time. However, there are limitations to this approach due to the locations of available car parks, availability of suitable grid connections, their catchment areas and other factors including parking income generation which can act as a barrier to users.

- 2.7 At the time of writing, 18,585 licenced plug-in cars and light goods vehicles (LGVs) are registered in Kent, representing 2% of the registered cars and LGVs in the county (reference 8). Over the last three years, plug-in vehicle ownership has increased by 285% at an average of 10.6% each quarter. Note that this does not account for vehicles registered elsewhere but travelling through Kent, so the actual number of EVs on Kent roads will be higher.
- 2.8 OZEV want to see Tier 1 Authorities enabling charging for those in most need. In the current landscape of EV charging, OZEV have made it clear that the primary focus should be on existing residential properties without access to private driveways or parking. This is because those with off-street parking can often install a private EVCP and therefore access lower cost, off peak tariffs which only incur 5% VAT compared to 20% on the public network. Typically, those with their own dedicated charger will only access public charging when travelling longer distances. *Note: new developments are obligated to provide chargers as part of Building Regulations, updated in 2022.*
- 2.9 Kent has an estimated 700,949 dwellings (reference 9) with about 40% not having access to off-street parking. Some residents have access to parking but not necessarily the ability to install home charging facilities.

### **3. Forecasting Charger requirements**

- 3.1 *Cenex* was established as the UK's first Centre of Excellence for Low Carbon and Fuel Cell technologies and have been commissioned by OZEV to provide insights to underpin local authority EV strategy development. As part of this work, *Cenex* has created the National EV Insight and Strategy tool (NEVIS).
- 3.2 NEVIS provides indicative estimates in terms of the Electric Vehicle Charger requirements down to Local Authority level. The data presented aligns with Government's current position and the subsequent phasing out of petrol and diesel cars and light goods vehicles (LGV) in 2035.
- 3.3 The forecast anticipates that Kent will require 10,285 standard (<7kW) charger sockets across the entire public network by 2030 and 19,954 by 2035. These figures include input from both the public and private sector and will include chargers on privately owned land that are not influenced by KCC.
- 3.4 OZEV have indicated that the project could aim to influence about half of the figures for the county between 5 – 10,000 sockets.



3.5 The high-level figures are subject to review as the development of the wider public network will impact on LEVI funded delivery, however, high level targets are important at this outline stage to anticipate delivery scale, contractual value and associated requirements of the electricity infrastructure overseen by UK Power Networks.

#### 4. Commercial Options

4.1 To ensure best use of the grant and leverage most value, the primary focus of the LEVI capital fund will be to enable charger installations across less commercially viable locations to ensure no part of Kent is left without the required charging infrastructure. The proportion of these locations across the network will be better known as the project progresses and will ultimately determine how achievable the above targets are.

4.2 Multiple scenarios have been considered as part of the assessment process:

|  | Description  |
|--|--|
| <b>Option 1:</b><br>Do Nothing   | Decline LEVI finding. Existing On street Residential Charge Point (ORCS) funding can be leveraged to cover existing projects in the short term. However, OZEV have made it clear the LEVI will be replacing ORCS and it is likely that ORCS will <u>not</u> be available beyond financial year 2023/24, leaving a funding gap. |
| <b>Option 2:</b><br>Joint Venture  | A new business entity can be established to deliver on-street EVCPs. The associated risk is shared between both KCC and the private sector joint venture partners. Setting up a joint venture comes with its own range of risks which should be carefully considered before choosing this route.                               |
| <b>Option 3:</b><br>No private sector capital investment – External operator | The local authority typically invests all of the capital costs and retains ownership of the assets. Operational responsibilities are transferred to a service provider for part of the revenue.  |

|   |  |
|---|--|
| <p><b>Option 4:</b><br/>Private sector capital investment sought - Concession</p> | <p>A flexible approach that shares aspects of capital costs, operational costs, control and risk between public bodies and their chosen service provider. This approach requires some public sector investment (LEVI) but is primarily funded by the private sector. The local authority has no lasting obligation to the service provider beyond the terms of their concession.</p>   |
| <p><b>Option 5:</b><br/>Land Lease</p>  | <p>A land lease is a low risk-low revenue commercial arrangement where the local authority retains little control over the resulting service by leasing land it owns to a service provider. This is the least involved option for the local authority. Private sector operators are responsible for investment/liability for infrastructure, including maintenance, operation and repairs.</p> <p>Since a 'lease' is just an interest in the property, the party leasing the land has a grant of possession of the land for a definite period and for a definite payment arrangement. Consequently, the local authority has no control over the eventual EVCP infrastructure that is deployed.</p> |
| <p><b>Option 6:</b><br/>Own and Operate</p>                                       | <p>The own and operate model is the most involved commercial arrangement for the local authority, who pays for all capital costs, covers all operational costs and retains all ownership, control, responsibility, risk and revenue. This option would significantly reduce the scale of delivery unless KCC supplemented the LEVI grant money.</p>  |

- 4.3 A Concession Contract is recommended to secure best outcomes. It limits the risk exposure for the Local Authority while generating and income in return for enabling access to land. Additionally, this model allows more control and influence from the Local Authority than a Land Lease model ensuring a widespread, fair EVCP network can be delivered.
- 4.4 All capital expenditure will be met by the private sector and LEVI funds. All ongoing revenue costs associated with charge point operation, maintenance, customer service and financial handling will be met by the private sector.
- 4.5 It is anticipated that a proportion of the grant funding will be allocated for enabling and accelerating standard chargers across the county. Additionally a proportion of the funds would be allocated specifically for the difficult/costly to install areas where the payback period is longer and the Charge Point Operator's (CPO) may not otherwise seek to deliver. The exact allocations will be determined with further engagement with UK Power Networks on the costs to provide power, further market engagement and through the procurement process.
- 4.6 In the event of market failure, any costs associated with decommissioning, removals and reinstatement of highway assets will be met by the CPO. In the event that this is not possible, KCC may draw from revenue generated by the project or via supplier insurance.
- 4.7 Contract length plays an important role in chargepoint deployment. With timescales to recoup investment expected to be lengthy, CPO's require long contracts to give assurance that their investments will make a return. Market engagement indicates that a reasonable contract length would be 15-25 years. This is in line with OZEV projections. CPO's have indicated that the longer the contract, the less grant funding they would require. This is due to them being



able to attract long term infrastructure investors and the cost of capital will be lower for them.

- 4.8 Suitable break clauses and Service Level Agreements will be in place to ensure the contract terms are being met. Officers are engaging with the Commercial and Procurement Team to ensure risks are minimized to KCC when drawing up the contracts.
- 4.9 This recommended approach is the standard approach adopted by Local Authorities and is strongly recommended by OZEV.

## **5. Market Engagement**

- 5.1 A market engagement exercise was conducted between August and October 2023. A questionnaire was hosted on the Governments Contract Finder in order to understand the market and answer a variety of questions surrounding commercial viability and whether delivery against the LEVI criteria could be achieved.
- 5.2 Following review of these questionnaires several suppliers were approached for interviews, where conversations highlighted key information to officers that has helped inform and develop this business case. Key learnings include:
  - Market aligns with KCCs ambitions in terms of objectives and scale.
  - Employ local teams to manage operation and maintenance of the network.
  - Meet KCC's strict service level agreements (SLAs) and requirements surrounding safety critical response times for assets on the highway.
  - Confidence in managing supply chains to accommodate projected chargepoints needed.
  - Provide high quality, durable equipment that meets both safety and Open Charge Point Protocol (OCPP) requirements to mitigate risks identified by officers. OCPP compliance enable any other CPO to take over the kit without any civils works taking place.
  - Contract length will need to be 20 years minimum with a preference for 25 years to allow for a preferred approach of a scaled, controlled 10-year deployment period.
  - KCCs projections in relation to utilisation aligns with the market's expectations.

## **6. Financial Implications**

- 6.1 The preferred "concession" commercial model, will not burden KCC with any financial commitments. Initial installation costs and ongoing operation/maintenance costs will be covered primarily by the CPO. However, KCC will be able to supplement delivery costs via the LEVI capital allocation where needed.
- 6.2 In addition, KCC expects to receive an income from the project. Income potential will be known following the procurement exercise.
- 6.3 Delivering a network of 10,000 on-street EVCP sockets has been costed at £59m. This will be funded by a private sector CPO partner with KCC able to allocate the £12m capital funds as required to bring forward challenging or uneconomically attractive locations.

- 6.4 It is important that KCC retain a good level of control over delivery and site selection. To achieve this, and to secure the necessary revenue in return, KCC must offer investment. LEVI capital funding of £12,081,000.00 will be allocated as ringfenced investment towards the delivery of the project (paid in arrears).
- 6.5 In addition to the LEVI capital funding, a £720,000 Capability Fund has been allocated to KCC in order to cover revenue costs. This allows for increasing staff resources, upskilling and strategic project planning and delivery as well as developing an overarching EV Strategy to encompass all associated projects.
- 6.6 The capital LEVI allocation will help overcome high connection costs and to deliver in locations deemed as less commercially attractive.
- 6.7 All ongoing operation/maintenance and removal costs will be paid for by KCC's chosen private sector charger point operator partner. Passive provision will be provided where appropriate, permitting the initial installation of a low number of chargepoints (1-2 bays) at a given location. As utilisation and local demand increases, additional chargepoints can then be easily fitted, reducing the project cost and preventing additional disruption from further groundwork.
- 6.8 OZEV have a requirement that Local Authorities claim their LEVI grant funding no later than 31 March 2025 post procurement.

## **7. Legal implications**

- 7.1 A legal representative sits on the LEVI project board and are engaging with external experts to fully understand any legal implications associated with the project including:
- Monopoly considerations
  - Exclusivity rights in contract and exclusivity over CPO access to installation on the highway
  - Right to procure
  - Subsidy Control Scheme considerations
  - Leases / License Agreements

## **8. Equalities implications**

- 8.1 Consideration is being given to providing equitable and accessible EVCP's. Officers will ensure design and installation adheres to British Standards on accessible chargepoints and will engage with groups representing those with protected characteristics to inform the procurement exercise.

## **9. Other corporate implications**

- 9.1 There are wider implications from this project on other areas within Highways and Transport. On-street EVCP installations in residential areas could compete for road space with existing residential parking. To mitigate against this the project would be delivered in phases, equally spread across communities and growing as demand and utilisation data requires. Where possible, priority would be given to locations which minimise parking disruption and passive provision will be installed to scale up slowly over a longer timeframe.

## **10. Governance**

10.1 The Cabinet Member for Highways and Transportation is asked to accept the recommendations as outlined in this report.

## **11. Conclusions**

11.1 Consideration has been taken to understand the scope of the LEVI fund, scale of the challenge for Kent, commercial opportunities available and engagement with the grant funders and market operatives. A decision is now required to apply to OZEV to accept the capital Grant funding allocated to Kent. Once approved KCC can proceed through procurement and understand the specific offers available from the market. The Cabinet Member is asked to delegate authority for contract award to the Corporate Director taking advice from KCC's finance, legal and procurement teams.

## **12. Recommendation(s)**

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Highways and Transportation on the proposed decision to:

(i) ACCEPT a Local Electric Vehicle Infrastructure (LEVI) grant of £12,081,000 capital from Department for Transport to support on-street electric charging point infrastructure provision subject to final review and consideration of detailed terms and conditions.

(ii) DELEGATE authority to the Corporate Director of Growth, Environment and Transport, after consultation with the Cabinet Member for Highways and Transport, and Corporate Director of Finance, to review and agree to the required terms and conditions to enter into the necessary grant arrangements.

(iii) Approve the procurement of a Charge Point Operator partner(s), who will be responsible for the installation, operation and maintenance of a county wide electric vehicle charger network in accordance with the LEVI criteria, subject to agreed terms and conditions.

(iv) DELEGATE authority to the Corporate Director of Growth, Environment and Transport to, in consultation with the Cabinet Member for Highways and Transport, negotiate, finalise and enter into relevant contracts to implement the required contract award

(v) DELEGATE authority to the Corporate Director of Growth, Environment and Transport, after consultation with the Cabinet Member for Highways and Transport and the Corporate Director of Finance, to accept future years' allocations of the Local Electric Vehicle Infrastructure (LEVI) grant providing funding is given on similar terms.

(vi) DELEGATE authority to the Corporate Director of Growth, Environment and Transport, to take other actions, including but not limited to entering into contracts or other legal agreements, as required to implement the decision;

as shown at Appendix A.

## **13. Background documents and references**

- Appendix A: Proposed Record of Decision

- Appendix B: Equality Impact Assessment
- 1) HM Government. *Taking Charge: The Electric Vehicle Infrastructure Strategy*. <https://www.gov.uk/government/publications/uk-electric-vehicle-infrastructure-strategy>
  - 2) Department for Energy Security and Net Zero, *2022 UK greenhouse gas emissions, provisional figures* [2022 UK greenhouse gas emissions: provisional figures - statistical release \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/publications/2022-uk-greenhouse-gas-emissions-provisional-figures-statistical-release)
  - 3) Kent State of the Environment Report: Travel and Transport Update. [Travel-and-transport-environmental-statistics.pdf \(kent.gov.uk\)](https://kent.gov.uk/media/2022/09/travel-and-transport-environmental-statistics.pdf)
  - 4) Kent & Medway Energy and Low Emission Strategy. <https://www.kent.gov.uk/about-the-council/strategies-and-policies/service-specific-policies/environment-and-waste-policies/environmental-policies/kent-and-medway-energy-and-low-emissions-strategy> Published June 2020
  - 5) Government takes historic step towards net-zero with end of sale of new petrol and diesel cars by 2030, DfT, BEIS. <https://www.gov.uk/government/news/government-takes-historic-step-towards-net-zero-with-end-of-sale-of-new-petrol-and-diesel-cars-by-2030>
  - 6) Ofgem press release – [Ofgem delivery £300 million downpayment to rewire Britain.](https://www.ofgem.gov.uk/press-releases/2022/09/20220914-ofgem-delivery-300-million-downpayment-to-rewire-britain)
  - 7) [Future of transport regulatory review: zero emission vehicles - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/future-of-transport-regulatory-review-zero-emission-vehicles)
  - 8) Licence Vehicle Data for Kent - Department for Transport and DVLA Data up to Q1 of 2023. <https://www.gov.uk/government/statistical-data-sets/vehicle-licensing-statistics-data-tables>
  - 9) Kent Analytics Statistical Bulletin October 2023 – Housing Stock in Kent. [https://www.kent.gov.uk/data/assets/pdf\\_file/0005/81662/housing\\_stock\\_2023.pdf](https://www.kent.gov.uk/data/assets/pdf_file/0005/81662/housing_stock_2023.pdf)

#### 14. Contact details

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# KENT COUNTY COUNCIL –PROPOSED RECORD OF DECISION

**DECISION TO BE TAKEN BY:**

Neil Baker, Cabinet Member for Highways and Transport

**DECISION NO:**

23/00116

**For publication****Key decision: YES****Subject Matter / Title of Decision: Local Electric Vehicle Infrastructure (LEVI) Project****Decision:**

As Cabinet Member for Highways and Transport, I agree to:

- (i) ACCEPT a Local Electric Vehicle Infrastructure (LEVI) grant of £12,081,000 capital from Department for Transport to support on-street electric charging point infrastructure provision subject to final review and consideration of detailed terms and conditions.
- (ii) DELEGATE authority to the Corporate Director of Growth, Environment and Transport, after consultation with the Cabinet Member for Highways and Transport, and Corporate Director of Finance, to review and agree to the required terms and conditions to enter into the necessary grant arrangements.
- (iii) Approve the procurement of a Charge Point Operator partner(s), who will be responsible for the installation, operation and maintenance of a county wide electric vehicle charger network in accordance with the LEVI criteria, subject to agreed terms and conditions.
- (iv) DELEGATE authority to the Corporate Director of Growth, Environment and Transport to, in consultation with the Cabinet Member for Highways and Transport, negotiate, finalise and enter into relevant contracts to implement the required contract award
- (v) DELEGATE authority to the Corporate Director of Growth, Environment and Transport, after consultation with the Cabinet Member for Highways and Transport and the Corporate Director of Finance, to accept future years' allocations of the Local Electric Vehicle Infrastructure (LEVI) grant providing funding is given on similar terms.
- (vi) DELEGATE authority to the Corporate Director of Growth, Environment and Transport, to take other actions, including but not limited to entering into contracts or other legal agreements, as required to implement the decision.

**Reason(s) for decision:**

In February 2023, the Office for Zero Emissions Vehicles (OZEV) allocated Local Electric Vehicle Infrastructure (LEVI) funding, of £12,081,000 capital and £720,000 revenue to influence the deployment of residential charging. to help deliver a step change in the deployment of local, primarily low power, on-street charging infrastructure to accelerate the commercialisation of, and investment in, the local charging infrastructure sector.

Consideration has been taken to understand the scope of the LEVI fund, scale of the challenge for Kent, commercial opportunities available and engagement with the grant funders and market operatives. A decision is now required to apply to OZEV to accept the capital Grant funding allocated to Kent. Once approved KCC can proceed through procurement and understand the specific offers available from the market.

**Cabinet Committee recommendations and other consultation:**

A market engagement exercise was conducted between August and October 2023 to understand the market and answer a variety of questions surrounding commercial viability and whether delivery against the LEVI criteria could be achieved. Several suppliers were then approached for interviews, where conversations highlighted key information to officers that has helped inform and develop the business case.

The proposed decision is being considered by members of Environment and Transport Cabinet Committee at their meeting on 11 January 2024.

**Any alternatives considered and rejected:**

- **Decline LEVI finding and use existing On street Residential Charge Point (ORCS) funding.** OZEV has made it clear the LEVI will be replacing ORCS and it is likely that ORCS will not be available beyond financial year 2023/24, leaving a funding gap.
- **Joint Venture.** Setting up a joint venture comes with its own range of risks which should be carefully considered before choosing this route.
- **No private sector capital investment – External operator.** The local authority typically invests all of the capital costs and retains ownership of the assets. Operational responsibilities are transferred to a service provider for part of the revenue.
- **Land Lease** Since a 'lease' is just an interest in the property, the party leasing the land has a grant of possession of the land for a definite period and for a definite payment arrangement. Consequently, the local authority has no control over the eventual EVCP infrastructure that is deployed.
- **Own and Operate.** This option would significantly reduce the scale of delivery unless KCC supplemented the LEVI grant money.

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

.....  
signed

.....  
date

## EQIA Submission – ID Number

### Section A

**EQIA Title**

Local Electric Vehicle Infrastructure - LEVI

**Responsible Officer**

Ben Bolton - GT TRA

### Type of Activity

**Service Change**

No

**Service Redesign**

No

**Project/Programme**

Project/Programme

**Commissioning/Procurement**

No

**Strategy/Policy**

No

**Details of other Service Activity**

No

### Accountability and Responsibility

**Directorate**

Growth Environment and Transport

**Responsible Service**

Transport - Highways & Transport

**Responsible Head of Service**

Tim Read - GT TRA

**Responsible Director**

Haroona Chughtai - GT TRA

### Aims and Objectives

**BACKGROUND**

In March 2022 the Government published Taking charge: the electric vehicle infrastructure strategy which outlined their intention that Local Authorities should play a leading role in ensuring equitable access to Electric Vehicle Charge Points (EVCP) in their localities.

In February 2023, the Office of Zero Emissions Vehicles (OZEV) published their regional allocation of Local Electric Vehicle Infrastructure (LEVI) funding, of which Kent County Council (KCC), as a Tier 1 authority, was allocated £12,081,000 Capital funds to develop a county wide approach to EV charging.

The focus of the LEVI fund is to help deliver a step change in the deployment of local, primarily low power, on-street charging infrastructure to accelerate the commercialisation of, and investment in, the local charging infrastructure sector.

OZEV want to see Tier 1 Authorities enabling charging for those in most need. In the current landscape of EV charging, OZEV have made it clear that the primary focus should be on existing residential properties without access to private driveways or parking. This is because those with off-street parking can often install a private EVCP and therefore access lower cost, off peak tariffs which only incur 5% VAT compared to 20% on the public network.

Delivering on-street residential EVCPs would deliver on the Council's overall strategy Framing Kent's Future, by undertaking an infrastructure-first approach of establishing the capability for vehicle charging ahead of mass purchase and use by populations in areas lacking ease of at-home charging.

## OBJECTIVES

The LEVI EVCP network must meet the below objectives to align with KCC's Vision:

**Equitable** - Improving access to EVCP's across all rural and urban areas, particularly areas of market failure. Ensuring everyone has access to safe and efficient travel options and that all communities can benefit from reliable social infrastructure.

**Affordable** - Ensuring that the EVCP infrastructure is affordable in line with market trends.

**Accessible** - To ensure EVCP infrastructure is accessible to all identified user groups in terms of location and user experience without impacting on the safety of other highway users, particularly vulnerable/protected groups.

**Reliable/sustainable** - Support, deliver and monitor a reliable and financially sustainable EVCP network.

## EQUALITY RECOMMENDATIONS

The project will Adjust and continue to remove barriers or better promote equality.

**Charge point design:**

All charge points will be compliant with PAS 1899:2022 Electric Vehicles – Accessibility Charging – Specification. This guidance has been written to ensure accessibility for disabled users. It was written in consultation with disabled charity, Motability.

**Charge point placement:**

All charge point installations will be compliant with KCC technical Specification criteria, developed specifically to ensure additional street furniture does not present additional risk to highway users, particularly pedestrians with disabilities.

Charge point placement will not affect current or future disabled parking bays.

Charge point placement will not focus on areas directly outside the front of residential properties as this may prevent adoption of any future solutions which may allow residents to benefit from charging their vehicle from their home electricity supply.

Charge points will be located in areas in which need has been registered by various groups.

Charge points will be rolled out equally across the county to cater for all demographics rather than focussing on affluent groups.

**Lighting:**

Each new EV charger installation should be carefully considered to ensure it is located in a safe and well lit



or overlooked area. Where this is not possible alternative steps should be taken in terms of alternative location selection. Residential areas will be prioritised.

**Cables:**

The majority of charge points delivered will not provide cables as the user will be required to use their own. However, chargepoint placement on the highway will be in line with KCC Highway guidance to reduce any risk associated with cables trailed between the vehicle and the charger. Charge points will be located at the front of the footway (or on a buildout if pavement width requires)

If any charge points are used which come with in-built cables, their design and placement will be compliant with national accessibility standards - PAS 1899:2022 Electric Vehicles – Accessibility Charging – Specification

**Usability:**

Various payment methods will be available to cater for multiple groups. Service information will be available via online channels as well as over the telephone. Service information will be available in a variety of languages.

**Additional factors:**

Active engagement and consultation with agencies representing disabled groups will ensure the welfare of such groups is considered in project planning and delivery.

**Section B – Evidence**

**Do you have data related to the protected groups of the people impacted by this activity?**

Yes

**It is possible to get the data in a timely and cost effective way?**

Yes

**Is there national evidence/data that you can use?**

Yes

**Have you consulted with stakeholders?**

Yes

**Who have you involved, consulted and engaged with?**

Internal:

- KCC Commissioning Team
- KCC Legal Team
- KCC Finance Team
- Active Travel & Safety Team
- Highways Asset Managers
- Consultation Team

External:

- Commercial Operators
- Office of Zero Emissions Vehicles
- LEVI Support Body
- UK Power Networks

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| District & Borough Councils<br>Neighbouring and other regional authorities   |
| <b>Has there been a previous Equality Analysis (EQIA) in the last 3 years?</b>   |
| No   |
| <b>Do you have evidence that can help you understand the potential impact of your activity?</b>  |
| Yes  |
| <b>Section C – Impact</b>  |
| <b>Who may be impacted by the activity?</b>  |
| <b>Service Users/clients</b><br>Service users/clients  |
| <b>Staff</b><br>Staff/Volunteers   |
| <b>Residents/Communities/Citizens</b><br>Residents/communities/citizens  |
| <b>Are there any positive impacts for all or any of the protected groups as a result of the activity that you are doing?</b>   |
| Yes  |
| <b>Details of Positive Impacts</b>   |
| <p>Levelling up</p> <p>Allowing Kent residents, particularly those without the ability/possibility of home charging to make the switch to electric vehicles. The lack of sufficient local charging solutions is currently a known barrier to EV adoption.</p> <p>Air quality</p> <p>Facilitating EV uptake via provision of a reliable charge point network will help improve local air quality by effectively reducing the amount of fossil fuel vehicles on Kent's roads.</p> <p>Health</p> <p>Improved air quality will have the benefit of improving the health of many of Kent's residents, particularly those with respiratory conditions including children, who are prone to developing respiratory conditions due to negative air quality during lung development. Elderly residents will also benefit as they are also more susceptible to respiratory conditions:</p> <p>Improving air quality may also reduce symptoms of some disabling health conditions as well as improving the health of expectant mothers.</p> |
| <b>Negative impacts and Mitigating Actions</b>   |
| <b>19.Negative Impacts and Mitigating actions for Age</b>  |
| <b>Are there negative impacts for age?</b>   |
| Yes  |
| <b>Details of negative impacts for Age</b>   |
| <p>New technology may not be as accessible or easy to understand for certain groups.</p> <p>Charge points may be difficult to function for certain groups.</p> <p>Charge points may require users to travel a short distance upon use which may be difficult for certain groups.</p> <p>Charge points may act as an obstruction on the highway, presenting a risk to certain groups.</p>   |

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| <b>Mitigating Actions for Age</b>   |
| <p>Guidance will be available to ensure users are aware of how to conduct and pay for charging sessions. This guidance will be available online as well as via the telephone. A 24/7 helpline will be available year-round, for those in urgent need of assistance.</p> <p>Multiple payment methods will be offered, including via the telephone.</p> <p>Charge points will be designed with users of all ages and abilities in mind. This will include socket placement to accommodate users with mobility problems. Charge points will be installed and operated in compliance with national accessibility guidance, specifically PAS 1899:2022 Electric Vehicles – Accessibility Charging – Specification</p> <p>Charge point placement on the highway will adhere to strict technical specification compliance as to not obstruct pedestrians, in particular certain groups classed as vulnerable.</p> <p>Public engagement will allow members of the community to register interest in charge point installation. This will assist project managers in understanding locations in which charge points may be installed as near as possible to those in need, particularly for certain groups.</p> <p>Well-lit and overlooked residential areas will be prioritised for charge point placement to ensure safe operational environments for users.</p> |
| <b>Responsible Officer for Mitigating Actions – Age</b>   |
| Ben Bolton  |
| <b>20. Negative impacts and Mitigating actions for Disability</b>   |
| <b>Are there negative impacts for Disability?</b>   |
| Yes   |
| <b>Details of Negative Impacts for Disability</b>   |
| <p>Charge points may act as an obstruction on the highway, presenting a risk to certain groups.</p> <p>Charge points may be difficult to function for certain groups.</p>   |
| <b>Mitigating actions for Disability</b>  |
| <p>Charge point placement on the highway will adhere to strict technical specification compliance as to not obstruct pedestrians, in particular certain groups classed as vulnerable.</p> <p>Charge points will be designed with users of all ages and abilities in mind. This will include socket placement to accommodate users with mobility problems. Charge points will be installed and operated in compliance with national accessibility guidance, specifically PAS 1899:2022 Electric Vehicles – Accessibility Charging – Specification</p> <p>Well-lit and overlooked residential areas will be prioritised for charge point placement to ensure safe operational environments for users.</p>   |
| <b>Responsible Officer for Disability</b>   |
| Ben Bolton  |
| <b>21. Negative Impacts and Mitigating actions for Sex</b>  |
| <b>Are there negative impacts for Sex</b>   |
| Yes   |
| <b>Details of negative impacts for Sex</b>  |
| Certain user groups may feel unsafe whilst using the charge points  |
| <b>Mitigating actions for Sex</b>   |
| Well-lit and overlooked residential areas will be priorities for charge point placement to ensure safe  |

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| operational environments for users.  |
| <b>Responsible Officer for Sex</b>   |
| Ben Bolton   |
| <b>22. Negative Impacts and Mitigating actions for Gender identity/transgender</b>   |
| <b>Are there negative impacts for Gender identity/transgender</b>  |
| Yes  |
| <b>Negative impacts for Gender identity/transgender</b>  |
| Certain user groups may feel unsafe whilst using the charge points   |
| <b>Mitigating actions for Gender identity/transgender</b>  |
| Well-lit and overlooked residential areas will be prioritised for charge point placement to ensure safe operational environments for users.  |
| <b>Responsible Officer for mitigating actions for Gender identity/transgender</b>  |
| Ben Bolton   |
| <b>23. Negative impacts and Mitigating actions for Race</b>  |
| <b>Are there negative impacts for Race</b>   |
| Yes  |
| <b>Negative impacts for Race</b>   |
| New technology may not be as accessible or easy to understand for certain groups.  |
| Charge points may be difficult to function for certain groups.   |
| <b>Mitigating actions for Race</b>   |
| Guidance will be available to ensure users are aware of how to conduct and pay for charging sessions. This guidance will be available online as well as via the telephone. A 24/7 helpline will be available year-round, for those in urgent need of assistance. |
| The charge points will have functionality for operation within multiple languages and guidance information will also be available in multiple languages.   |
| <b>Responsible Officer for mitigating actions for Race</b>   |
| Ben Bolton   |
| <b>24. Negative impacts and Mitigating actions for Religion and belief</b>   |
| <b>Are there negative impacts for Religion and belief</b>  |
| Yes  |
| <b>Negative impacts for Religion and belief</b>  |
| Certain user groups may feel unsafe whilst using the charge points   |
| <b>Mitigating actions for Religion and belief</b>  |
| Well-lit and overlooked residential areas will be prioritised for charge point placement to ensure safe operational environments for users.  |
| <b>Responsible Officer for mitigating actions for Religion and Belief</b>  |
| Ben Bolton   |
| <b>25. Negative impacts and Mitigating actions for Sexual Orientation</b>  |
| <b>Are there negative impacts for Sexual Orientation</b>   |
| Yes  |
| <b>Negative impacts for Sexual Orientation</b>   |
| Certain user groups may feel unsafe whilst using the charge points   |
| <b>Mitigating actions for Sexual Orientation</b>   |
| Well-lit and overlooked residential areas will be prioritised for charge point placement to ensure safe operational environments for users.  |
| <b>Responsible Officer for mitigating actions for Sexual Orientation</b>   |
| Ben Bolton   |
| <b>26. Negative impacts and Mitigating actions for Pregnancy and Maternity</b>   |

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| <b>Are there negative impacts for Pregnancy and Maternity</b>  |
| Yes  |
| <b>Negative impacts for Pregnancy and Maternity</b>  |
| Certain user groups may feel unsafe whilst using the charge points.  |
| Charge points may require users to travel a short distance upon use which may be difficult for certain groups.   |
| <b>Mitigating actions for Pregnancy and Maternity</b>  |
| Well-lit and overlooked residential areas will be prioritised for charge point placement to ensure safe operational environments for users.  |
| Public engagement will allow members of the community to register interest in charge point installation. This will assist project managers in understanding locations in which charge points may be installed as near as possible to those in need, particularly for certain groups. |
| <b>Responsible Officer for mitigating actions for Pregnancy and Maternity</b>  |
| Ben Bolton   |
| <b>27. Negative impacts and Mitigating actions for Marriage and Civil Partnerships</b>   |
| <b>Are there negative impacts for Marriage and Civil Partnerships</b>  |
| Yes  |
| <b>Negative impacts for Marriage and Civil Partnerships</b>  |
| Certain user groups may feel unsafe whilst using the charge points.  |
| <b>Mitigating actions for Marriage and Civil Partnerships</b>  |
| Well-lit and overlooked residential areas will be prioritised for charge point placement to ensure safe operational environments for users.  |
| <b>Responsible Officer for Marriage and Civil Partnerships</b>   |
| Ben Bolton   |
| <b>28. Negative impacts and Mitigating actions for Carer's responsibilities</b>  |
| <b>Are there negative impacts for Carer's responsibilities</b>   |
| Yes  |
| <b>Negative impacts for Carer's responsibilities</b>   |
| Certain user groups may feel unsafe whilst using the charge points.  |
| Charge points may require users to travel a short distance upon use which may be difficult for certain groups.   |
| <b>Mitigating actions for Carer's responsibilities</b>   |
| Well-lit and overlooked residential areas will be prioritised for charge point placement to ensure safe operational environments for users.  |
| Public engagement will allow members of the community to register interest in charge point installation. This will assist project managers in understanding locations in which charge points may be installed as near as possible to those in need, particularly for certain groups. |
| <b>Responsible Officer for Carer's responsibilities</b>  |
| Ben Bolton   |

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From: **Neil Baker – Cabinet Member for Environment & Transport**  
**Haroona Chughtai – Director of Highways & Transportation**

To: **Environment & Transport Cabinet Committee**

Decision No: **23/00117**

Subject: **North Thanet Link**

Classification: **Unrestricted**

**Past Pathway of Paper:** None

**Future Pathway of Paper:** For Cabinet Member Decision

**Electoral Division:** Birchington & Rural – Derek Crow-Brown, Linda Wright,  
 Margate – Barry Lewis

**Summary:** This paper set out the necessary steps to enable the delivery of the North Thanet Link (formally known as A28 Birchington, Acol and Westgate on Sea Relief Road), and provides a Major Highway Improvement Scheme and funding update.

**Recommendation(s):** The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member on, the proposed decision as follows and as indicated on the proposed decision sheet attached at **Appendix A**, to give approval for the county council to:

- i. PROCEED with the currently developed route and design for North Thanet Link and for this to be further developed as a preferred option which best meets the objectives of the scheme.
- ii. ENABLE KCC officers to project manage, input into the delivery and supervision of the project, with the cost of all staff and consultant time being recoverable against the project funding.
- iii. PROGRESS the preferred option through the next stages of scheme development including detailed design, associated site surveys/investigations, and ancillary works relating to drainage, environmental and highway mitigation.
- iv. DEVELOP and submit a planning application for the scheme, following completion of the outline design process.
- v. TAKE all steps necessary to obtain and implement all Statutory Orders and approvals or consents required for the scheme, including but not limited to Compulsory Purchase Order, Side Roads Order and any Traffic Regulation Orders required for the delivery and successful operation of the scheme.

vi. NEGOTIATE and complete all required land acquisition including by means of Compulsory Purchase Order as necessary to secure the delivery and future maintenance of the scheme.

vii. ENTER into Major Road Network funding agreement with the Department for Transport, subject to the approval of the Corporate Director for Finance and for any secured funding to be spent on the design, development and delivery of the scheme.

viii. PROGRESS And complete a procurement process and enter into construction contracts as necessary for the delivery of the scheme, subject to the approval of Strategic Commissioning.

ix. DELEGATE to the Corporate Director of Growth, Environment and Transport, under the Officer Scheme of Delegations, to take further or other decisions as may be appropriate to deliver the North Thanet Link scheme in accordance with these recommendations.

## **1. Introduction**

- 1.1. The A28 in Thanet is an existing primary highway link which runs between St Nicholas-at-Wade and Margate via Birchington and Westgate on Sea. It is a route of varying specification, which included sections of both dual carriageway and single carriageway. Some sections of the A28 are narrow in nature and do not include dedicated cycling infrastructure.
- 1.2. Road users of the A28 have long experienced high volumes of traffic and unreliable journey times, which often results in 'rat running' of vehicles through local villages and residential streets including Acol village, where a bypass road has long been lobbied for by local stakeholders and the Parish Council. These issues are compounded during times of routine maintenance and unplanned incidents that further reduce available road capacity. Despite recent signage and traffic calming improvements being introduced, Acol village also remains a well-used rat run route by traffic avoiding the A28 corridor, this is particularly noticeable during network peaks.
- 1.3. Seasonal fluctuations in traffic flow are experienced on the A28, with summer months being busier and traffic volumes being unpredictable throughout the day. These instances are often experienced during times of fine weather and local events taking place within the district of Thanet, which is a key tourism destination within the county.
- 1.4. The scope for targeted improvement on the A28 corridor itself is very limited. There are no dedicated cycling facilities on the A28, which has a bearing on travel mode choice for existing and future residents.
- 1.5. As part of the development of the adopted Thanet Local Plan, the Thanet Transport Strategy (TTS) was produced jointly by KCC and TDC. This strategy document sets out several key transport interventions to assist in managing growth on the local highway network across the Local Plan period up to 2031.



- 1.6. The primary mitigation feature within the TTS is the Inner Circuit Route Improvement Strategy (ICRIS), which identifies a package of new and improved highway links to support the existing road network. North Thanet Link focusses delivery of several ICRIS interventions identified within the north of the district. These are also identified as a priority within KCC's Local Transport Plan.
- 1.7. A bid has been submitted to the Department for Transport (DfT) for funding from the Major Road Network (MRN) programme to support the delivery of this key transport infrastructure improvement.
- 1.8. This report provides an overview of the project and recommendations for the required decisions that will enable the scheme to be progressed through the next stages of development and subsequent delivery (subject to funding availability).

## 2. Scheme Description and Delivery

- 2.1. North Thanet Link (from this point onward referred to as 'the scheme') focusses on improving connectivity and resilience within the road network of Thanet. This will help the local road network to cope with future increases in traffic likely to be generated by growth and tourism activity which is expected within the district. It will also provide additional travel routes for pedestrians, cyclists, and public transport services to encourage active travel for short to medium distance journeys.
- 2.2. The scheme comprises of approximately 9.2km of new and improved highway infrastructure including: -
  - widening of existing public highway
  - construction of new highway links through proposed development sites and across agricultural farmland
  - highway junction improvements
  - provision of new walking and cycling routes
  - sustainable drainage solutions
- 2.3. Scheme plans can be found in **Appendix B**. These show the currently intended route and design of the scheme. The scheme will be subject to further design evolution as further detailed design and environmental surveys are completed. The current scheme revisions reflect recent discussions that have been held with key consultees and to respond to some of the feedback received through the recent public consultation process.
- 2.4. The scheme provides an alternative southern transport corridor to the existing A28 within Birchington, Westgate-on-Sea and Margate. It will also provide a much-requested eastern bypass around the village of Acol. The A28 corridor forms part of the nationally recognised MRN, a specific category of road which enables the council to bid for capital funding from DfT via the Major Road Network and Large Local Majors Programme.

- 2.5. As part of the scheme development process, an optioneering exercise was completed to establish potential alternative solutions to those outlined for North Thanet Link, and these were set out as part of the Business Case process that was submitted to DfT.
- 2.6. The alternative options that were considered included a northern bypass road, localised junction and link improvements on the A28 corridor, a southern relief road and two further iterations of alternative traffic routing and improvements to the south of the A28. A range of public transport focussed measures were also considered. Following a scoring and sifting exercise none of these options were deemed as suitable alternatives to those eventually progressed as the North Thanet Link scheme.
- 2.7. The emerging preferred scheme has been developed into a preliminary design and an initial land referencing exercise has been completed to identify potential land acquisition requirements. Following this, early-stage discussions have commenced with several land stakeholders and this process will continue as the scheme develops from its preliminary design status moving toward a planning application and subsequent detailed design process.
- 2.8. While steps are being taken to seek assembly of all the land by voluntary agreement, the formal completion of the legal aspects are often lengthy, and the County Council has no control over this timetable or certainty of completion. Therefore a Compulsory Purchase Order (CPO) will also need to be progressed in parallel to any voluntary negotiations. If voluntary acquisition of all land is achieved and completed, then it is possible that this requirement may fall away. The scheme also requires the use of land owned by county council at the northern extend of the existing Columbus Avenue within Manston Business Park.
- 2.9. The scheme has a strong level of local support. Letters of support have previously been received from the Local Member of Parliament, Birchington, Minster, Acol Parish Councils, Westgate-on-Sea Town Council and Thanet District Council.
- 2.10. A public consultation exercise was completed between 11 May and 14 June 2023. This process included two public exhibitions events, held in Birchington and Westgate-on-sea, as well as several other promotional activities. A copy of the consultation report can be found in **Appendix C**.
- 2.11. The consultation generated approximately 307 responses, and these have been analysed and fed into the consultation report. Within the consultation questionnaire, stakeholders were asked to what extent they agree or disagree with the overall proposals for the North Thanet Link. 65% of consultees, agreed with the proposals, 29% disagreed and 6% neither agreed or disagreed. This further demonstrates a high level of support for the scheme.

- 2.12. The main reasons for stakeholders supporting the scheme relate to the presence of traffic congestion in the area and the need for better road infrastructure to help manage this.
- 2.13. The main reasons for stakeholders opposing the scheme concerned the impact of the scheme on farmland and a perception that the scheme would increase traffic congestion in the area. There is also concern with the level of development planned within the district and the perception that the scheme will help to facilitate these coming forward.
- 2.14. Two options for the proposed junction onto the A28 within Birchington were included within the consultation, these being signal and roundabout variants. 21% of consultees agreed with the signalised option and 56% agreed with the roundabout option. Therefore the roundabout was the favoured option, and consequently this is the option that the council intends to progress through to the next stage of scheme development.
- 2.15. Following the recent public consultation and extended discussion with other stakeholders, the emerging design of the scheme has been subject to several changes. These include amongst others:
- Additional controlled crossing facilities at several locations within the route to cater for pedestrian, cyclist, and equestrian desire lines.
  - Additional footway/cycleway on Shottendane Road to the south of the proposed corridor.
  - Provision of a revised roundabout design for the A28 junction including pedestrian and cycle crossing facilities.
  - Realignment of the Columbus Avenue link to reflect emerging development proposals.
  - Changes to road alignment and geometry at the eastern extent of the scheme to reflect latest development proposals.
  - Widening of approach lanes at some junctions, increasing capacity to reflect traffic flow forecasts.
  - Reduction in the number of approach arms at the proposed junction with Manston Road/Shottendane Road and Columbus Avenue extension.
  - Relocation of shared footway/cycleway to the north side of Manston Road.
- 2.16. The scheme routes through several proposed development sites, therefore the final alignment and design of the scheme may be influenced by development planning decisions that are made outside of the direct jurisdiction of the council (often made by the District Council as the Local Planning Authority).
- 2.17. Subject to necessary approvals and funding availability, the scheme is estimated to be open to traffic in 2028. The current delivery programme is shown below.

|   |                     |
|---|---------------------|
| Pre-Strategic Outline Business Case – Approved      | Summer 2019         |
| Strategic Outline Business Case (SOBC) - Approved   | Winter 2021         |
| Public Consultation – Completed                     | May/June 2023       |
| Outline Business Case (OBC) – Completed             | November 2023       |
| Full Business Case (FBC)                            | September 2026*     |
| Planning Application                                | Q3 2024*            |
| Statutory Orders Published                          | Q2 2025*            |
| Procurement Process (inc initial market engagement) | Q4 2025 to Q3 2026* |
| Construction  | Q1 2027 to Q4 2028* |

\*Please note that the above dates are subject to change and may be influenced by approvals, funding availability and potential CPO requirements

- 2.18. Due to the nature and scale of the scheme, planning consent will be required and this will be supported by an Environmental Impact Assessment (EIA). The submission package and development of the EIA is currently in progress and will continue throughout 2024.
- 2.19. It is possible that the findings and recommendations of the EIA and the subsequent planning process will have a bearing on future scheme design. The planning process will be subject to a statutory public consultation, at which stage local stakeholders will have the opportunity to comment on the final scheme design and proposals.
- 2.20. As part of the proposed planning package, a comprehensive transport impact appraisal will be undertaken, which will examine in detail the impact of the scheme on the surrounding highway network. Once this process has been completed, complimentary mitigation measures may be identified and subsequently form part of the scheme proposals. This could include measures such as new/additional waiting restrictions, localised junction improvements and enhanced pedestrian and cycling infrastructure.
- 2.21. As with any large highway infrastructure project there are several project risks that need to be considered and effectively managed. Some of the main risks for this project include the availability and timing of funding, environmental constraints, in particular potential archaeological finds, unexpected ground conditions, inflation, and delays to construction due to potential utility diversions. The project team are regularly reviewing scheme risks, and these have been considered when calculating the scheme cost estimate.
- 2.22. The scheme is currently considered to offer high value for money for the wider public purse, with the findings of the Business Case currently being subject to audit and review by the DfT.
- 2.23. Following statutory approvals and funding award, the scheme will be subject to a procurement exercise. Initial engagement with the market is already at an early stage and the preferred route of procurement and form of contract will be progressed in full cooperation of the council's Strategic Commissioning Team.

- 2.24. Further public engagement will be undertaken on the lead up to and during the delivery of the scheme.

### **3. Financial Implications**

- 3.1. The scheme is subject to an active bid by the council to the DfT through its Major Road Network and Large Local Majors funding programme. In December 2021, KCC was awarded £0.75m by the DfT to develop an Outline Business Case (OBC). Consequently an OBC submission was made in November 2023, with feedback on the OBC submission expected from DfT in early 2024.
- 3.2. Subject to successful progression through the funding bid process, the current scheme estimate will be fully externally funded and delivered through a combination of DfT grant funding (£62.9m) and S106 developer contributions (£13.8m). The exact financial figures may be subject to indexation at the point of funding award, however, the scheme would remain fully externally funded, with KCC involvement being the potential forward funding of scheme development, either through banked S106 contributions (see 3.3) or the Feasibility Reserve (see 3.7).
- 3.3. As the funding bid currently requires a local contribution, the source of this funding has been identified from the strategic housing allocations set out within the emerging Thanet Local Plan. These sites are located in Birchington - 1600 dwellings (£5.7m), Westgate-on-Sea - 2000 dwellings (£6.2m) and Hartsdown Road - Margate - 450 dwellings (up to £2.4m). Discussions with all developers are at an advanced stage of negotiation, however funding agreements are subject to the granting of planning consent. At present, the Hartsdown Road site benefits from planning consent, with Birchington and Westgate-on-Sea still awaiting decision from the Local Planning Authority.
- 3.4. To date £1.6m of Section 106 funding has been banked from development in Westwood (Eurokent) and can be used to develop this scheme, however this funding will be redirected to other local transport projects upon receipt of full funding from the other three development sites. The three remaining S106 contributions are expected to be banked in full in year 25/26, however exact timing is dependent on the granting of planning consent and first occupation.
- 3.5. The scheme is referenced within the KCC 23/24 Capital Programme row 58 (Page 26). Whilst the scheme cost is currently stated as £49.001m, this reflects a historic cost estimate undertaken in 2019 and its previously anticipated delivery programme. Those costs were calculated prior to the Covid-19 pandemic and Ukraine/Russia conflict, which amongst other nationally significant events, has led to inflationary rises for all schemes within the construction sector. The scheme budget is due to be updated as part of a forthcoming update of the Capital Programme. The DfT funding bid and developer match funding has been adjusted to reflect the updated scheme cost estimate, therefore if approved, the scheme remains fully externally funded.

- 3.6. DfT recently announced a £36 billion plan to improve transport infrastructure that people use every day. This initiative is known as 'Network North'. As part of this policy paper it was announced that there would be an increase in available funding for MRN schemes, with DfT potential increasing funding to 100% of scheme costs calculated at OBC stage. Whilst at time of writing the full details of this funding package have yet to be shared with the council, this marks a potential commitment from DfT to accelerate scheme delivery and would potentially assist the county council in managing financial cash flow risks and provide an even greater price risk/contingency.
- 3.7. Whilst no KCC funding is required to deliver the scheme, in the absence of 100% funding by the DfT, a level of funding (up to £1.97m) may be required from the council's Feasibility Reserve in 2024/25 (subject to internal approval processes). This will enable time sensitive scheme development activities to take place, such as environmental surveys, design and a planning application and enables best value to be achieved. This will be reimbursed when grant and/or S106 developer funding is banked. If following this process, the county council decides not to progress the scheme, any money spent on OBC or FBC at that point could be abortive.
- 3.8. Future maintenance of the scheme would be funded by general highway maintenance budgets, however commuted sums have been included for some of the proposed assets such as street lighting and signal equipment. The recently diverted 'Network North' monies not only offers opportunities for up to 100% of scheme funding, but KCC has also recently been awarded £4.296m in both 23/24 and 24/25 (with later years to follow) as additional grant towards asset management across the road network within Kent.
- 3.9. Whilst the scheme would involve the delivery of numerous new highway assets, which would require cyclic maintenance throughout their lifespan, a large extent of the scheme also includes the renewal and upgrade of existing ageing road infrastructure that was never designed for the volume nature of traffic that it now accommodates. This issue will be exacerbated as traffic activity inevitably increases as a result of planned development in the district.
- 3.10. The scheme presents an opportunity to extend the lifespan of existing highway assets in Thanet which is then less of a call on future asset management/resurfacing budgets, as well as mitigating the risk of costly emergency revenue repairs or category 1 unfunded asset replacement capital spend, helping to manage maintenance liabilities and achieving best value for the council.

#### **4. Legal Implications**

- 4.1. There are no immediate legal implications for the scheme. The purpose of the report and recommendations are to secure appropriate legal authorities to develop and progress the scheme and allow the funding agreement to be entered into with DfT to enable the scheme to be delivered.

- 4.2. Legal advice is being sought from Legal Services as required, and due process will be followed in relation to any statutory approvals such as traffic orders and CPO.

## **5. Policy Framework**

- 5.1. The scheme supports Kents strategic priorities that are outlined within Framing Kent's Future 2022-2026. It will help level up Kent by providing enhanced transport accessibility and connectivity within the district of Thanet, and in particular Margate, one of Kent's most deprived areas. The proposed walking and cycling infrastructure will provide enhanced active travel opportunities which will contribute towards improving the health of the local population.
- 5.2. The scheme is consistent with 'Infrastructure First' principles by accelerating the delivery of key transport infrastructure and enhancing leverage of external infrastructure investment within the district from the government.
- 5.3. The proposed walking and cycling infrastructure will provide enhanced active travel opportunities contributing towards improving accessibility by a range of sustainable travel options.
- 5.4. The scheme will continue to be mindful of Securing Kent's Future. It will not impact on the 2023/24 budget as all remaining scheme development activities for this year will be funded by existing (ringfenced) external sources, therefore the scheme will not compromise Objective 1.
- 5.5. Whilst funding may be required from the council's feasibility reserve in 2024/25, which is relevant to Objective 2, there are consequential benefits to scheme programme, scheme risk management and maximising benefits from previous investment, which justifies such expenditure and achieves best value for the council.
- 5.6. The close alignment of the scheme to Framing Kent's Future and the future opportunity for all scheme costs to be recouped from external funding, means that this directly supports outcomes that residents and communities are seeking to achieve and is consistent with Objective 3, which again achieves best value for the council.
- 5.7. The scheme aligns strongly with three priorities from the current KCC Local Transport Plan – outcome 1: economic growth and minimised congestion, outcome 3: safer travel, and outcome 4: enhanced environment. There is also good alignment with outcome 5: better health and wellbeing, as the proposed active travel improvements will contribute to improved health.
- 5.8. The scheme is a good fit with strategic transport infrastructure outlined within the Thanet District Local Plan. The route is consistent with policy SP47 which safeguards areas of the district to support the Thanet Transport Strategy.

## **6. Equalities implications**

- 6.1. An Equalities Impact Assessment has been prepared and approved and is included in **Appendix D**. This will be reviewed periodically as the scheme develops and the design is progressed.

## **7. Other corporate implications**

- 7.1. The construction of new highway assets will require ongoing maintenance and as such would become additional maintenance requirement for incorporation into future highway maintenance budgets. The costs of maintenance will be calculated and form part of an asset management plan in the future.

## **8. Local Member Engagement**

- 8.1. Local County Members have been briefed on the scheme and understand the delivery requirements including the potential need for the use of compulsory purchase. Members were present at public exhibitions and have been given regular opportunities to communicate with the project team during the ongoing development of the scheme.

## **9. Governance**

- 9.1. The recommendations include for delegation to the Corporate Director for Growth, Environment and Transport to take further or other decisions as appropriate.

## **10. Conclusions**

- 10.1. The North Thanet Link scheme provides an excellent opportunity for the council to secure much needed highway infrastructure investment and encourage economic growth.
- 10.2. The DfT grant will cover 82% of the project costs with the remaining 18% being sourced from developer contributions. It is possible that this may be increased to 100% DfT funding following recent DfT announcements regarding MRN scheme funding via its Network North policy paper.
- 10.3. The scheme is at preliminary design stage and further work needs to be done to progress detailed scheme design. The scheme will be subject to further design evolution and will be subject to a planning submission, which will be subject to its own statutory consultation process.
- 10.4. This report and recommendations are intended to provide the relevant authorities to allow the scheme to progress.



## 11. Recommendation(s)

### Recommendation(s):

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member on, the proposed decision as follows and as indicated on the proposed decision sheet attached at Appendix A, to give approval for the county council to:

- i. PROCEED with the currently developed route and design for North Thanet Link and for this to be further developed as a preferred option which best meets the objectives of the scheme.
- ii. ENABLE KCC officers to project manage, input into the delivery and supervision of the project, with the cost of all staff and consultant time being recoverable against the project funding.
- iii. PROGRESS the preferred option through the next stages of scheme development including detailed design, associated site surveys/investigations, and ancillary works relating to drainage, environmental and highway mitigation.
- iv. DEVELOP and submit a planning application for the scheme, following completion of the outline design process.
- v. TAKE all steps necessary to obtain and implement all Statutory Orders and approvals or consents required for the scheme, including but not limited to Compulsory Purchase Order, Side Roads Order and any Traffic Regulation Orders required for the delivery and successful operation of the scheme.
- vi. NEGOTIATE and complete all required land acquisition including by means of Compulsory Purchase Order as necessary to secure the delivery and future maintenance of the scheme.
- vii. ENTER into Major Road Network funding agreement with the Department for Transport, subject to the approval of the Corporate Director for Finance and for any secured funding to be spent on the design, development and delivery of the scheme.
- viii. PROGRESS and complete a procurement process and enter into construction contracts as necessary for the delivery of the scheme, subject to the approval of Strategic Commissioning.
- ix. DELEGATE to the Corporate Director of Growth, Environment and Transport, under the Officer Scheme of Delegations, to take further or other decisions as may be appropriate to deliver the North Thanet Link scheme in accordance with these recommendations.

## 10. Background Documents

Appendix A – Record of Decision

Appendix B – Preliminary Scheme Drawings

Appendix C – Consultation Report  
Appendix D – Equalities Impact Assessment

## 11. Contact details

Report Author  
James Wraight - Project Manager, Major  
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Relevant Director:  
Haroon Chughtai - Director of  
Highways & Transportation  
[haroon.chughtai@kent.gov.uk](mailto:haroon.chughtai@kent.gov.uk)

# KENT COUNTY COUNCIL –PROPOSED RECORD OF DECISION

**DECISION TO BE TAKEN BY:**

Neil Baker, Cabinet Member for Highways and Transport

**DECISION NO:**

23/00117

**For publication**

**Key decision: YES**

**Subject Matter / Title of Decision:** North Thanet Link

**Decision:**

As Cabinet Member for Highways and Transport, I give approval for the county council to:

- I. proceed with the currently developed route and design for North Thanet Link and for this to be further developed as a preferred option which best meets the objectives of the scheme.
- II. enable KCC officers to project manage, input into the delivery and supervision of the project, with the cost of all staff and consultant time being recoverable against the project funding.
- III. progress the preferred option through the next stages of scheme development including detailed design, associated site surveys/investigations, and ancillary works relating to drainage, environmental and highway mitigation.
- IV. develop and submit a planning application for the scheme, following completion of the outline design process.
- V. take all steps necessary to obtain and implement all Statutory Orders and approvals or consents required for the scheme, including but not limited to Compulsory Purchase Order, Side Roads Order and any Traffic Regulation Orders required for the delivery and successful operation of the scheme.
- VI. negotiate and complete all required land acquisition including by means of Compulsory Purchase Order as necessary to secure the delivery and future maintenance of the scheme.
- VII. enter into Major Road Network funding agreement with the Department for Transport, subject to the approval of the Corporate Director for Finance and for any secured funding to be spent on the design, development and delivery of the scheme.
- VIII. progress and complete a procurement process and enter into construction contracts as necessary for the delivery of the scheme, subject to the approval of Strategic Commissioning.
- IX. allow the Corporate Director of Growth, Environment and Transport, under the Officer Scheme of Delegations, to take further or other decisions as may be appropriate to deliver the North Thanet Link scheme in accordance with these recommendations.

**Reason(s) for decision:**

To provide the required authority to enable the North Thanet Link scheme to be progressed through the next stages of development and its subsequent delivery.

**Cabinet Committee recommendations and other consultation:**

The proposed decision will be considered by Members of the Environment and Transport Cabinet

Committee at their meeting on 11<sup>th</sup> January 2024.

**Any alternatives considered and rejected:**

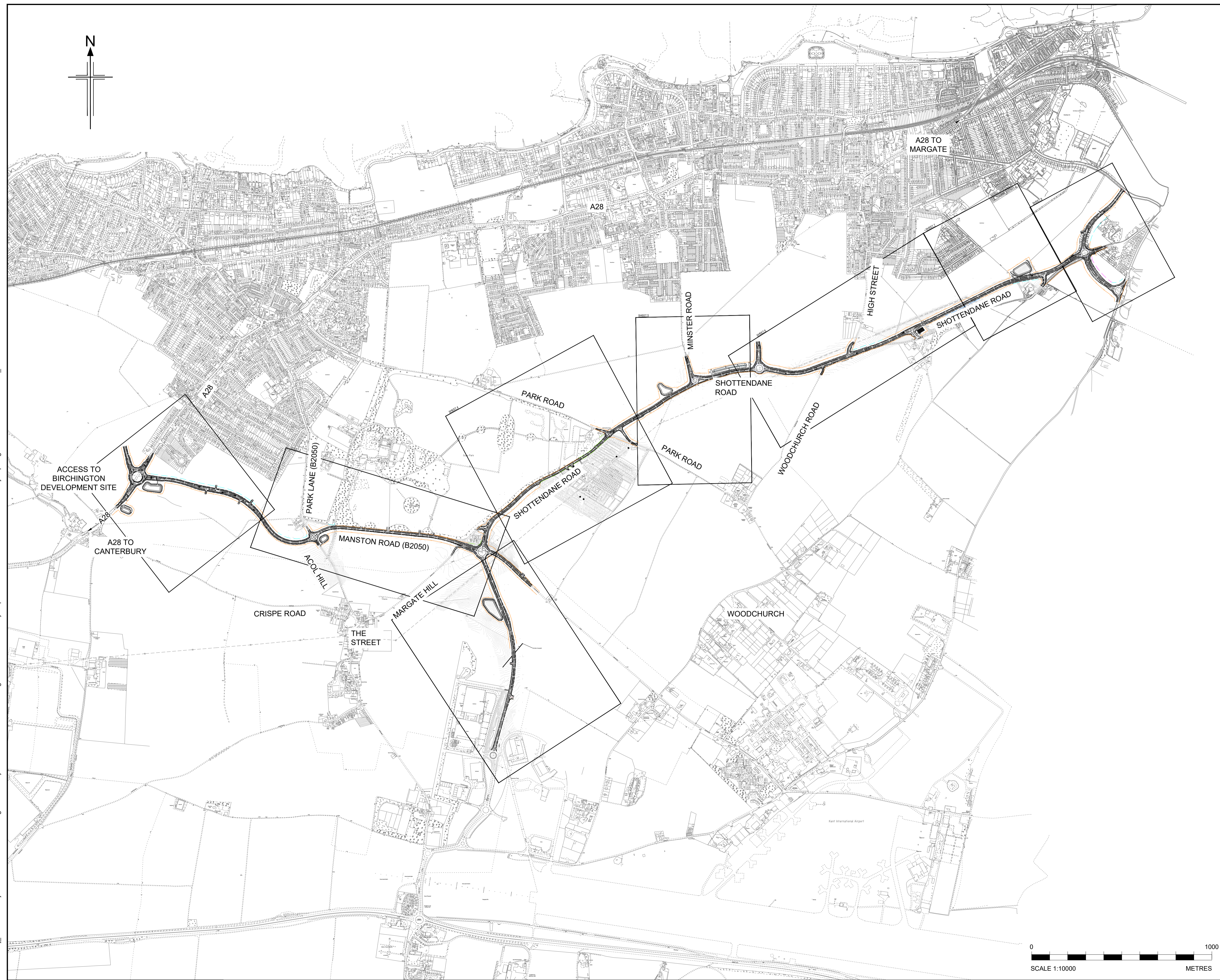
Other potential scheme options were considered as part of an option appraisal process to inform the Major Road Network bid, however none of these were considered to be suitable alternatives to the proposals that form part of North Thanet Link. The option of not promoting upgrades to the local road network was also considered not to be feasible due to the proposed development growth within the district and the impact that this would generate on existing ageing road infrastructure.

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

.....  
signed

.....  
date

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| P01 | 15/12/2023 | For Review          | CY    | AM      | AK    | CR     |

Designer: **Jacobs**

Client: **Kent County Council**  
kent.gov.uk

Project: **A28 North Thanet Link**

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Sheet 1 of 1

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Jacobs No. **JAC** Rev **P01**

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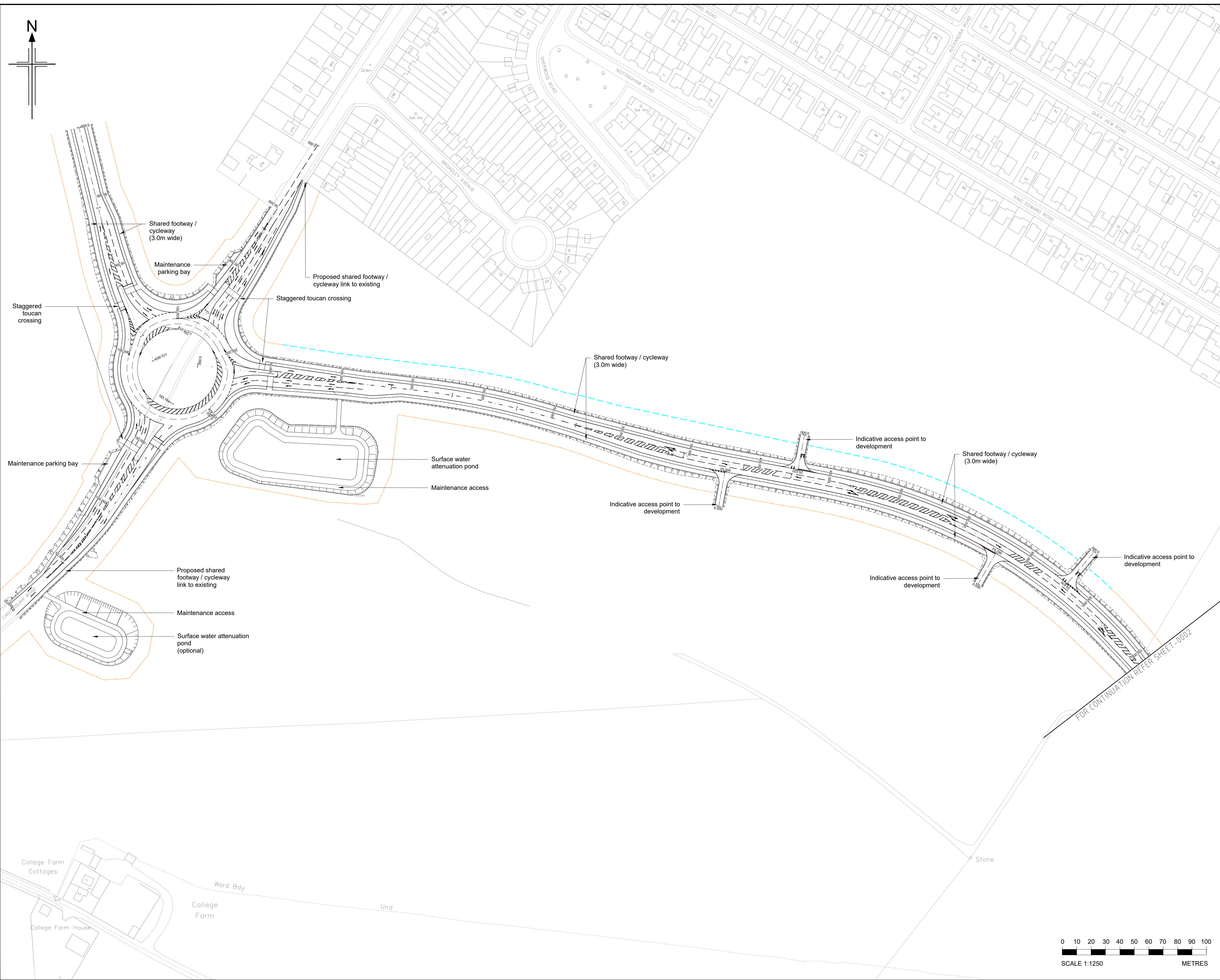
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- Key**
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  - Proposed swale
  - Proposed post and 3 rail boundary fence to HCD drawing number H15
  - Proposed 1.5m high acoustic barrier
  - Proposed 2.0m high acoustic barrier
  - Proposed 2.5m high acoustic barrier
  - Proposed 3.0m high acoustic barrier

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Client: Kent County Council

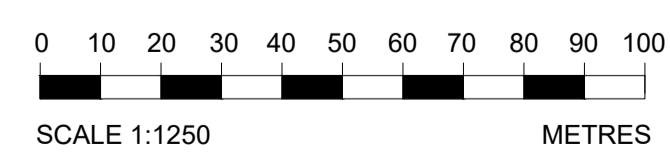
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Sheet 1 of 8

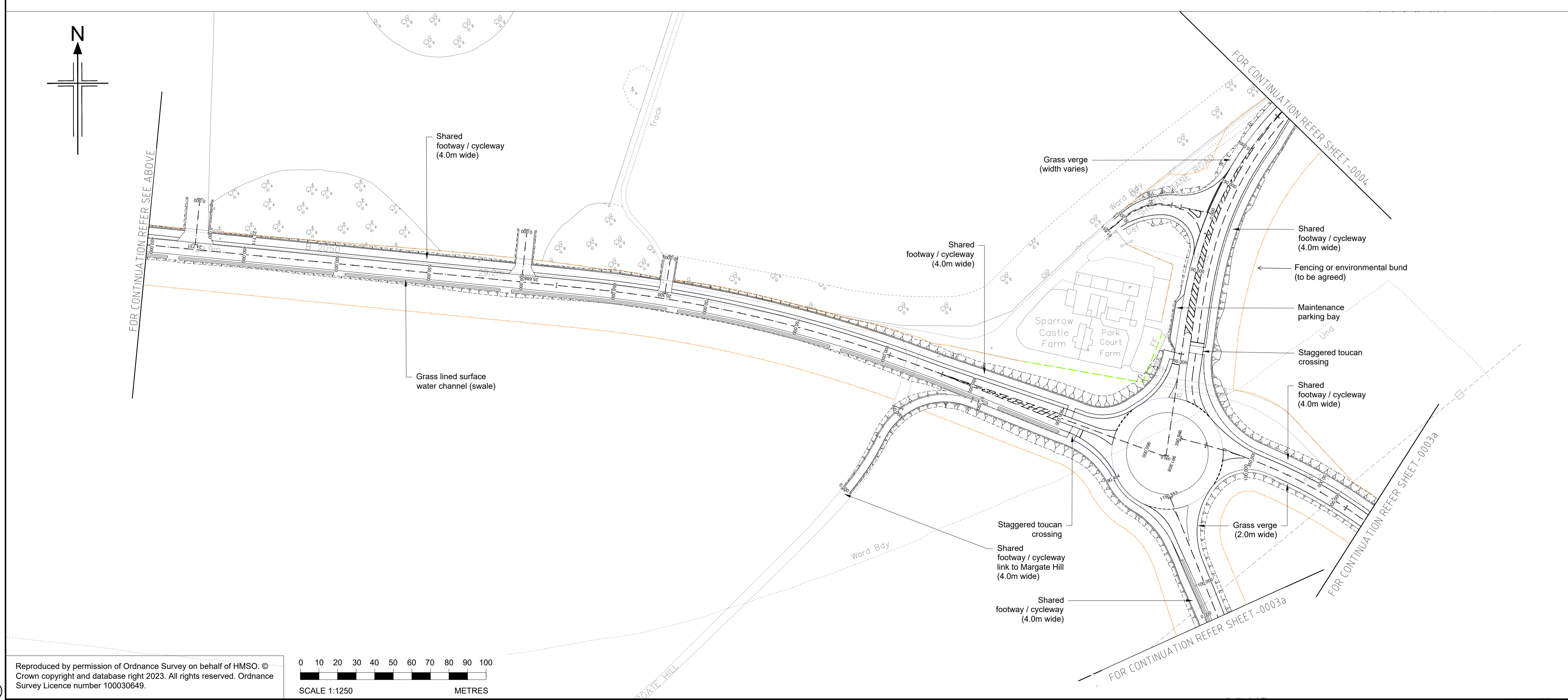
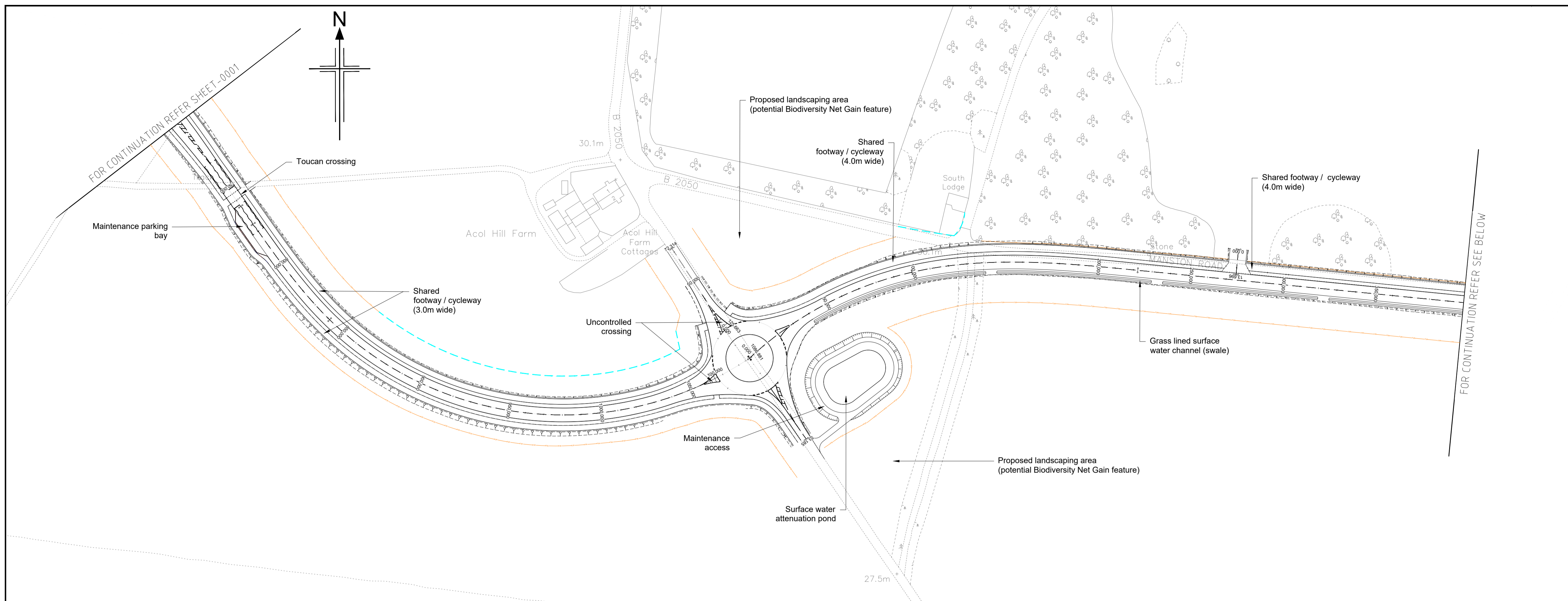
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Designer: **Jacobs**

Client: Kent County Council

Project: **A28 North Thanet Link**

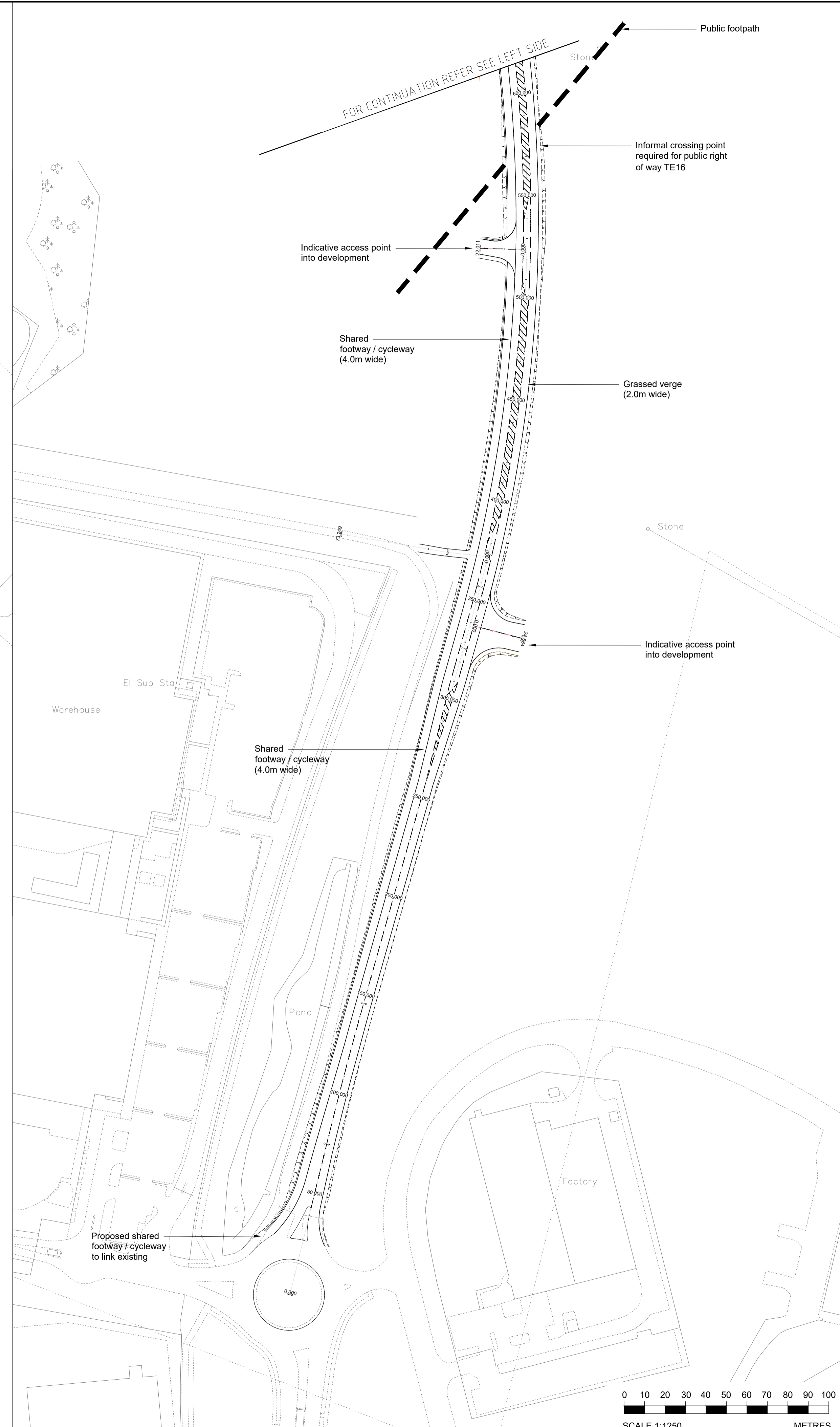
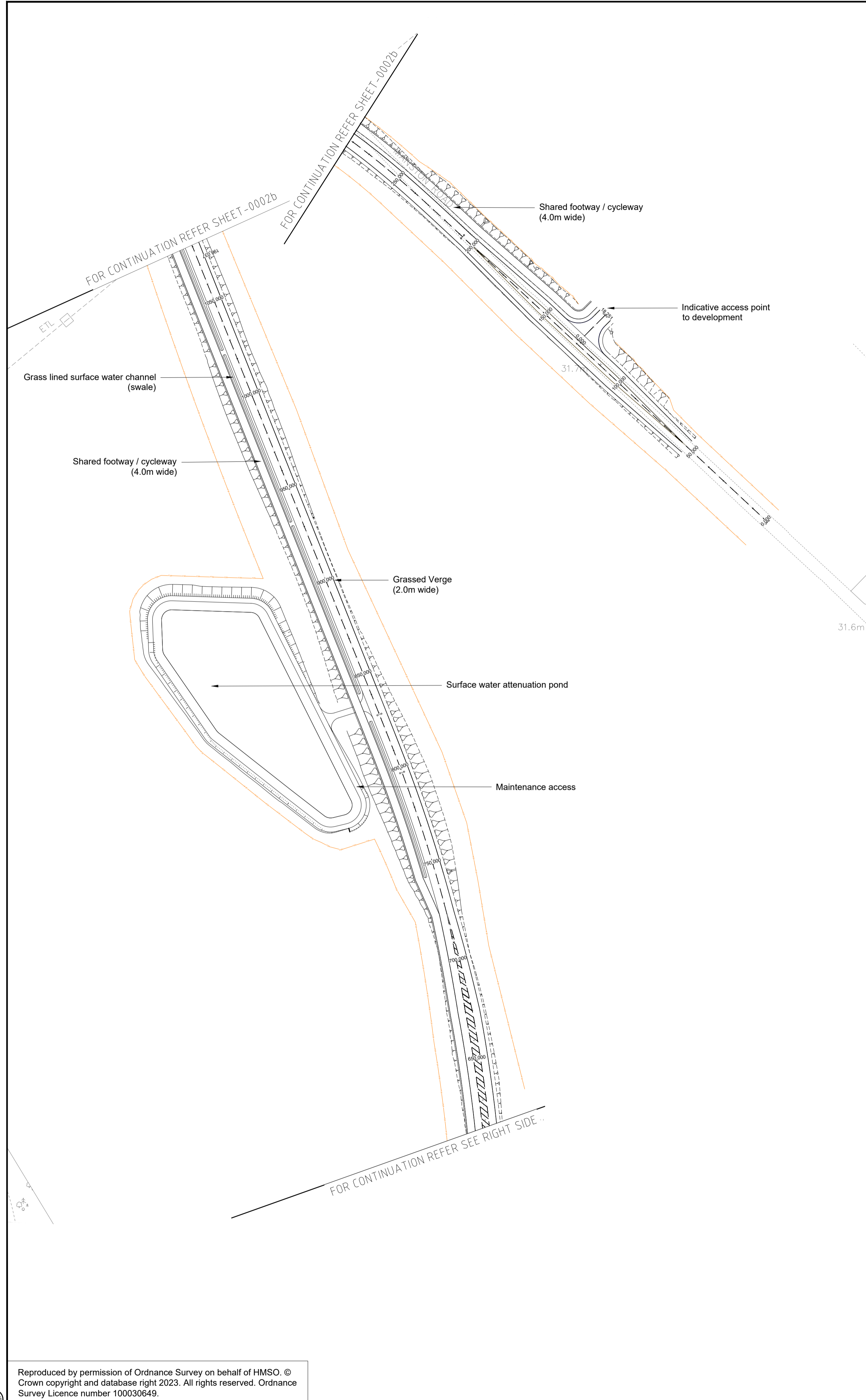
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Sheet 2 of 8

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Client: **Kent County Council**

Project: **A28 North Thanet Link**

Drawing title: **ANNOTATED GENERAL ARRANGEMENT**

Sheet 3 of 8

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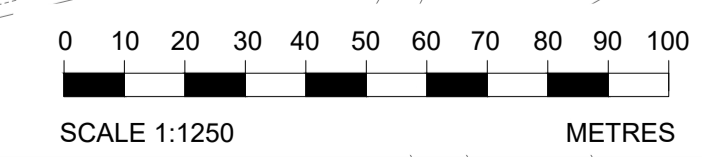
Volume **-DR-CH-0033**

Page **50**

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Number **1**

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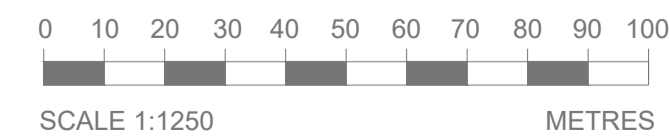


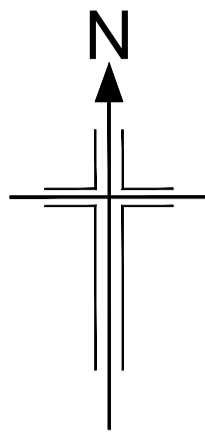




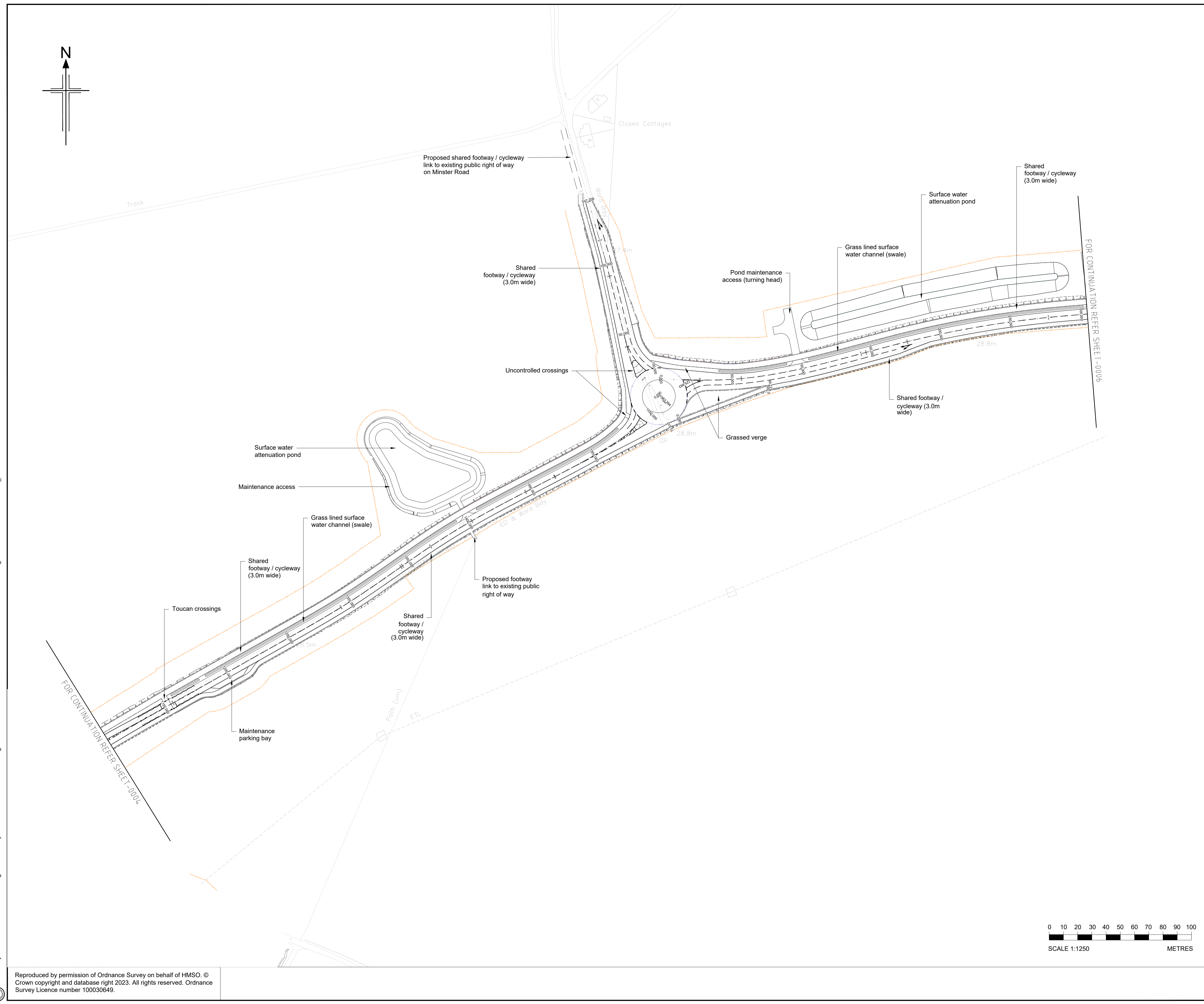
- Notes**
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- Key**
- Proposed earthworks
  - Proposed swale
  - Proposed post and 3 rail boundary fence to HCD drawing number H15
  - Proposed 1.5m high acoustic barrier
  - Proposed 2.0m high acoustic barrier
  - Proposed 2.5m high acoustic barrier
  - Proposed 3.0m high acoustic barrier

|   |              |                     |       |         |            |        |
|---|--------------|---------------------|-------|---------|------------|--------|
| Rev   | Rev. Date    | Purpose of revision | Drawn | Checked | Rev'd      | Appr'd |
| P01   | 13/12/2023   | For Review          | CY    | AM      | AK         | CR     |
| Designer: <b>Jacobs</b>                             |              |                     |       |         |            |        |
| Client:  Kent County Council                        |              |                     |       |         |            |        |
| Project: <b>A28 North Thanet Link</b>               |              |                     |       |         |            |        |
| Drawing title: <b>ANNOTATED GENERAL ARRANGEMENT</b> |              |                     |       |         |            |        |
| Sheet <b>4</b> of <b>8</b>                          |              |                     |       |         |            |        |
| Drawing status: <b>STATUS</b>                       |              |                     |       |         |            |        |
| State Code  | DRAFT        |                     |       |         |            |        |
| Project Stage                                       | DO NOT SCALE |                     |       |         |            |        |
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| Jacobs No.  | JAC          | Rev                 | P01   |         |            |        |
| Client no.  | B2432001     |                     |       |         |            |        |
| Drawing number                                      | B2432001 -   | Originator          | JAC   | Volume  | HGN-       |        |
|   | S0           | Location            |       | Type    | DR-CH-0034 | Number |





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- Key**
- Proposed earthworks
  - Proposed carriageway
  - Proposed swale
  - Proposed post and 3 rail boundary fence to HCD drawing number H15
  - Proposed 1.5m high acoustic barrier
  - Proposed 2.0m high acoustic barrier
  - Proposed 2.5m high acoustic barrier
  - Proposed 3.0m high acoustic barrier

| Rev | Rev. Date  | Purpose of revision | Drawn | Checked | Rev'd | Apprv'd |
|-----|------------|---------------------|-------|---------|-------|---------|
| P01 | 13/12/2023 | For Review          | CY    | AM      | AK    | CR      |

Designer: **Jacobs**

Client: **Kent County Council**  
 Kent County Council  
 kent.gov.uk

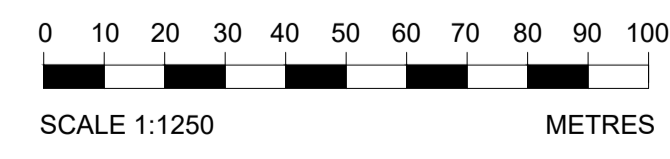
Project: **A28 North Thanet Link**

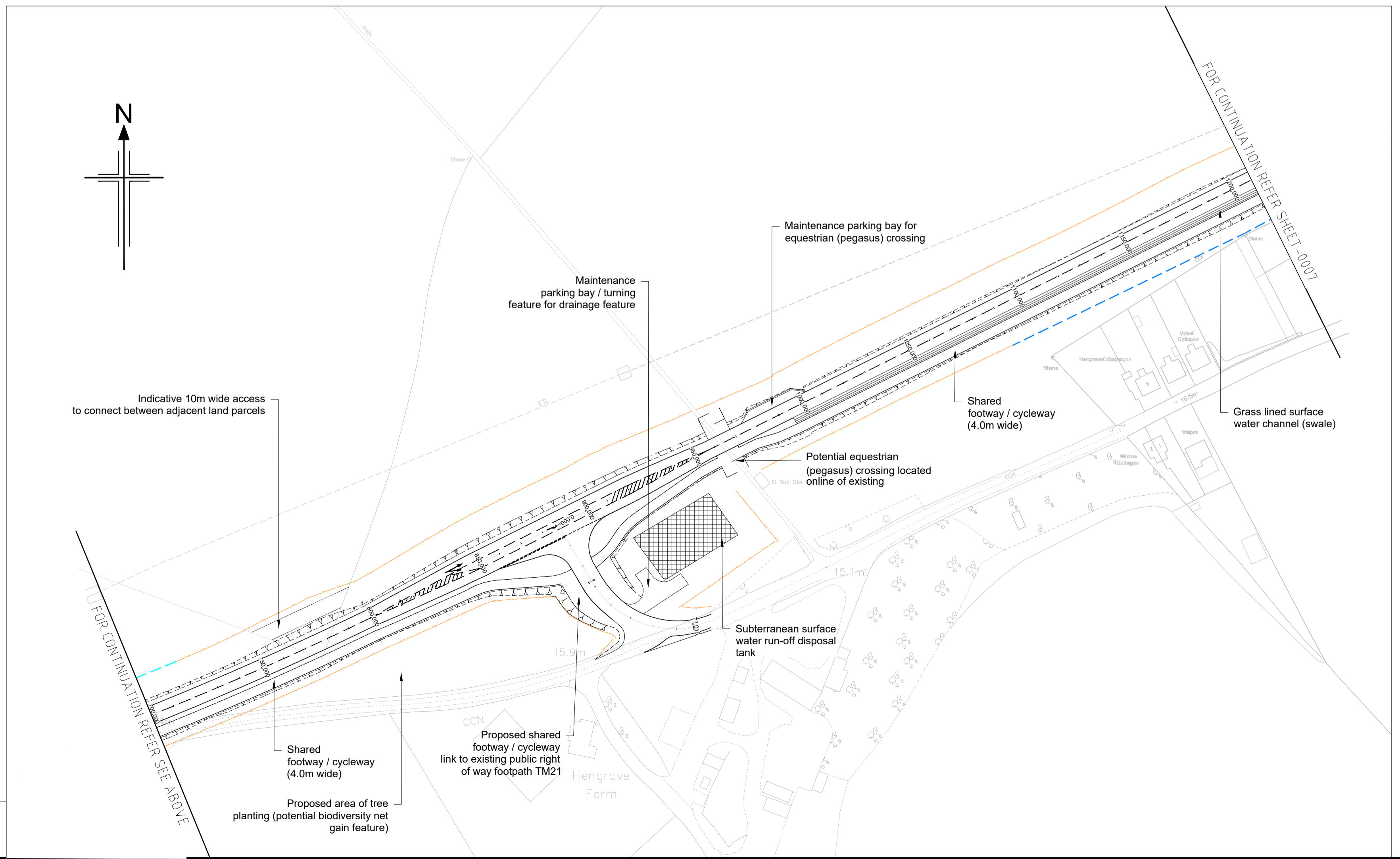
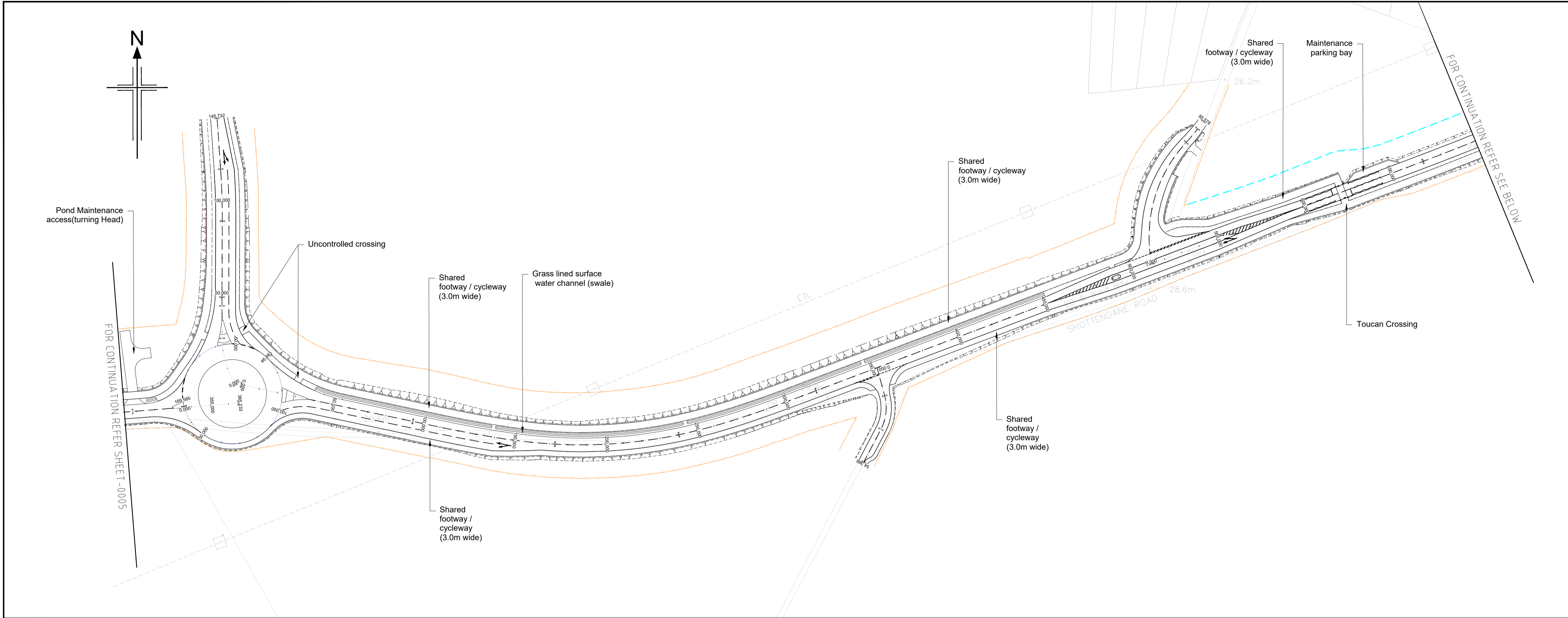
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 Sheet 5 of 8

Drawing status: **STATUS**

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| Project Stage | DRAFT      |              |     |
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| Client no.    | B2432001   |              |     |

Drawing number: **B2432001 - JAC - HGN - S0**  
 Originator: **JAC**  
 Volume: **HGN - DR-CH-0035**





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  - Proposed 1.5m high acoustic barrier
  - Proposed 2.0m high acoustic barrier
  - Proposed 2.5m high acoustic barrier
  - Proposed 3.0m high acoustic barrier

| Rev | Rev. Date  | Purpose of revision | Drawn | Checked | Rev'd | Appr'd |
|-----|------------|---------------------|-------|---------|-------|--------|
| P01 | 13/12/2023 | For Review          | CY    | AM      | AK    | CR     |

Designer: **Jacobs**

Client: Kent County Council

Project: **A28 North Thanet Link**

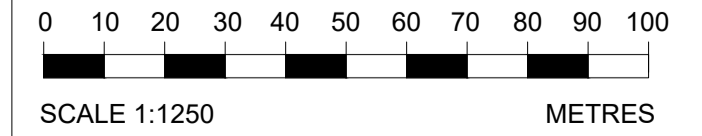
Drawing title: **ANNOTATED GENERAL ARRANGEMENT**

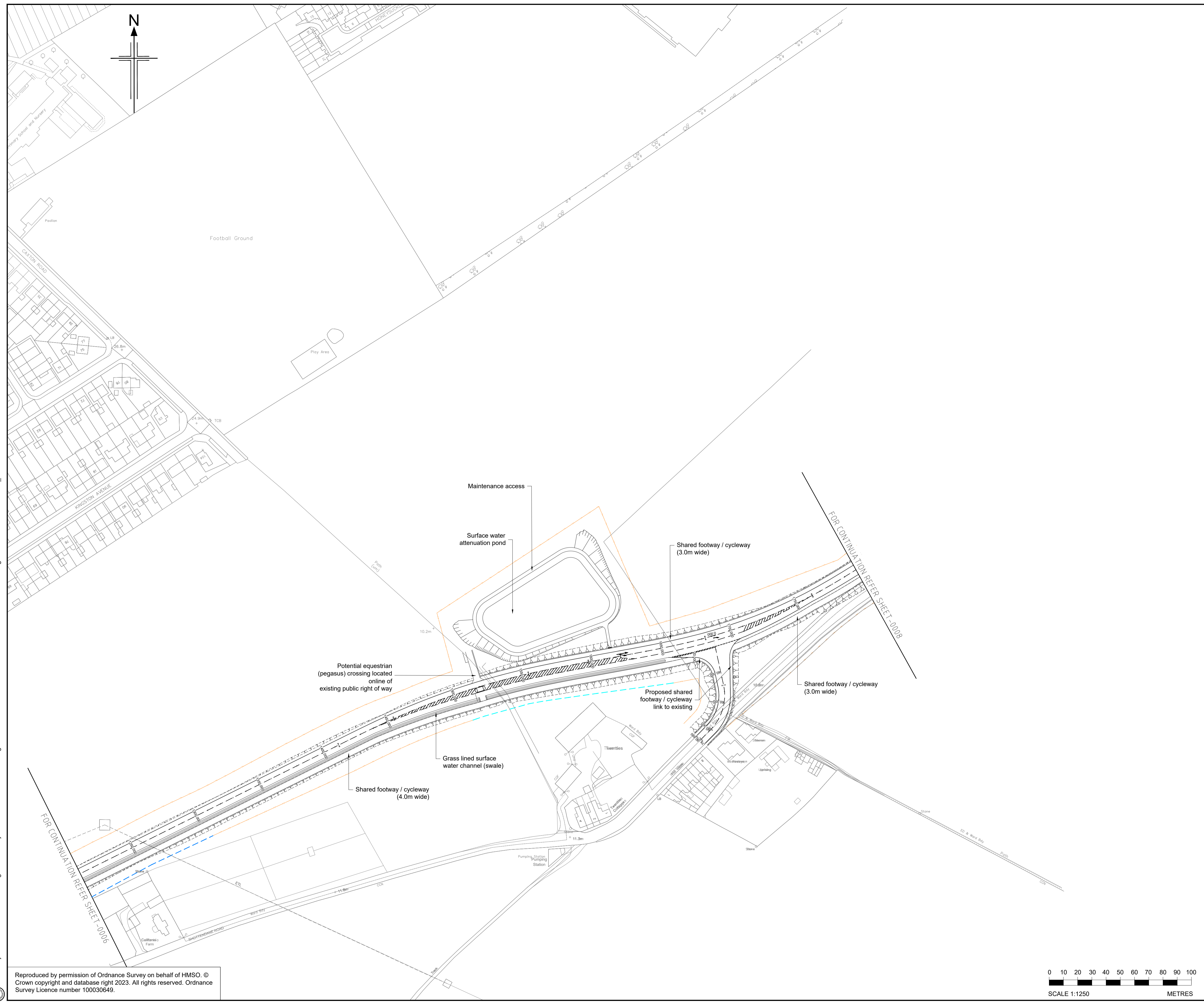
Sheet 6 of 8

Drawing status: **STATUS**

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|-------------------|------------|----------------|--------------------|
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| Project Stage     |            |                |                    |
| Scale             | 1:1250 @A1 | DO NOT SCALE   |                    |
| Jacobs No.        | JAC        | Rev            |                    |
| Client no.        | B2432001   | P01            |                    |
| Drawing number    | PJM        | Originator     | Volume             |
| <b>B2432001 -</b> | <b>JAC</b> | <b>- HGN -</b> |                    |
| Location          | <b>S0</b>  | Type           | Role / Number      |
|                   |            |                | <b>-DR-CH-0036</b> |

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  - Proposed 2.5m high acoustic barrier
  - Proposed 3.0m high acoustic barrier

|     |            |                     |       |         |       |         |
|-----|------------|---------------------|-------|---------|-------|---------|
| P01 | 13/12/2023 | For Review          | CY    | AM      | AK    | CR      |
| Rev | Rev. Date  | Purpose of revision | Drawn | Checked | Rev'd | Apprv'd |

Designer: **Jacobs**

Client: **Kent County Council**  
 Kent County Council  
 kent.gov.uk

Project: **A28 North Thanet Link**

Drawing title: **ANNOTATED GENERAL ARRANGEMENT**

Sheet 7 of 8

Drawing status: **STATUS**

State Code: DRAFT

Project Stage: **DO NOT SCALE**

Scale: 1:1250 @A1

Jacobs No. JAC Rev P01

Client no. B2432001

Drawing number: B2432001 - JAC - HGN - S0

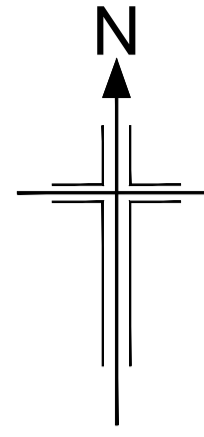
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Volume: HGN

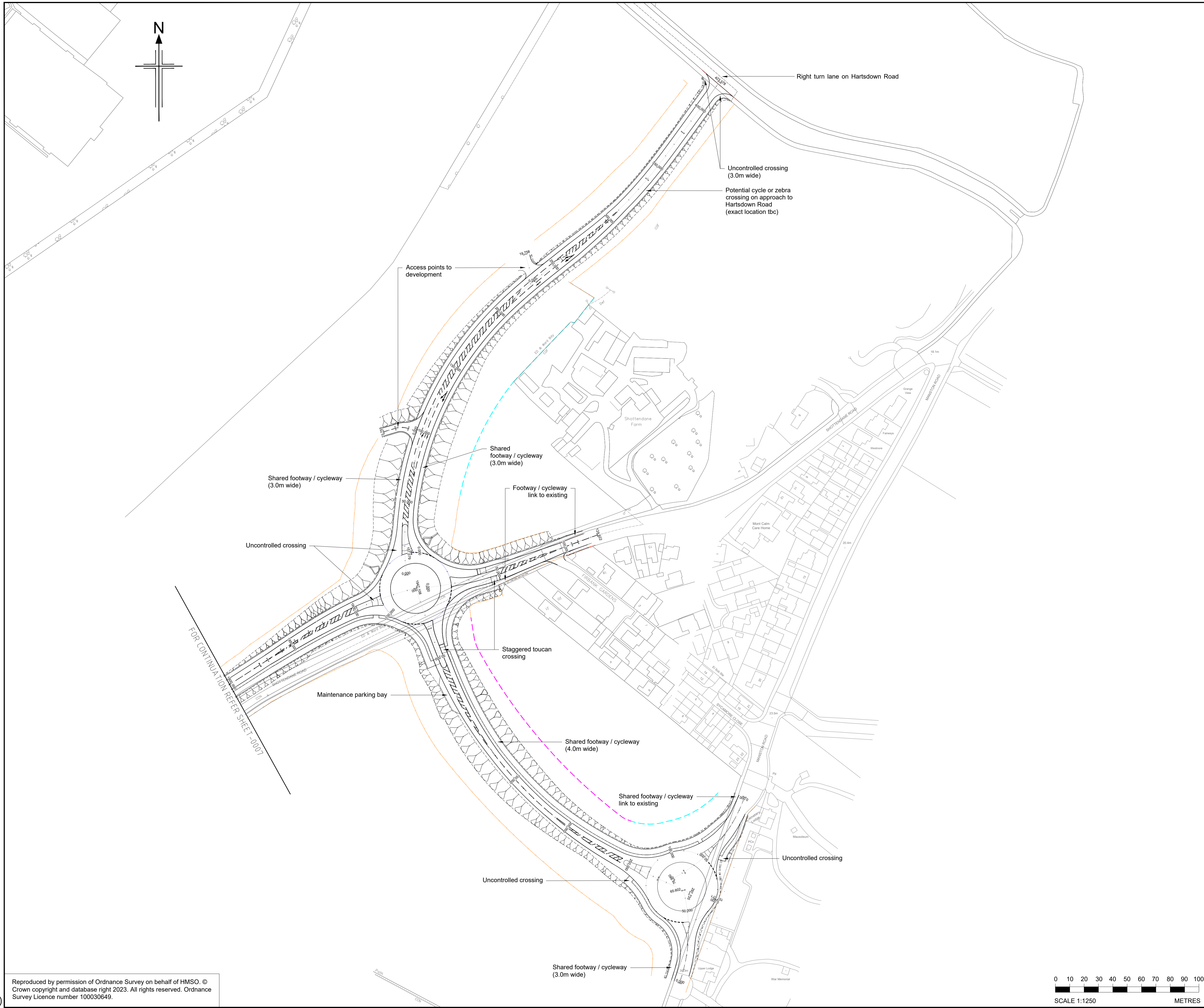
Location: S0

Role: -DR-CH-0037

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  - Proposed swale
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  - Proposed 1.5m high acoustic barrier
  - Proposed 2.0m high acoustic barrier
  - Proposed 2.5m high acoustic barrier
  - Proposed 3.0m high acoustic barrier

|     |            |                     |       |         |       |        |
|-----|------------|---------------------|-------|---------|-------|--------|
| P01 | 13/12/2023 | For Review          | CY    | AM      | AK    | CR     |
| Rev | Rev. Date  | Purpose of revision | Drawn | Checked | Rev'd | Appr'd |

Designer: **Jacobs**

Client:  Kent County Council

Project: **A28 North Thanet Link**

Drawing title: **ANNOTATED GENERAL ARRANGEMENT**

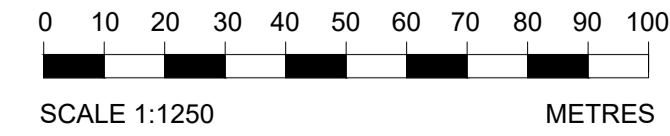
Sheet 8 of 8

Drawing status: **STATUS**

|                |                           |              |
|----------------|---------------------------|--------------|
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| Project Stage  |                           |              |
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| Client no.     | B2432001                  | P01          |
| Drawing number | B2432001 - JAC - HGN - S0 | Volume       |
|                |                           | Location     |
|                |                           | Role         |
|                |                           | Number       |
|                |                           | -DR-CH-0038  |

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# **KENT COUNTY COUNCIL NORTH THANET LINK CONSULTATION REPORT**



**PREPARED BY LAKE MARKET RESEARCH**





## CONTENTS

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|--|----|
| Background and methodology             | 3  |
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# BACKGROUND AND METHODOLOGY

## Background

The North Thanet Link seeks to support the A28 highway corridor by improving local journeys through a combination of new road links, road widening, junction improvements and new walking and cycling facilities.

Road users travelling on the A28 Canterbury Road corridor often experience high volumes of traffic, which can result in congestion and road safety concerns. The busy nature of the road, along with the type of traffic using it on a regular basis, can act as a deterrent to pedestrians and cyclists as it creates an intimidating environment for non-car users.

Without highway improvements these issues are likely to be made worse by future development, which will generate further traffic and travel demand on this stretch of road. Due to the historic layout and space constraints, particularly through Birchington Square, there is limited opportunity to improve road capacity along the existing A28. Therefore, an alternative highway route has been identified to improve journey time reliability, network resilience and road safety.



In May 2023, KCC launched a consultation providing details of the proposed scheme, including its route, its aim and objectives and scheme plans showing the current design. The consultation sought to understand the views of the local community, stakeholders and the travelling public to feed into the design of this scheme.

## Consultation process

On the 11 May 2023 a five-week consultation was launched and ran until the 14 June 2023. The consultation provided the opportunity to find out more and provide feedback. Feedback was captured via a consultation questionnaire which was available on the KCC engagement website ([www.kent.gov.uk/norththanetlink](http://www.kent.gov.uk/norththanetlink)). Hard copies of the consultation questionnaire were also available on request.

A consultation stage Equality Impact Assessment (EqIA) was carried out to assess the impact the proposed scheme could have on the protected characteristics. The EqIA was available as one of the consultation documents and the questionnaire invited respondents to comment on the assessment that had been carried out.

Two public exhibition events were held on 15 May at Westgate-on Sea Town Council, and 1 June at The Centre in Birchington. Officers were on hand to discuss the proposals and answer any questions. Comment cards were available for people to provide feedback in addition to the consultation questionnaire. 323 people attended the two events.

In addition to the two exhibitions, at the request of Acol Parish Council, an officer attended a public parish meeting on the on 13 May at Acol Village Hall and presented the scheme proposals and answered questions from parishioners.

At the request of Minster Parish Council an officer attended a meeting on 6 June to answer questions posed by parish councillors.

To raise awareness of the consultation and encourage participation, the following was undertaken:

- Email to stakeholder list, including relevant organisations on KCC's Equality spreadsheet.
- Invite to 1,002 people registered with Let's talk Kent, who have expressed an interest in transport and roads in Thanet.
- Postcard distributed to 24,812 homes and businesses along and near the route corridor.
- Notification and details of the consultation in parish magazines, websites and on their social media.
- Poster and postcards in Minister, Birchington, Westgate, Margate and Newington Libraries, Thanet Gateway and posters provided to parish councils.
- Organic social media activity through KCC's corporate Facebook, Linked In, Twitter and Next Door accounts and shared by Thanet District Council and Parish Councils.
- Social media posts shared from KCC Highway Twitter account.
- Link to consultation webpage from service pages on Kent.gov.
- Internal KCC staff communication channels.
- Media release - <https://news.kent.gov.uk/articles/residents-asked-for-views-on-new-north-thanet-link-plans>

A summary of engagement with the consultation webpage and material can be found below:

- 10,514 page views, 3,959 visits, by 3,451 visitors.
- 2,372 document downloads, including 1,949 downloads of the consultation document.
- Social media had a reach of 15,936, with 893 clicks.

## Points to note

- Consultees were given the choice of which questions they wanted to answer / provide comments. The number of consultees providing an answer is shown on each chart / table featured in this report.
- Please note that for single choice questions the sum of individual percentages may not sum to 100% due to rounding.
- Feedback / comments have also been made to KCC directly either through emails or via comment cards at engagement events. Verbatim from these sources have been reviewed alongside consultation questionnaire feedback and examples have been included in this report.
- Participation in consultations is self-selecting and this needs to be considered when interpreting responses.
- Response to this consultation does not wholly represent the local area population and is reliant on awareness and propensity to take part based on the topic and interest.
- KCC was responsible for the design, promotion, and collection of the consultation responses. Lake Market Research was appointed to conduct an independent analysis of feedback.

## Profile of consultees responding

258 consultees completed the consultation questionnaire. 11 email / letter submissions and 38 comment cards were also sent to Lake Market Research for the purpose of analysis.

The tables below show the profile of consultees responding to the consultation questionnaire. Please note that the demographic questions were only asked of those who indicated they are a resident. The proportion who left these questions blank or indicated they did not want to disclose this information has been included as applicable. Please note that the sum of individual percentages for each question may not sum to 100% due to rounding.

| <b>RESPONDING AS...</b>   | <b>Number of consultees of total answering 258</b> | <b>% of total answering 258</b> |
|---|--|---------------------------------|
| A Thanet resident   | 222  | 86%                             |
| A resident of somewhere else in Kent or further afield                            | 20   | 8%                              |
| A representative of a local community group or residents' association             | 2  | 1%                              |
| On behalf of a Parish / Town / Borough / District Council in an official capacity | 2  | 1%                              |
| A Parish / Town / Borough / District / County Councillor                          | 1  | 0.4%                            |
| On behalf of a local business   | 5  | 2%                              |
| On behalf of a charity, voluntary or community sector organisation (VCS)          | 2  | 1%                              |
| Something else  | 3  | 1%                              |
| Prefer not to answer / blank  | 1  | 0.4%                            |

| <b>SEX (residents only)</b> | <b>Number of consultees of total answering 242</b> | <b>% of total answering 242</b> |
|-----------------------------|--|---------------------------------|
| Male                        | 95   | 39%                             |
| Female                      | 64   | 26%                             |
| Prefer not to say / blank   | 83   | 34%                             |

| <b>GENDER IDENTITY SAME AS BIRTH (residents only)</b> | <b>Number of consultees of total answering 242</b> | <b>% of total answering 242</b> |
|---|--|---------------------------------|
| Yes   | 159  | 66%                             |
| No  | 0  | 0%                              |
| Prefer not to say / blank                             | 83   | 34%                             |

| <b>AGE (residents only)</b> | <b>Number of consultees of total answering 242</b> | <b>% of total answering 242</b> |
|-----------------------------|--|---------------------------------|
| 0-15                        | 0  | 0%                              |
| 16-24                       | 3  | 1%                              |
| 25-34                       | 3  | 1%                              |
| 35-49                       | 37   | 15%                             |
| 50-59                       | 29   | 12%                             |
| 60-64                       | 25   | 10%                             |
| 65-74                       | 36   | 15%                             |
| 75-84                       | 22   | 9%                              |
| 85 & over                   | 0  | 0%                              |
| Prefer not to say / blank   | 87   | 36%                             |

| <b>BELONGING TO A PARTICULAR RELIGION / BELIEF (residents only)</b> | <b>Number of consultees of total answering 242</b> | <b>% of total answering 242</b> |
|---|--|---------------------------------|
| Yes   | 49   | 20%                             |
| No  | 107  | 44%                             |
| Prefer not to say / blank   | 86   | 36%                             |

| <b>DISABILITY (residents only)</b> | <b>Number of consultees of total answering 242</b> | <b>% of total answering 242</b> |
|------------------------------------|--|---------------------------------|
| Yes                                | 17   | 7%                              |
| No                                 | 139  | 57%                             |
| Prefer not to say / blank          | 86   | 36%                             |

| <b>CARER (residents only)</b> | <b>Number of consultees of total answering 242</b> | <b>% of total answering 242</b> |
|-------------------------------|--|---------------------------------|
| Yes                           | 22   | 9%                              |
| No                            | 132  | 55%                             |
| Prefer not to say / blank     | 88   | 36%                             |

| <b>SEXUAL ORIENTATION (residents only)</b> | <b>Number of consultees of total answering 242</b> | <b>% of total answering 242</b> |
|--|--|---------------------------------|
| Heterosexual / straight                    | 137  | 57%                             |
| Bi / bisexual                              | 2  | 1%                              |
| Gay man                                    | 5  | 2%                              |
| Gay woman / Lesbian                        | 0  | 0%                              |
| Other                                      | 2  | 1%                              |
| Prefer not to say / blank                  | 96   | 40%                             |

| <b>ETHNICITY (residents only)</b> | <b>Number of consultees of total answering 242</b> | <b>% of total answering 242</b> |
|-----------------------------------|--|---------------------------------|
| White English                     | 143  | 59%                             |
| White Scottish                    | 2  | 1%                              |
| White Irish                       | 2  | 1%                              |
| Other ethnic group                | 9  | 4%                              |
| Prefer not to say / blank         | 86   | 36%                             |

# EXECUTIVE SUMMARY

## CONSULTATION PROFILE AND USE OF A28 CANTERBURY ROAD

258 consultees completed the consultation questionnaire. 11 email / letter submissions and 38 comment cards were also sent to Lake Market Research for the purpose of analysis.

The most common routes to finding out about the consultation are direct mail / postcard to home (27%), social media (26%) and an email from Let's Talk Kent or KCC's Engagement and Consultation team (20%). 14% found out through their Parish Council.

Consultees noted regular use of the A28 Canterbury Road across a number of purposes:

- 52% for travel to work at least a couple of times a week. 69% for travel to work to some degree.
- 65% for travel for essential services at least a couple of times a week. 88% for travel for essential services to some degree.
- 65% for travel for essential services at least a couple of times a week. 88% for travel for essential services to some degree.
- 64% for travel for recreational purposes at least a couple of times a week. 90% for travel for recreational services to some degree.
- 14% for travel for education at least a couple of times a week. 28% for education to some degree.
- 45% for travel for other journeys at least a couple of times a week.

Consultees also noted use of the A28 Canterbury Road via a number of transport modes, namely:

- 71% via a personal vehicle (car, van, motorbike, moped) at least a couple of times a week. 97% via a personal vehicle to some degree.
- 28% walking on the A28 Canterbury Road at least a couple of times a week. 55% walking to some degree.
- 12% by bus at least a couple of times a week. 53% by bus to some degree.
- 15% on a non-motorised vehicle (bicycle, push scooter) at least a couple of times a week. 38% on a non-motorised vehicle to some degree.

## RESPONSE TO CONSULTATION PROPOSALS

### **Overall proposals**

65% of all consultees answering agree with the overall proposals for the North Thanet Link. 29% disagree with the overall proposals and 6% neither agree nor disagree.

68% of consultees who use a personal vehicle on the A28 Canterbury Road at least a couple of times a week agree with the overall proposals. Whilst base sizes are small (51 consultees),



agreement with proposals amongst consultees who walk on the A28 Canterbury Road at least a couple of times a week is comparatively lower (53%).

Amongst those agreeing with proposals, the main reasons for agreeing with proposals include a perception of too much congestion in the area / the A28 is over-used and not fit for purpose and a better road infrastructure is needed in the area.

The most common concerns / considerations raised are that proposals will impact farmland / reduce food production capacity / perceptions farmland shouldn't be used / will leave farmland vulnerable to development, a perception they would spoil the countryside / cause environmental / ecological damage and a perception the scheme will increase congestion / pollution / be dangerous. A proportion commented that the development of new routes will facilitate new housing development in the area and there is already too much housing / development in the area.

### **Option 1 Signal Junction on the A28**

21% of all consultees answering agree with the Option 1 Signal Junction on the A28 Canterbury Road. 59% disagree with Option 1 and 15% neither agree nor disagree. Agreement with Option 1 is broadly consistent amongst consultees who use a personal vehicle on the A28 Canterbury Road at least a couple of times a week and those who walk on the A28 Canterbury Road at least a couple of times a week.

Amongst those agreeing with Option 1, the most common reasons put forward are a perception that traffic lights are safer for pedestrians / cyclists and traffic lights would help to regulate / control / slow traffic.

The most common concern raised is a perception that traffic lights cause congestion / slow / disrupt traffic flow. A small proportion commented that traffic lights cause pollution / in comparison to roundabouts and the proposal put forward for traffic lights would be unsafe for pedestrians / cyclists in its current format and could also create issues for other roads.

### **Option 2 Roundabout on the A28**

56% of all consultees answering agree with the Option 2 Roundabout Junction on the A28 Canterbury Road. 27% disagree with Option 2 and 13% neither agree nor disagree.

61% of consultees who use a personal vehicle on the A28 Canterbury Road at least a couple of times a week agree with Option 2. Whilst base sizes are small (51 consultees), agreement with Option 2 amongst consultees who walk on the A28 Canterbury Road at least a couple of times a week is slightly lower at 55%.

Amongst those agreeing with Option 2, the most common reason put forward is a perception that a roundabout design would be better for traffic flow / cause less congestion.

Whilst in relatively small proportions, the most common concerns raised is a perception that a roundabout design could be unsafe for pedestrians / cyclists / more provision of this is needed in the design and roundabouts are unsafe / drivers don't use them properly.

### **Additional highways measures proposed**

Of the four additional highway measures proposed, support is highest for reducing the speed limit on selected roads (54%). 35% support for additional traffic calming measures, 25% support for full closure of Crispe Road to motorised vehicles and 17% support partial (one way closure) of Crispe Road to motorised vehicles.

51% of consultees who use a personal vehicle on the A28 Canterbury Road at least a couple of times a week support reducing the speed limit on selected roads. Whilst base sizes are small (51 consultees), support for reducing the speed limit on selected roads amongst consultees who walk on the A28 Canterbury Road at least a couple of times a week is comparably lower at 36%.

Whilst base sizes are small (61 consultees), support for full closure of Crispe Road to amongst consultees who use non-motorised vehicles is higher at 39%.

### **Perceived impact on active travel**

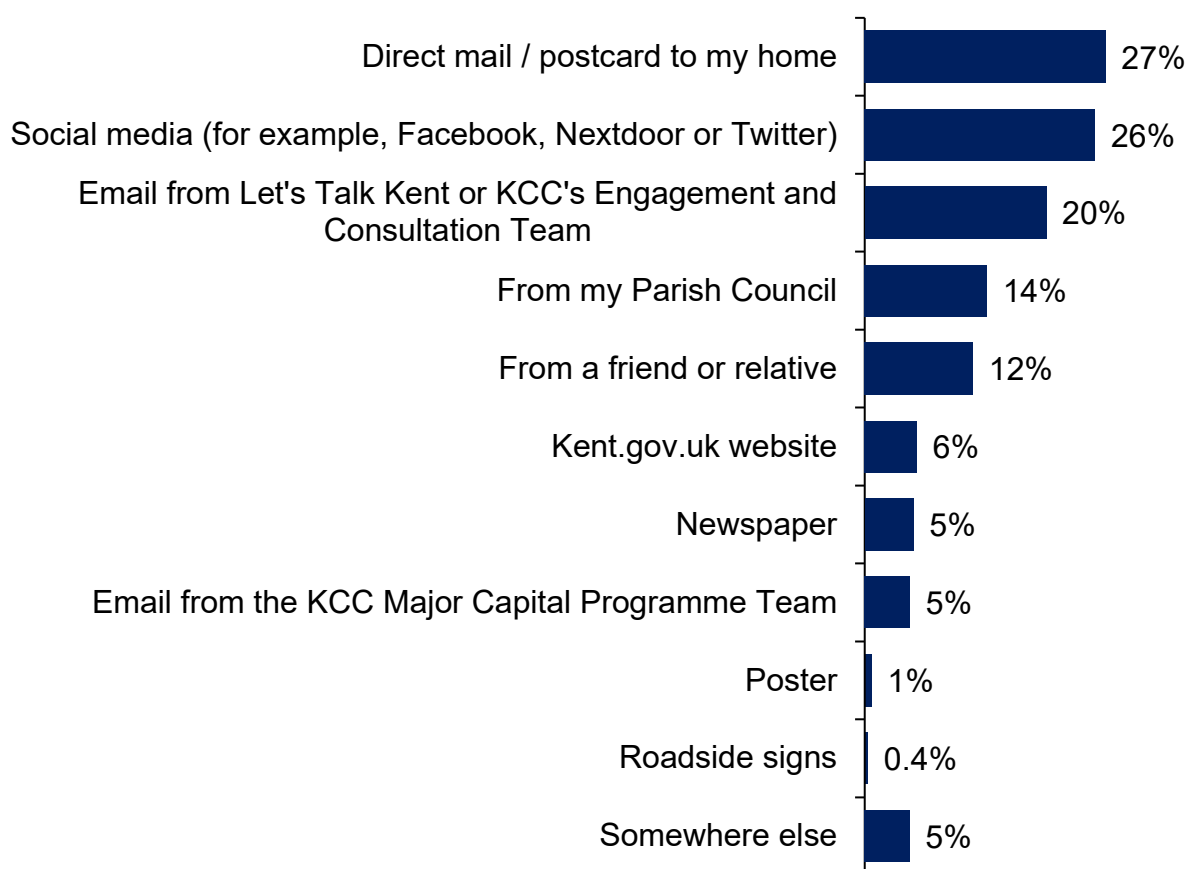
Just over a third of consultees claim the proposed walking and cycling infrastructure would encourage them to walk / wheel more often (37%). 46% disagree it would.

## CONSULTATION AWARENESS

- The most common routes to finding out about the consultation are direct mail / postcard to home (27%), social media (26%) and an email from Let's Talk Kent or KCC's Engagement and Consultation team (20%).
- 14% found out through their Parish Council.

### How did you find out about this consultation?

Base: all answering (258), consultees had the option to select more than one response.



| SUPPORTING DATA TABLE  | Number of consultees of total answering 258 | % of total answering 258 |
|--|---|--------------------------|
| Direct mail/postcard to my home                                      | 69  | 27%                      |
| Social media (e.g. Facebook, Nextdoor or Twitter)                    | 66  | 26%                      |
| Email from Let's Talk Kent or KCC's Engagement and Consultation team | 52  | 20%                      |
| From my Parish Council   | 35  | 14%                      |
| From a friend or relative  | 31  | 12%                      |
| Kent.gov.uk website  | 15  | 6%                       |
| Somewhere else   | 5   | 2%                       |
| Poster   | 1   | 0.4%                     |
| Roadside signs   | 0   | 0%                       |
| Newspaper  | 5   | 2%                       |
| Email from the KCC Major Capital Programme Team                      | 5   | 2%                       |
| Kent.gov.uk website  | 15  | 6%                       |
| From a friend or relative  | 31  | 12%                      |
| From my Parish Council   | 35  | 14%                      |
| Email from Let's Talk Kent or KCC's Engagement and Consultation team | 52  | 20%                      |
| Social media (e.g. Facebook, Nextdoor or Twitter)                    | 66  | 26%                      |
| Direct mail/postcard to my home                                      | 69  | 27%                      |

|   | total answering 258 | answering 258 |
|---|---------------------|---------------|
| Newspaper   | 14                  | 5%            |
| Email from the KCC Major Capital Programme Team               | 13                  | 5%            |
| Poster  | 2                   | 1%            |
| Roadside poster   | 1                   | 0.4%          |
| Somewhere else (e.g. Thanet News website a local cycle group) | 12                  | 5%            |

## USE OF A28 CANTERBURY ROAD

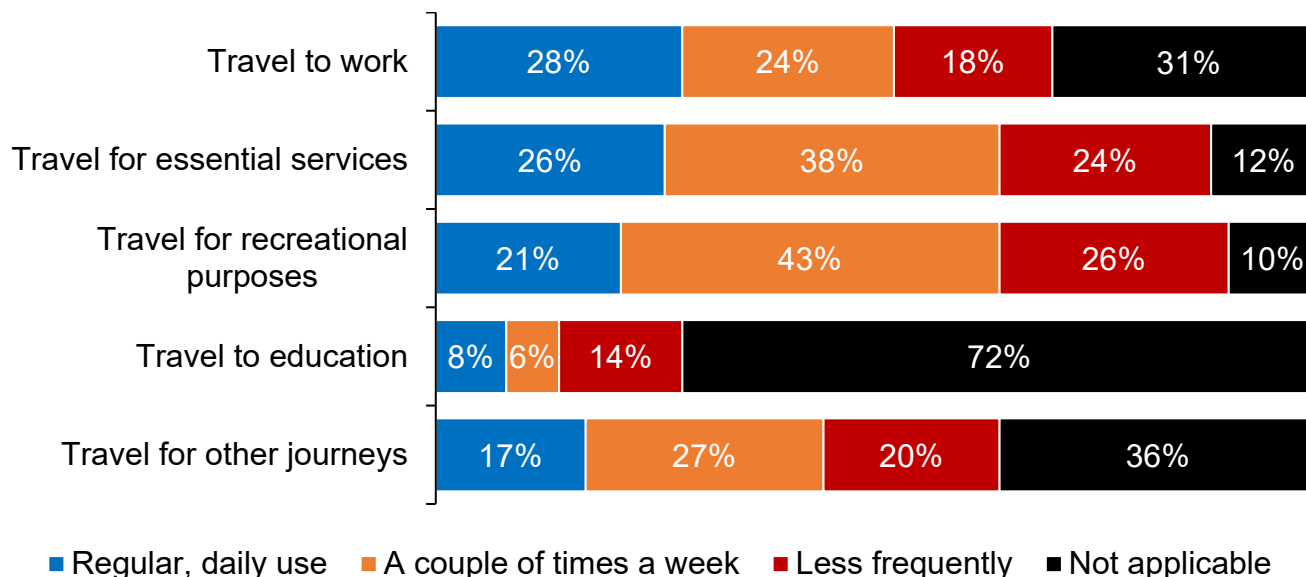
Consultees were asked to indicate how they currently use A28 Canterbury Road, in terms of purpose / reasons for using as well as transport mode.

### REASONS FOR USING A28 CANTERBURY ROAD

- Just over half of consultees (52%) use the A28 Canterbury Road for travel to work at least a couple of times a week. 69% of consultees use the A28 Canterbury Road for travel to work to some degree.
- Just under two thirds of consultees (65%) use the A28 Canterbury Road for travel for essential services at least a couple of times a week. 88% of consultees use the A28 Canterbury Road for travel for essential services to some degree.
- Just under two thirds of consultees (65%) use the A28 Canterbury Road for travel for essential services at least a couple of times a week. 88% of consultees use the A28 Canterbury Road for travel for essential services to some degree.
- Just under two thirds of consultees (64%) use the A28 Canterbury Road for travel for recreational purposes at least a couple of times a week. 90% of consultees use the A28 Canterbury Road for travel for recreational services to some degree.
- 14% use the A28 Canterbury Road for travel for education at least a couple of times a week. 28% of consultees use the A28 Canterbury Road for education to some degree.
- 45% use the A28 Canterbury Road for travel for other journeys at least a couple of times a week. The majority of journeys noted by consultees for this question are visiting family / friends / social visits.

### Please tell us why you use the A28 Canterbury Road and how often...?

Base: all answering (167-226), the sum of individual percentages for each mode may not sum to 100% due to rounding.



### Travel to work

| <b>SUPPORTING DATA TABLE</b> | <b>Number of consultees of total answering 199</b> | <b>% of total answering 199</b> |
|------------------------------|--|---------------------------------|
| Regular, daily use           | 55   | 28%                             |
| A couple of times a week     | 48   | 24%                             |
| Less frequently              | 35   | 18%                             |
| Not applicable               | 61   | 31%                             |

### Travel for essential services

| <b>SUPPORTING DATA TABLE</b> | <b>Number of consultees of total answering 226</b> | <b>% of total answering 226</b> |
|------------------------------|--|---------------------------------|
| Regular, daily use           | 59   | 26%                             |
| A couple of times a week     | 87   | 38%                             |
| Less frequently              | 54   | 24%                             |
| Not applicable               | 26   | 12%                             |

### Travel for recreational purposes

| <b>SUPPORTING DATA TABLE</b> | <b>Number of consultees of total answering 223</b> | <b>% of total answering 223</b> |
|------------------------------|--|---------------------------------|
| Regular, daily use           | 47   | 21%                             |
| A couple of times a week     | 95   | 43%                             |
| Less frequently              | 59   | 26%                             |
| Not applicable               | 22   | 10%                             |

### Travel for education

| <b>SUPPORTING DATA TABLE</b> | <b>Number of consultees of total answering 167</b> | <b>% of total answering 167</b> |
|------------------------------|--|---------------------------------|
| Regular, daily use           | 13   | 8%                              |
| A couple of times a week     | 10   | 6%                              |
| Less frequently              | 24   | 14%                             |
| Not applicable               | 120  | 72%                             |

## Travel for other journeys

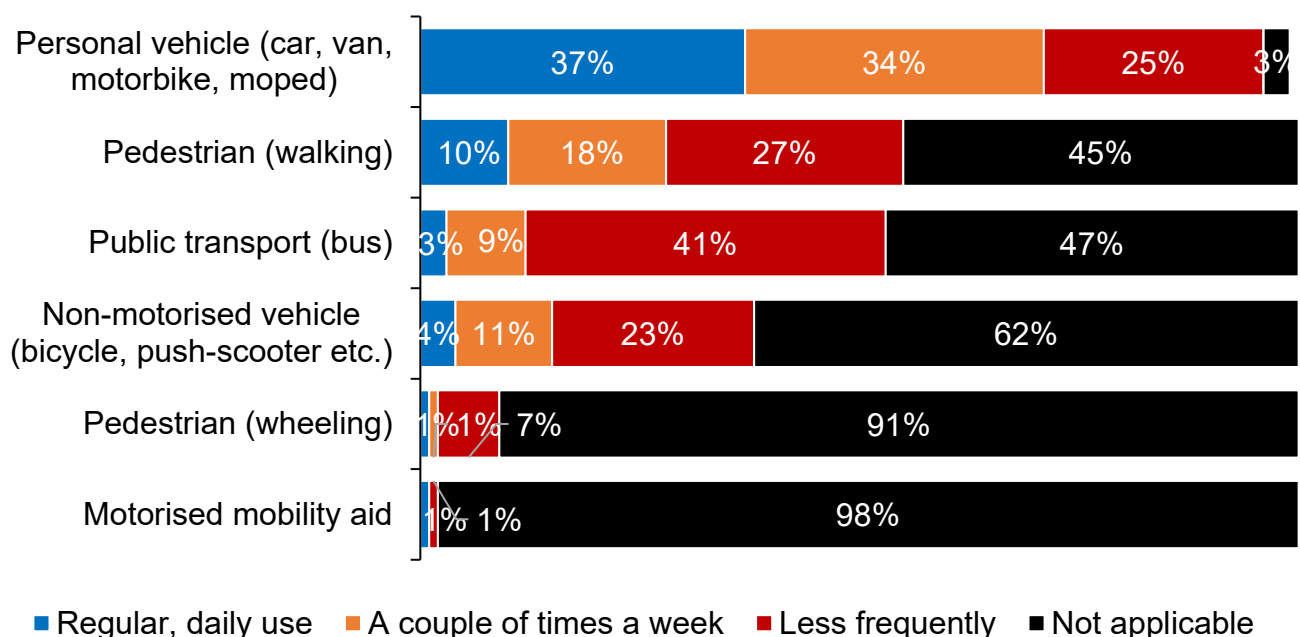
| SUPPORTING DATA TABLE    | Number of consultees of total answering 168 | % of total answering 168 |
|--------------------------|---|--------------------------|
| Regular, daily use       | 29  | 17%                      |
| A couple of times a week | 46  | 27%                      |
| Less frequently          | 33  | 20%                      |
| Not applicable           | 60  | 36%                      |

## HOW A28 CANTERBURY IS USED (MODES OF TRANSPORT)

- Just over seven in ten (71%) use the A28 Canterbury Road via a personal vehicle (car, van, motorbike, moped) at least a couple of times a week. 97% of consultees use the A28 Canterbury Road using a personal vehicle to some degree.
- Just over a quarter of consultees (28%) walk on the A28 Canterbury Road at least a couple of times a week. 55% of consultees walk on the A28 Canterbury Road to some degree.
- 12% travel on the A28 Canterbury Road by bus at least a couple of times a week. 53% of consultees travel by bus on the A28 Canterbury Road to some degree.
- 15% travel on the A28 Canterbury Road via a non-motorised vehicle (bicycle, push scooter) at least a couple of times a week. 38% of consultees travel on a non-motorised vehicle on the A28 Canterbury Road to some degree.

## Please tell us how you use the A28 Canterbury Road and how often...?

Base: all answering (169-251), the sum of individual percentages for each mode may not sum to 100% due to rounding



Personal vehicle (car, van, motorbike, moped)

| <b>SUPPORTING DATA TABLE</b> | <b>Number of consultees of total answering 251</b> | <b>% of total answering 251</b> |
|------------------------------|--|---------------------------------|
| Regular, daily use           | 94   | 37%                             |
| A couple of times a week     | 85   | 34%                             |
| Less frequently              | 64   | 25%                             |
| Not applicable               | 8  | 3%                              |

Pedestrian (walking)

| <b>SUPPORTING DATA TABLE</b> | <b>Number of consultees of total answering 180</b> | <b>% of total answering 180</b> |
|------------------------------|--|---------------------------------|
| Regular, daily use           | 18   | 10%                             |
| A couple of times a week     | 33   | 18%                             |
| Less frequently              | 48   | 27%                             |
| Not applicable               | 81   | 45%                             |

Public transport (bus)

| <b>SUPPORTING DATA TABLE</b> | <b>Number of consultees of total answering 176</b> | <b>% of total answering 176</b> |
|------------------------------|--|---------------------------------|
| Regular, daily use           | 6  | 3%                              |
| A couple of times a week     | 15   | 9%                              |
| Less frequently              | 73   | 41%                             |
| Not applicable               | 82   | 47%                             |

Non-motorised vehicle (bicycle, push-scooter etc.)

| <b>SUPPORTING DATA TABLE</b> | <b>Number of consultees of total answering 169</b> | <b>% of total answering 169</b> |
|------------------------------|--|---------------------------------|
| Regular, daily use           | 7  | 4%                              |
| A couple of times a week     | 19   | 11%                             |
| Less frequently              | 39   | 23%                             |
| Not applicable               | 104  | 62%                             |



Pedestrian (wheeling)

| <b>SUPPORTING DATA TABLE</b> | <b>Number of consultees of total answering 154</b> | <b>% of total answering 154</b> |
|------------------------------|--|---------------------------------|
| Regular, daily use           | 2  | 1%                              |
| A couple of times a week     | 1  | 1%                              |
| Less frequently              | 11   | 7%                              |
| Not applicable               | 140  | 91%                             |

Motorised mobility aid

| <b>SUPPORTING DATA TABLE</b> | <b>Number of consultees of total answering 154</b> | <b>% of total answering 154</b> |
|------------------------------|--|---------------------------------|
| Regular, daily use           | 2  | 1%                              |
| A couple of times a week     | 0  | 0%                              |
| Less frequently              | 1  | 1%                              |
| Not applicable               | 151  | 98%                             |

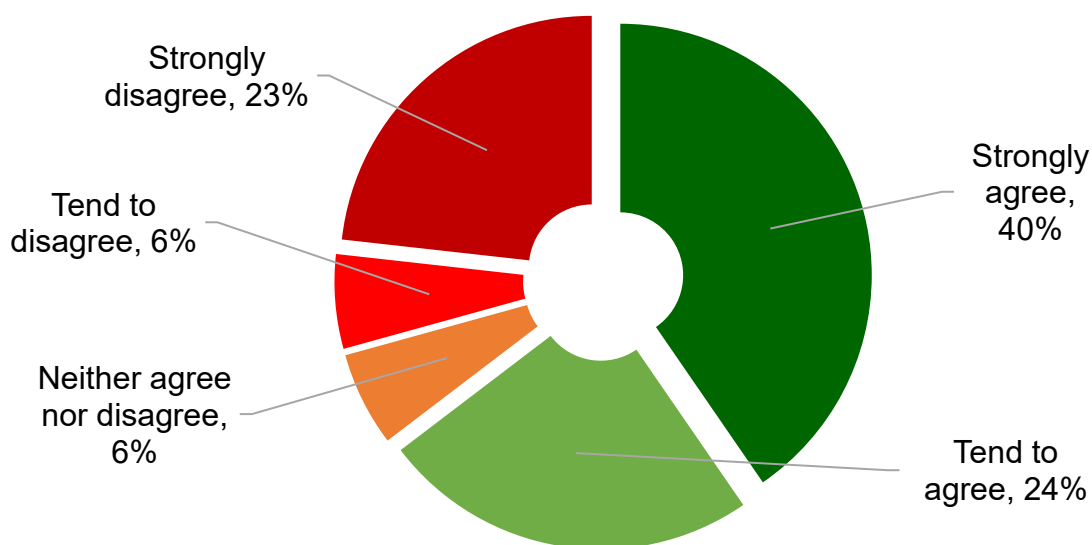
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# RESPONSE TO CONSULTATION PROPOSALS

## RESPONSE TO OVERALL PROPOSALS FOR NORTH THANET LINK

- Just under two thirds of all consultees answering agree with the overall proposals for the North Thanet Link (65%). 29% disagree with the overall proposals and 6% neither agree nor disagree.
- Agreement with the overall proposals is significantly higher amongst male consultees (75%) compared to female consultees (48%). Agreement is broadly consistent amongst consultees aged 35-59 (62%) and consultees aged 60 & over (67%).
- 68% of consultees who use a personal vehicle on the A28 Canterbury Road at least a couple of times a week agree with the overall proposals. Whilst base sizes are small (51 consultees), agreement with proposals amongst consultees who walk on the A28 Canterbury Road at least a couple of times a week is comparatively lower (53%).

**To what extent do you agree or disagree with the overall proposals for the North Thanet Link?** Base: all providing a response (258), the sum of individual percentages may not sum to 100% due to rounding



| SUPPORTING DATA TABLE      | Number of consultees of total answering 258 | % of total answering 258 |
|----------------------------|---|--------------------------|
| Strongly agree             | 104   | 40%                      |
| Tend to agree              | 63  | 24%                      |
| Neither agree nor disagree | 16  | 6%                       |
| Tend to disagree           | 16  | 6%                       |
| Strongly disagree          | 59  | 23%                      |

Consultees were given the opportunity to provide their reasons for their answer in their own words. For the purpose of reporting, we have reviewed respondents' comments and have grouped common responses together into themes. These are reported in the table below. 93% of consultees provided a comment at this question.

The most common positive mentions are that there is too much congestion in the area / the A28 is over-used and not fit for purpose (38% of consultees answering the question) and general agreement with proposals and a better road infrastructure is needed in the area (35%). 9% commented that the proposals will be needed due to local housing development and 7% commented that it will improve air quality. 6% commented that it would provide a better infrastructure for pedestrians / cyclists.

**Please tell us the reason for your answer in the box below.** Base: all answering (239)

#### SUMMARY OF POSITIVE MENTIONS

|   | Number of consultees of total answering 239 | % of total answering 239 |
|---|---|--------------------------|
| Too much congestion in area / A28 overused / not fit for purpose                          | 91  | 38%                      |
| Agree with proposals / much needed / better road infrastructure needed                    | 83  | 35%                      |
| Much needed due to housing development  | 22  | 9%                       |
| Poor air quality / air quality will improve   | 17  | 7%                       |
| Provides better infrastructure for pedestrians / cyclists (much needed)                   | 14  | 6%                       |
| Scheme is long overdue / must be completed as soon as possible                            | 13  | 5%                       |
| Currently unsafe / improves road safety (including pedestrian and cyclist considerations) | 9   | 4%                       |
| Provides better access to Thanet  | 7   | 3%                       |

Some example verbatim comments from the key themes of agreement with proposals can be found below:

**“There is significant load on the A28 through Birchington in particular. As an ambulance route, as well as the main route for tourist (and all other traffic to Margate) it causes rather significant noise and air pollution. This will be a positive development for the area, adding capacity while not causing significant disruption or changes to the existing A28/Seafront road.”**

**“The A28 will become gridlocked due to the extreme numbers of new housing developments expected to pop up within its vicinity. This link road will take some pressure of the A28 at the expense of rural habitat but is a necessary evil. Without it, traffic will**

continue to be pushed onto roads that are currently not suited to such volumes. However learning that the link will widen existing roads without include dual carriageways I'm slightly concerned it might not be sufficient an improvement for very long.”

“The A28 frequently becomes congested with traffic coming from the St Nicholas roundabout, particularly in the area around Birchington Square. This often leads to traffic using Crispe Road, a narrow virtually one lane country road leading to the village of Acol and results in severe traffic congestion at the junction between Crispe Road and Acol Hill. This is a particular problem on fine summer days when visitors to the area are directed along Crispe Road by their sat navs often causing long tail backs in Crispe Road preventing Crispe Road residents accessing their properties from the village end of the road. This part of Thanet is in need of an upgrade of the existing road system to allow better access to the areas of Westgate-on-Sea, Garlinge and Margate.

“Getting to A299 from Broadstairs is very time consuming, any improvement will be welcome. Safety on the present road from Shottendane traffic lights to Acol and the A28 is an issue because the roads were not originally designed to carry the traffic they now do.”

“At peak times during the week and at weekends the A28 between Brooksend and Birchington Square becomes extremely congested and this situated will only get more congested in future years. The A28 is probably the most used road for residents in Margate, Cliftonville and Broadstairs wishing to leave Thanet. No doubt future development will take place only creating more A28 traffic. The extension of Columbus Way to the top of Acol Hill must be a plus as it takes ever increasing traffic away from Acol. Coffin House corner will be much improved with some traffic being diverted around this busy junction. Overall a very good and much overdue scheme.”

“The benefits that a scheme such as the North Thanet Link Relief Road (NTLRR) will bring are appreciated particularly in relation to the A28 and varying cross island movements. A successful scheme will also provide additional value to the Highways England strategic network improvements to the west of Thanet while also ensuring improved connections and value to both Margate and other parts of Thanet.”

“Simply put, this must happen... please... the health and safety of our community must come first. The existing road is no longer fit for purpose in the modern world. Please move the noisy and polluting traffic away from our homes!!! Please... No more dirty traffic and loud lorries!”

“Good scheme subject to funding let’s hope we can get it done ASAP. Would prefer to see underpass for pedestrians and cyclists than staggered crossings, as gives better flow for everyone.”

The most common concerns / considerations raised are that proposals will impact farmland / reduce food production capacity / perceptions farmland shouldn't be used / it will leave farmland vulnerable to development (12% of consultees answering the question) and would spoil the countryside / cause environmental / ecological damage (8%). 10% commented they believe the scheme will increase congestion / pollution / be dangerous and 6% commented the new routes will facilitate new housing development in the area. 9% commented that the scheme is not needed / is a waste of money / money would be better spent elsewhere. 6% commented that proposals do not include sufficient cycling / pedestrian infrastructure.

#### SUMMARY OF CONCERNS / CONSIDERATIONS

|   | Number of consultees of total answering 239 | % of total answering 239 |
|---|---|--------------------------|
| Impact farmland / reduce food production capacity / should not use farmland / will leave farmland vulnerable to development | 28  | 12%                      |
| Scheme will increase congestion / pollution / be dangerous  | 25  | 10%                      |
| Scheme not needed / waste of money / money better spent elsewhere   | 21  | 9%                       |
| Spoil countryside / cause environmental / ecological damage   | 20  | 8%                       |
| New routes will facilitate new housing development  | 15  | 6%                       |
| Proposals don't include sufficient cycling / pedestrian infrastructure  | 15  | 6%                       |
| Perceptions that there is too much housing / development in the area already  | 15  | 6%                       |
| Detrimental to wildlife   | 14  | 6%                       |
| Scheme needs to cover more areas / roads  | 12  | 5%                       |
| Public transport must be improved   | 10  | 4%                       |
| Further suggestions for limiting traffic on certain roads   | 10  | 4%                       |
| Doesn't encourage reducing car usage / should be encouraging reduced car usage  | 7   | 3%                       |
| Proposed route does not have sufficient entry and exit points / congestion at those points                                  | 4   | 2%                       |

Some example verbatim comments from the concerns raised can be found below:

**“The project is not fully funded and will see large seabed of farmland destroyed for a partially complete project which will, as a result of the massive population increase serve to generate more traffic that currently exists.”**

**“The Link will relieve traffic between Brooksend and Birchington BUT it will cut through valuable farming land that in future years will be needed for food supplies especially as the state of the world at present.”**

**“The proposed roundabout will cause more traffic and so when the roundabout gets busier and to capacity people will start to use rat runs and then put increased pressure on other road systems which are not designed for. The amount of farmland you are planning on destroying for this including the margins which are curial for pollinators is criminal.”**

**“The A28 Canterbury Road and Shottendane Road is never a problem to use. This proposed link road will mean the loss of grade and 2 prime agricultural land and to the unnecessary proposed housing developments that are being planned.”**

**“I don't agree with the idea as the current road is sufficient and the new idea, just adds a cycle route, but the proposal will wreck the small area of countryside along the Shottendane and surrounding roads, again putting our wildlife on the brink of losing what little area is left. Some of these animals, including bats are on the red list. It will also be dangerous near the school, due to the T junction and the considerable amount of cars at coffin house corner.”**

**“To encourage more cyclists and reduce overall pollution, I would like a reconsideration of making a cycling lane in both directions on the A28 to enable residents to move between houses and schools and shops with the present enthusiasm for E-bikes and pedal cycles for shorter journeys, a good cycle connection within the present housed areas is a very much needed improvement.”**

**“The scheme also opens the way for the housing over development plans for Thanet to generate a large amount of new traffic, is the scheme taking that into account & will it be able to cope in the future? If not it is a waste of time. Has the pollution aspect been taken into account for all these people you are expecting to use your footpaths?”**

**“To achieve maximum benefit, the following matters must be addressed: 1) It is essential that it is constructed in one co-ordinated construction process rather than relying on a sporadic approach linked to individual housing and other development initiatives; 2) A roundabout connection should be provided on the junction with the A28 ensuring that inclusive queuing delays are minimised beyond those usually associated with signal controlled junctions; 3) Accepting that there will be occasions where traffic will chose to divert from the St Nicholas Roundabout along the A299 to Minster Roundabout to connect into the NTLRR, it is essential that an analysis of the future operational and service efficiency of the Minster/Tothill/Minster Road Roundabout is undertaken. Noting that one of the objectives associated with cross island traffic movement supports the connection and link from Columbus Avenue, onto the A299, free flow running lanes should be provided onto the roundabout (similar to the A299/A256 Roundabout); 4) Habitual on-street parking along Columbus Avenue should be addressed to ensure future benefit of reduced traffic through Acol; 5) Maximum provision of service utility ducting and utility access routes should be provided across and along the scheme to avoid excavations in road space once the NTLRR has been constructed; 6) Given that there is an expectation for significant developer contributions, we insist that any funding deficit in this process should not be achieved through the possible approval of additional housing allocations within or adjacent to Minster; 7. Appreciating that one of the key objectives is to provide relief to the A28, we**

do not accept that construction of the NTLRR should be deemed to facilitate a reinstatement of the recently abandoned Active Travel Fund Scheme between Birchington and Margate; and 8. In order that full connectivity and consequential benefits of the scheme can be achieved, the key junctions at the eastern end of the scheme will need to have service and capacity improvements. It will not be acceptable to transfer the currently experienced congestion from the Birchington area to the Westbrook and south Margate area.”

“There are over 1,100 horses passported to owners living within the Thanet District and the area surrounding the proposed link highway is especially densely populated with horses. Their contribution to the local area needs to be considered when designing this scheme. Where existing roads are made less busy as a result of this project, then these roads should have traffic calming measures to ensure that they are more inviting and safer to use by vulnerable road users, including equestrians.”

“Although locally the predicted 18000 vehicles (daily by 2043) travelling along the A28 may be perceived high, such traffic volumes are not extraordinary high for an A-road, and the current (and future) congestion along the A28 is (and will be) mainly confined to weekday peak periods. With respect to road traffic collision reduction and / or the promotion of sustainable travel, again there seems little evidence to support the scheme.”

“We consider that in accordance with Government policy every effort must be made to avoid and mitigate environmental impacts and ensure that biodiversity net gain is achieved through this project. We would therefore expect that a high-quality package of environmental mitigation measures is developed and delivered as part of the scheme.”

“Absent developer contributions, KCC will likely be left with risking a 'top up' of the £60 millions 'budget' for Thanet North Link – a 'ballpark' figure that could easily be doubled given the uncertainties of large schemes. At the recent Westgate hustings, all parties were agreed that a halt must be called to further 'estate' permissions pending a thorough revision of a locally led Local Plan. The then Leader of the District Council endorsed this decision from the floor and it was agreed that a Local Plan Forum should be instituted under a revised Statement of Community Involvement. Thus, since the North Link scheme appears heavily predicated on a vast population expansion, it must be a 'castle in the air' built on very fine sand. It would be more sensible to spend such monies as might become available on roads that can actually be deemed 'strategic'. Locally this ought to mean a review ensuring improved access opportunities between Port Ramsgate and Dover (as a spread of 'transport risk' in national flow consideration) as a clear preference to the highly 'parochial' Thanet North Link 'Port Ramsgate' is where the new TDC administration sees economic development taking place and it is nearer our hopes for 'life sciences' regeneration at Sandwich.”

“The engineering components of the scheme have been in gestation for several years and reflect the discussions held with the developers. It is noted that the scheme as presented is greater than previously considered as the scale of the highway proposals in some locations is greater than required to mitigate the allocated developments as required by the National Planning Policy Framework and CIL Regulations. It is recognised that some resilience to accommodate longer term growth in economic activity in the area also needs to be taken into account. However it is also important to adhere to the legal tests of proportionality

**when considering developer contributions to infrastructure improvements. This is particularly the case with Funding option 2 (Developer Funding Only)."**

Ten consultees put forward additional suggestions for limiting traffic in certain areas. Examples of these can be found below:

**"I strongly agree with the principles outlined in this proposal, except for the fact that the new road ceases at Hartsdown Road.....this will just move the congestion from Birchington Square to Hartsdown Road! Why not continue the link directly to Margate seafront near the Railway Station and/or continue to link-up with the development at Westwood?."**

**"I think this proposal is a very good one, except it has one major flaw.. From the plans there seems to be no link from the Westwood cross development (Artemis View) to New Link road between Shottendane Road and Manston Road. so there will be no traffic relief on Nash Road. At present , Nash road is completely inadequate to cope with traffic from the new development that wants to travel to Margate or Westgate and Birchington. Without a new link road to Manston road from the Nash road development the traffic will still be horrendous."**

**"We recognise that the plan will involve closing the end of Margate Hill to traffic, which is a step in the right direction. However, a further consideration needs to be Crispe road, which is a single track with passing places; those places being upon an unstable bank and several vehicles have tipped into the field. North Thanet is at gridlock during the summer months and Crispe road is used as a short cut for traffic wishing to bypass traffic jams. This results in the road being congested and those who live on Crispe Road are not able to leave the or return to their homes during these times as access to the road is impossible."**

**"People often use Garlinge High Street as a `cut through` to Canterbury Road and it gets worse in the summer months due to day trippers and holiday makers visiting the area. Garlinge High Street should be made non accessible from Shottendane Road to limit the amount of traffic using it."**

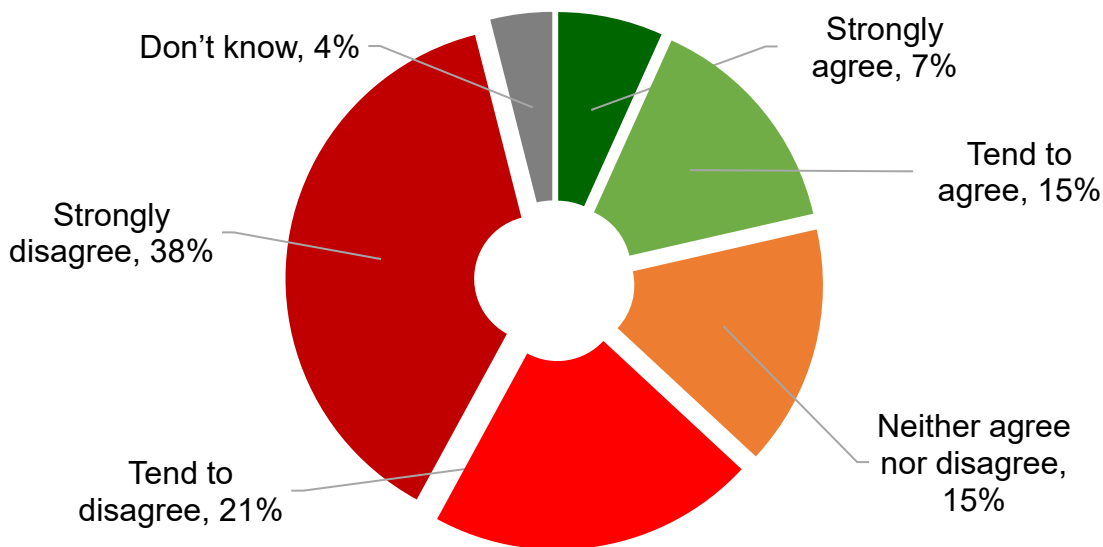


RESPONSE TO OPTION 1 SIGNAL JUNCTION ON THE A28

- Just under a quarter of all consultees answering agree with the Option 1 Signal Junction on the A28 (21%). 59% disagree with Option 1 and 15% neither agree nor disagree.
- Agreement is broadly consistent amongst male (27%) and female (19%) consultees and consultees aged 35-59 (21%) and consultees aged 60 & over (22%).
- 22% of consultees who use a personal vehicle on the A28 Canterbury Road at least a couple of times a week agree with Option 1. Whilst base sizes are small (51 consultees), agreement is broadly consistent (18%) amongst consultees who walk on the A28 Canterbury Road at least a couple of times a week.

The proposed North Thanet Link scheme design currently includes two options for the junction at the existing A28 Canterbury Road in Birchington. See pages 10 to 13 of the consultation document for more information. To what extent do you agree or disagree with Option 1 Signal Junction on the A28?

Base: all providing a response (252), the sum of individual percentages may not sum to 100% due to rounding



| SUPPORTING DATA TABLE      | Number of consultees of total answering 252 | % of total answering 252 |
|----------------------------|---|--------------------------|
| Strongly agree             | 17  | 7%                       |
| Tend to agree              | 37  | 15%                      |
| Neither agree nor disagree | 39  | 15%                      |
| Tend to disagree           | 53  | 21%                      |
| Strongly disagree          | 96  | 38%                      |
| Don't know                 | 10  | 4%                       |

Consultees were given the opportunity to provide their reasons for their answer in their own words. For the purpose of reporting, we have reviewed respondents' comments and have grouped common responses together into themes. These are reported in the table below. 75% of consultees provided a comment at this question.

The most common positive mentions are that traffic lights are safer for pedestrians / cyclists (9% of consultees answering the question), in general (5%) and would help to regulate / control / slow traffic (4%). 6% commented they had a general preference for traffic lights.

**Please tell us the reason for your answer in the box below.** Base: all answering (194)

SUMMARY OF POSITIVE MENTIONS

|  | Number of consultees of total answering 194 | % of total answering 194 |
|--|---|--------------------------|
| Traffic lights are safer for pedestrians / cyclists      | 17  | 9%                       |
| Prefer traffic lights / signal junction                  | 11  | 6%                       |
| Traffic lights would be safer in general                 | 10  | 5%                       |
| Traffic lights help to regulate / control / slow traffic | 8   | 4%                       |

Some example verbatim comments from the positive mentions made can be found below:

**“Traffic lights tend to work better at controlling traffic travelling at volume & speed. An example is the A28 junction for Westgate before Ursuline College.”**

**“I think the signal junction would be the best option as long as the lights are timed correctly. Anything that causes long queues will encourage people to find other routes as is the case now.”**

**“With more housing proposed for the area I think signals would provide a safer junction for both motor vehicles and pedestrians having to cross it.”**

**“Motorists tend to stop for traffic lights, whereas on my daily drive to Monkton, many motorists do not slow down on the approach to roundabouts and some do not even stop to give way.”**

The most common concern is a perception that traffic lights cause congestion / slow / disrupt traffic flow (43% of consultees answering the question). 8% commented that traffic lights cause pollution / in comparison to roundabouts, 5% commented that the proposal for traffic lights would be unsafe for pedestrians / cyclists in its current format and could create issues for other roads (5%). 20% commented they had a preference for roundabouts / roundabouts would be better for traffic flow.

#### SUMMARY OF CONCERNS / CONSIDERATIONS

|   | Number of consultees of total answering 194 | % of total answering 194 |
|---|---|--------------------------|
| Traffic lights cause congestion / slow / disrupt traffic flow                       | 84  | 43%                      |
| Roundabout would be better / prefer roundabout / roundabout better for traffic flow | 38  | 20%                      |
| Scheme not needed / disagree with proposal  | 17  | 9%                       |
| Traffic lights cause pollution / roundabouts less pollution                         | 15  | 8%                       |
| Traffic lights would be unsafe for pedestrians / cyclists / more provision needed   | 9   | 5%                       |
| Traffic lights would create issues on other roads                                   | 9   | 5%                       |
| Suggestions to make traffic lights more efficient                                   | 7   | 4%                       |
| Suggestions for scheme  | 7   | 4%                       |
| Impact farmland / wildlife / green space  | 4   | 2%                       |
| Don't know / undecided / not concerned  | 10  | 5%                       |

Some example verbatim from the concerns raised can be found below:

**“This option would create congestion along the A28 in both directions and along the section of new road between the A28 and Acol Hill, parts of which are or will be residential. The stop-start nature of the traffic would increase air and noise pollution at the junction.”**

**“Anything that holds up traffic like this shouldn’t be approved. Roundabouts are better for keeping traffic moving.”**

**“Traffic coming into Birchington already backs up critically in the evening with returning commuters and severely when there is holiday and recreational traffic arriving at weekends and during the entire summer. Traffic lights would simply increase the impact by reducing the flow of traffic and extend the tailbacks.”**

**“Traffic lights are a nightmare, just look at Westgate traffic lights at peak times. The traffic would back up the Brooksend hill, especially worse is cold dark winter months. Option 2 is better as long as you incorporated a second segregated left turn merge lane to merge traffic coming from the Acol direction seamlessly into the London bound A28.”**

Some of the example alternative suggestions for the scheme / to make a traffic light proposal more efficient can be found below:

**“The positioning of this junction is wrong, it should be at the bottom of Brooks End Hill, at the end of the dual carriageway. A traffic light junction at the brow of Brooks End Hill would cause traffic to back up down the hill, generating more exhaust pollution than would be generated on flat road. A key objective of the new road should be to relieve congestion in The Square, traffic lights are unlikely to encourage traffic to turn right towards Margate to avoid The Square - a filter is more likely to push more traffic straight ahead.”**

**“The proposed link will reduce traffic. Pedestrians currently don't use the Brooksend Hill anyway apart for a bus stop a mile west. If traffic is calmed will this lower any existing risk? A roundabout with a dedicated lane for Minnis and Birchington and a right hand dedicated lane for Margate.”**

**“Option 1 included the use of Westbrook Avenue which is totally a residential area and which is very busy at this point and feel it should be a 20 mph residential road.”**

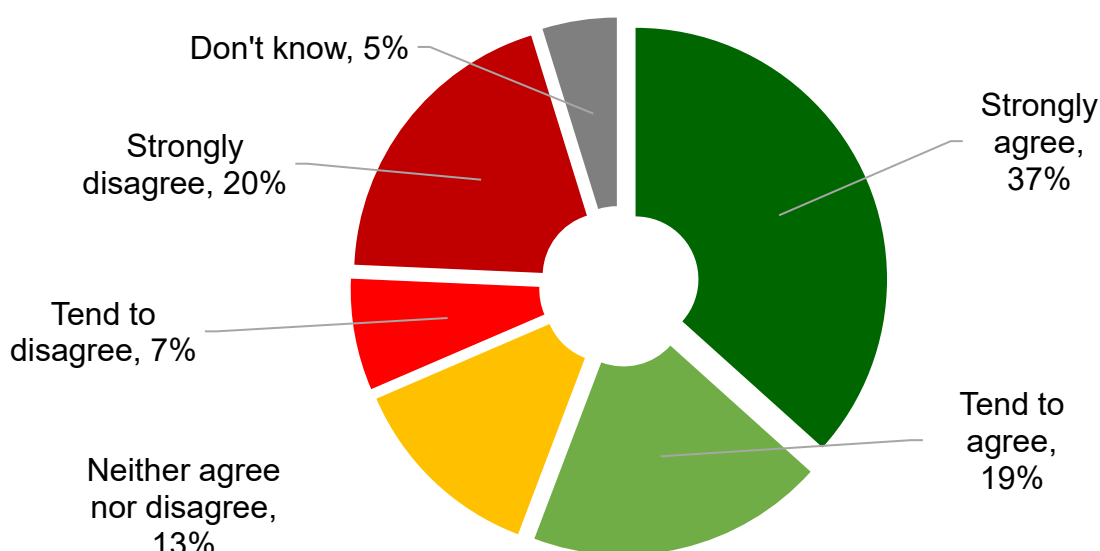
**“Not in the right place. It should be sited at the bottom of the hill. It would discourage folk from using Crispe Road. it would connect up with the end of the dual carriage. it would connect up with the cycle path that runs along the side of the dual carriage way. A roundabout in that position would be preferable.”**

## RESPONSE TO OPTION 2 ROUNDABOUT JUNCTION ON THE A28

- Just under six in ten of all consultees answering agree with the Option 2 Roundabout Junction on the A28 (56%). 27% disagree with Option 2 and 13% neither agree nor disagree.
- Agreement is higher amongst male consultees (63%) compared to female consultees (48%). Agreement is more consistent by age with 65% of consultees aged 35-59 agreeing and 56% of consultees aged 60 & over agreeing.
- 61% of consultees who use a personal vehicle on the A28 Canterbury Road at least a couple of times a week agree with Option 2. Whilst base sizes are small (51 consultees), agreement with Option 2 amongst consultees who walk on the A28 Canterbury Road at least a couple of times a week is slightly lower at 55%.

### To what extent do you agree or disagree with Option 2 Roundabout Junction on the A28?

Base: all providing a response (251) the sum of individual percentages may not sum to 100% due to rounding



| SUPPORTING DATA TABLE      | Number of consultees of total answering 251 | % of total answering 251 |
|----------------------------|---|--------------------------|
| Strongly agree             | 92  | 37%                      |
| Tend to agree              | 48  | 19%                      |
| Neither agree nor disagree | 32  | 13%                      |
| Tend to disagree           | 18  | 7%                       |
| Strongly disagree          | 49  | 20%                      |
| Don't know                 | 12  | 5%                       |

Consultees were given the opportunity to provide their reasons for their answer in their own words. For the purpose of reporting, we have reviewed respondents' comments and have grouped common responses together into themes. These are reported in the table below. 74% of consultees provided a comment at this question.

The most common positive mention is a perception that a roundabout design would be better for traffic flow / cause less congestion (51% of consultees answering the question). 12% commented they had a general preference for a roundabout.

**Please tell us the reason for your answer.** Base: all answering (190)

SUMMARY OF POSITIVE MENTIONS

|   | Number of consultees of total answering 190 | % of total answering 190 |
|---|---|--------------------------|
| Roundabout would be better traffic flow / cause less congestion | 96  | 51%                      |
| Prefer a roundabout   | 22  | 12%                      |

Some example verbatim comments from the positive mentions made can be found below:

**“A suitably designed roundabout would enable traffic to flow more smoothly through the junction, especially if "feeder" lanes are incorporated to facilitate easier merging of traffic leaving/joining the A28 and the new link road. There would be significantly fewer delays and less pollution. It is noticeable that all other primary junctions on the proposed link road include roundabouts not traffic signals.”**

**“Much of the traffic coming from the A299 up the hill on the A28 approaching Birchington will be turning right onto the new road. By far the best way of smoothing the traffic flow will be for this to be a right turn at a roundabout. This is infinitely preferable to having traffic lights.”**

**“Roundabouts are much more free flowing and allow for smoother journeys. They also mean vehicles are idling for less time which reduces unnecessary pollution.”**

**“A roundabout will allow continuous traffic flow. Two lanes are required in the incoming route to allow a right hand lane for traffic to the new link highway to Margate and a left lane for traffic to Minnis and Birchington. This will significantly reduce tailbacks for local traffic and traffic pollution.”**

**“Please make sure this is a roundabout - traffic lights don't help at all with traffic flow. Will this road cope with all (future) developments which are being planned? Park Road is already too narrow - I am concerned it will be used as a rat run to Birchington and housing estate.”**

**“A roundabout junction on the A28 is the preferred option of the Council. Our position is that the road link should be delivered before any development of new homes. The link road should be built around the proposed future development and not through it. There is concern about cyclists and pedestrians using the same pathways.”**

The most common concern is a perception that a roundabout design would be unsafe for pedestrians / cyclists / more provision of this is needed in the design (11% of consultees answering the question). 6% commented they felt roundabouts are unsafe / drivers don't use them properly and 3% commented that roundabouts cause congestion / are slow / disrupt traffic flow. 8% put forward suggestions to make a roundabout design more efficient.

#### SUMMARY OF CONCERNS / CONSIDERATIONS

|   | Number of consultees of total answering 190 | % of total answering 190 |
|---|---|--------------------------|
| Roundabout would be unsafe for pedestrians / cyclists / more provision needed | 21  | 11%                      |
| Suggestions to make roundabout more efficient                                 | 16  | 8%                       |
| Roundabout is unsafe / drivers don't use them properly                        | 12  | 6%                       |
| Scheme not needed / disagree with proposal                                    | 10  | 5%                       |
| Roundabout causes congestion / slow / disrupt traffic flow                    | 6   | 3%                       |
| Prefer traffic lights   | 6   | 3%                       |
| Impact farmland / wildlife / green space                                      | 5   | 3%                       |
| Suggestions for scheme  | 4   | 2%                       |
| Don't know / undecided / not concerned  | 8   | 4%                       |

Some example verbatim comments from the concerns raised can be found below:

**“Roundabouts can turn into a 'free for all' and do not provide pedestrians with as safe a way of crossing the road.”**

**“Roundabouts can be challenging for pedestrians and cyclists, and providing public transport priority can lead to excessive land take.”**

**“The roundabout junction offers significantly less connectivity for pedestrians and cyclists than the signalised junction for those using the shared use footway and at the very least a straight-over toucan crossing should be required off the northwestern arm as part of the new development to mitigate this.”**

**“At present most pedestrians going to and from Acol to Birchington walk up the hill on the field behind the tree screen to the top and then behind the hedgerow opposite Quex Park which is a lot shorter than that shown on the proposed plan. As a cyclist I and many others would like to be able to use Acol Hill rather than the longer route proposed. Would it not make more sense to extend the footway/cycleway down to merge with Acol Hill. If cycling to the Ramsgate area across Manston using the footway/cycleway it becomes necessary to cross first the Manston road then the Shottendane road and the access road to Birchington Vale Holiday Park and then rejoin the Manston road. If this road is as successful as it is intended then as a cyclist I do not fancy this junction without lights controlling the crossings.”**

**“I believe the road system will be made worse with sections of road leading in a lot of cases nowhere . Manston Road / Coffin house corner / Nash lane is a fine example of a road ended and leading nowhere. This area in particular is going to be made more dangerous with the existing school and cars parked on either side of the roads. Existing roads and new roads do not meet and flow making them narrower in places (Nash Lane - Westwood Cross housing estate).”**

Some of the example alternative suggestions for the scheme / to make a roundabout proposal more efficient can be found below:

**“You must incorporate a second merge lane at the roundabout for traffic coming from the Acol direction towards London bound A28 traffic. This will allow access to coast bound traffic when hitting the roundabout to flow better into it and around towards Acol.”**

**“Not happy with siting of roundabout (at top of hill going into Birchington, which is already a bottleneck in busy times). But it is the least bad option. Personally I'd be happier if the roundabout was at the bottom of the hill.”**

**“The local roads should remain the same apart from Garlinge High Street being made non accessible from Shottendane Road.”**



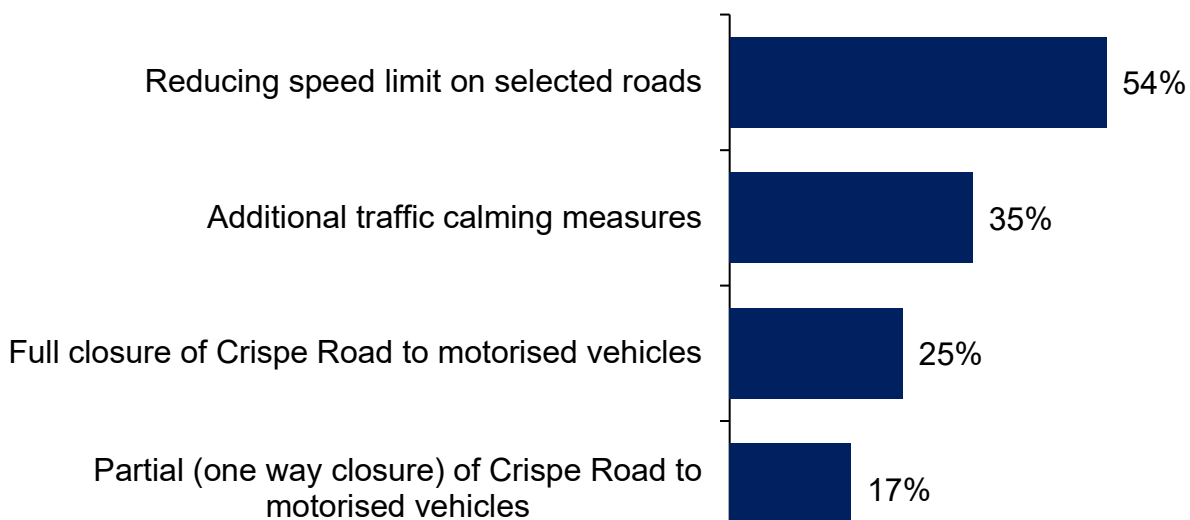
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## SUPPORT FOR ADDITIONAL HIGHWAY MEASURES PROPOSED

- Of the four additional highway measures proposed, support is highest for reducing the speed limit on selected roads (54% of all consultees answering). 35% support for additional traffic calming measures, 25% support for full closure of Crispe Road to motorised vehicles and 17% support partial (one way closure) of Crispe Road to motorised vehicles.
- Support for reducing the speed limit on selected roads is higher amongst consultees aged 35-59 (63%) compared to consultees aged 60 & over (51%). Support for additional calming measures is highest amongst consultees aged 60 & over (47%) compared to consultees aged 35-59 (35%).
- 51% of consultees who use a personal vehicle on the A28 Canterbury Road at least a couple of times a week support reducing the speed limit on selected roads. Whilst base sizes are small (51 consultees), support for reducing the speed limit on selected roads amongst consultees who walk on the A28 Canterbury Road at least a couple of times a week is comparably lower at 36%.
- Whilst base sizes are small (61 consultees), support for full closure of Crispe Road amongst consultees who use non-motorised vehicles is higher at 39%.
- 31 consultees completing the questionnaire provided a postcode within Acol village. Support for each of the additional highway measures amongst these residents is as follows: 21 support reducing speed limit on selected roads, 17 support additional traffic calming measures, 12 support full closure of Crispe Road to motorised vehicles and 11 support partial (one way closure) of Crispe Road to motorised vehicles.

**One of the aims of the North Thanet Link scheme is to discourage vehicles from travelling through the residential area of Acol Village unless they are accessing a destination within the village. Which of the following additional highway measures (that are not included within the current scheme proposals) would you support within Acol village?**

Base: all answering (230), consultees had the option to select more than one response.



| <b>SUPPORTING DATA TABLE</b>                                   | <b>Number of consultees of total answering 230</b> | <b>% of total answering 230</b> |
|--|--|---------------------------------|
| Reducing speed limit on selected roads                         | 124  | 54%                             |
| Additional traffic calming measures                            | 80   | 35%                             |
| Full closure of Crispe Road to motorised vehicles              | 57   | 25%                             |
| Partial (one way closure) of Crispe Road to motorised vehicles | 40   | 17%                             |

47 consultees also provided a free text comment at this question. Comments contained a mixture of reasons for the highway measure they selected, suggestions for other highway measures and reasons for not supporting additional highway measures. Some example verbatim comments concerning these comments can be found below:

**“The closure of Minster Road, Acol to through vehicle traffic onto the B2190, at a suitable position. To both prevent it being used as a 'Rat Run' in future and enhance the quality of the village environment.”**

**“Pavements both side and if discourage vehicles from travelling through the residential area of Acol Village does that mean the bus 48A and 48 would stop going though there as am sure when Manston is up and running we would need a bus route to maybe connect Birchington to Westgate library route to Margate like the route loop to Broadstairs to Ramsgate Harbour to Manston Airport to Birchington then the same way back Birchington station Manston Airport to Ramsgate the loop route to Broadstairs to Margate then Westgate library to then Birchington station.”**

**“Make the new road of sufficient attraction so that motorists don't want to use Crispe Road, except for access.”**

**“The current traffic calming measures allow commercial vehicles to drive through the village and i suspect they will. continue to do so - especially if traffic backs up on the A28. There are two ways (at least) to stop or reduce this: put two proper "give way" curb systems (like the one that protects Manston village coming from Ramsgate). It is said that the reason that they cannot be put in is the lack of a light to illuminate them. One existing give way area has a light nearby and it should not cost a fortune to put the necessary lights in (there is already power for the street lamps anyway). The give way at Manston village not only slows traffic down it forces traffic to actually stop. By making such give ways at both ends of Acol this will make it unattractive for many road users to use the village as a fast cut through. The other thing that could be done is to put more of the raised roadway sections (like the one that has been put into the middle of the Acol road) as these really work and force everyone to reduce speed. The single humps do not work and also create massive noise as trucks and cars with trailers drive over them at speed. A second, more radical, solution would be to turn Minster Road, The Street, Crispe Road and Plumstone Road into a one-way system, apart for pedestrians and cyclists (something which motorists are increasingly getting used to). This would solve the increased traffic issues and also allow a narrower central carriageway to be created in the heart of the village, with traffic**

calming measures, and allow for a proper pedestrian pavement and cycle track to be created along the main route through the village. Separate cycle way and pedestrian path could also be created along both Crispe Road and Plumstone Road. Of course this would require a major change in people's mindsets, but it would, by its very virtue, halve the traffic going through the village at any time and also make everything safer (including the single track roads). The question is: would the residents (unlike Londoners and other big city dwellers) get the sense of it?"

"Huge housing development of grade one farmland will no doubt be the outcome of this road's proposal. Enough is Enough!"

"When I go through Acol I hardly see another car so the current measures are working or there just isn't the demand through this area."

## PERCEIVED IMPACT ON ACTIVE TRAVEL

- Just over a third of consultees claim the proposed walking and cycling infrastructure would encourage them to walk / wheel more often (37%). 46% disagree it would encourage them to walk / wheel more often. 16% are unsure whether it would encourage them.
- Whilst base sizes are small (94 consultees), 45% of consultees who walk on the A28 Canterbury Road to some degree claim it would encourage them to walk / wheel more often.
- A broadly consistent proportion of consultees claim the proposed walking and cycling infrastructure would encourage them to cycle often (38%). 48% disagree it would encourage them to cycle more often. 14% are unsure whether it would encourage them.
- Whilst base sizes are small (60 consultees), 60% of consultees who use a non-motorised vehicle on the A28 Canterbury Road to some degree claim it would encourage them to cycle more often.

**The scheme proposals include a range of off road walking and cycling infrastructure including road crossing facilities. Would the proposed walking and cycling infrastructure encourage you to...?**

Base: all answering (245-249), the sum of individual percentages for each question may not sum to 100% due to rounding

### Walk / wheel more often

| SUPPORTING DATA TABLE | Number of consultees of total answering 249 | % of total answering 249 |
|-----------------------|---|--------------------------|
| Yes                   | 88  | 35%                      |
| No                    | 110   | 44%                      |
| Don't know            | 39  | 16%                      |
| Not applicable        | 12  | 5%                       |

### Cycle more often

| SUPPORTING DATA TABLE | Number of consultees of total answering 245 | % of total answering 245 |
|-----------------------|---|--------------------------|
| Yes                   | 89  | 36%                      |
| No                    | 111   | 45%                      |
| Don't know            | 32  | 13%                      |
| Not applicable        | 13  | 5%                       |

## ANY OTHER COMMENTS ON PROPOSALS

At the end of the questionnaire, consultees were given the opportunity to provide any other comments or suggestions on the proposals in their own words. For the purpose of reporting, we have reviewed respondents' comments and have grouped common responses together into themes. These are reported in the table below. 46% of consultees provided a comment at this question.

The most common comments referenced by consultees answering this question concern issues with how particular roads will be affected / general issues (30%) as well as specific areas and roads such as Acol (14%), Shottendane (13%) and Garlinge (8%).

27% of consultees answering commented they would like to see a better provision for pedestrians / more paths / crossings / segregated paths and 22% would like to see a better provision for cyclists / joined up routes / segregated paths. Whilst base sizes are very small (34 consultees), 47% of consultees who indicated they use a non-motorised vehicle on the A28 Canterbury Road to some degree commented they would like to see a better provision for cyclists / joined up routes / segregated paths and 44% commented they would like to see a better provision for pedestrians / more paths / crossings / segregated paths.

14% of consultees answering commented they would like inclusion of a wider area / extension of the scheme / that entry and exit points of proposals will be problematic.

**If you have any other comments on the proposed North Thanet Link scheme, including any suggestions for improvements to the design of the A28 Canterbury Road junction or the wider scheme, please tell us in the box below.**

Base: all answering (119)

|  | Number of consultees of total answering 119 | % of total answering 119 |
|--|---|--------------------------|
| Concerns / issues with how particular roads will be affected                 | 36  | 30%                      |
| Better provision for pedestrians / more paths / crossings / segregated paths | 32  | 27%                      |
| Better provision for cyclists / joined up routes / segregated paths          | 26  | 22%                      |
| Include wider area / extend scheme / entry and exit points problematic       | 17  | 14%                      |
| Concerns / issues / suggestions about Acol                                   | 17  | 14%                      |
| Negative impact on farmland / wildlife / green space                         | 16  | 13%                      |
| Concerns / issues / suggestions about Shottendane Road                       | 16  | 13%                      |
| Scheme not needed / disagree with scheme / waste of money                    | 15  | 13%                      |

|  | Number of consultees of total answering 119 | % of total answering 119 |
|--|---|--------------------------|
| Roads are not wide enough / increase capacity / dual carriageway                 | 11  | 9%                       |
| Agree with / support plan / much needed  | 10  | 8%                       |
| More traffic control/calming measure required / lower speed limits / speed bumps | 10  | 8%                       |
| Scheme will push traffic / congestion into other areas                           | 10  | 8%                       |
| No more / too much housing development / lack of amenities / infrastructure      | 9   | 8%                       |
| Concerns / issues / suggestions about Garlinge                                   | 9   | 8%                       |
| Doesn't encourage reducing car usage / should be encouraging reduced car usage   | 8   | 7%                       |
| More details / consultation needed   | 8   | 7%                       |
| Scheme is long overdue / start and complete ASAP                                 | 7   | 6%                       |
| Concerned about pollution / impact on environment                                | 7   | 6%                       |
| Drainage / flooding concerns   | 5   | 4%                       |
| Costing / funding concerns   | 4   | 3%                       |
| Concerns about street lighting   | 4   | 3%                       |
| More consideration for horses / bridleways required                              | 3   | 3%                       |
| Public transport must be improved  | 3   | 3%                       |
| Cars parked on roads / reduced capacity / provide parking                        | 3   | 3%                       |

Some example verbatim comments about concerns / issues with how particular roads will be affected can be found below:

**“Consideration needs to be given to the increased traffic which will be generated on Minster Road (and to a lesser extent Garlinge High Street. Minster Road will become the main route between the A28 and the new link road. The section of Minster Road with housing on one or both sides is often congested with parked cars making it impossible for cars to pass in opposite directions at the same time. Also the current junction is often congested with right turning traffic from Minster Road sometimes taking 3 lots of green lights before being able to get to the junction and make the turn. More consideration needs to be given to traffic movements between the A28 and the link road.”**

**“I live in Garlinge, just off the High Street, where there are currently ZERO traffic calming measures in place and you take your life in your hands trying to get out of our turning into it. Acol appears to be a dead village with no pub and no shop - so why not drive through it**

**(at 20 miles an hour with those massive sleeping policemen)? Lots of drivers are already using all the other connecting lanes to get about - often at high speed - and these road all need improving - with at least white lines down the middle, down the sides and cats' eyes. None of these are currently in place on Shottendane Road - which is so strange, when other stretches of road seem totally over-designed. Cycle lanes and pavements should be installed on all connecting roads. Garlinge High Street needs a 20 m/h limit and traffic calming, whatever happens."**

**"A link between the Artemis view development on Nash road and the new link on Manston road would completely free up the traffic back log of cars that want to travel to Westgate and Birchington. Even with the new proposals they do not address this issue. At present Nash road is the only way to go from Westwood cross for all cars even if they only want to go to Margate. At the corner of Artemis view the new section of Nash road narrows into the old section. At present there is not enough room for two cars to pass as the curb has now been raised. and the traffic jam backs up all the way because of the traffic lights on the Shottendane road junction. Once the new development becomes occupied Nash road will become unusable with traffic."**

Some example verbatim comments concerning Acol can be found below:

**"There is currently very little pedestrian provision for Acol residents, severely impairing non-motorised access to Quex and Birchington. Although we are able to use the sides of some fields, they can be difficult to negotiate for older people and can be impassable in wet or wintry weather. Additional permanent provision extending through the village to Minster Road would greatly improve the situation."**

**"As a resident of Acol, it would be hugely beneficial to also have a pavement on Acol Hill, to join with the rest of the scheme. Currently we have to drive to get out of the village, as walking in the road with children is too dangerous. We could safely walk to Quex Park or even into Birchington itself if there were suitable footpaths."**

**"Acol is so dangerous to walk through. The traffic calming measures have not worked as vehicles especially skip trucks drive through so fast and close to where you have to walk on the road. Children have to walk along to either catch or depart from their school bus it is so very dangerous."**

**"As a resident of Acol, we desperately need the roads calmed in and around the village. The village has very little in the way of footpaths and street lighting. Currently, it's used as a rat run by a lot of car drivers who don't pay attention to their speed. Since moving here several of our cats have been hit by cars. In the summer on sunny weekends, Crispe Road reaches gridlock with cars using it to get to Margate which is just ridiculous given its a single-track road with limited passing points, and a six to eight-foot drop int place into the adjacent field."**

Some example verbatim comments concerning Shottendane can be found below:

**"I'd suggest the consideration of a dual lane in each direction corridor along Shottendane road, which will provide much greater flow deeper into north Thanet, and benefits for**

**business (as well as future proofing a primary access route for the planned and future dwelling constructions)."**

**"Serious consideration should be given to close High Street Garlinge to through traffic (between Stephens Close and Shottendane Road) – this narrow road which is used as a "rat run" simply cannot cope with the existing traffic levels. There could very well be an increase of traffic when the link road is built. In addition there would be no feasible way of widening this section of the High Street due to proximity of many of the existing building to the highway."**

**"There is scope to improve the cycling facilities there are a number of crossing points that need improvement all main crossing points along the route should consider the needs of cyclists. A cycle and pedestrian crossing point should be provided near the Acol Hill junction where the route changes from north to south and near the proposed Shottendane Road / Manston Road junction as this will be busy junction."**



## RESPONSE TO EQUALITY IMPACT ASSESSMENT

Consultees were given the opportunity to provide any comments on the draft Equality Impact Assessment in their own words. 21% of consultees provided an answer to this question. However, 35% of these consultees indicated they had no comment / nothing to add. As a result, only 14% of consultees provided an applicable comment at this question.

Of the consultees providing an applicable comment, the most commonly referenced is a perceived effect of the proposals on disabled residents / those with mobility issues / mobility scooters as well as cyclists.

**We welcome your views on our equality analysis and if you think there is anything we should consider relating to equality and diversity, please add any comments below.**

Base: all answering (54)

|  | Number of consultees of total answering 54 | % of total answering 54 |
|--|--|-------------------------|
| Effect on disabled / those with mobility issues / mobility scooter users | 11   | 20%                     |
| Diversity / equality is irrelevant to this                               | 9  | 17%                     |
| Effect on cyclists   | 7  | 13%                     |
| Comments unrelated to equality analysis                                  | 5  | 9%                      |
| All considered appropriately / fine as is / no concerns                  | 4  | 7%                      |
| Effect on elderly  | 3  | 6%                      |
| Effect on pedestrians  | 3  | 6%                      |
| Criticism of consultation  | 2  | 4%                      |
| Something else   | 4  | 7%                      |
| No comment / nothing to add / N/A  | 19   | 35%                     |

Some example verbatim comments concerning the perceived effect on disabled residents / those with mobility issues / mobility scooters and cyclists can be found below:

**“Without safe footways people with mobility issues cannot even visit neighbours. There are 2 residents aged 80+ on Crispe Road only 2 houses apart that cannot visit each other using their walking aides because drivers are too inconsiderate to slow down.”**

**“You don't really appear to have considered what cyclists need to enjoy cycling and be safe. There are far too many crossings of side-roads and junctions with roundabouts. It look very dangerous as designed. Probably even worse for wheelchair users.”**

**“It is not clear to what extent these proposals have taken into account the movement and other needs of asthmatic/respiratory ill or physically disabled people and those who are partially sighted. The plan to build a major road through and adjacent to residential areas does not appear to be understanding or sympathetic.”**

**“Where pavements are provided I assume they will have drop smooth kerbs for mobility scooters and bicycles.”**

**“Traffic calming measures e.g. speed humps, vibration strips should be avoided as these are problematic for those with back and other musculoskeletal issues. Similarly, any new road construction or development of existing roads should avoid drains being placed on the width of the road to be used by vehicles (i.e. the road should be sufficiently wide so these are placed at the side of the road but are not on the footprint of road which will be used by vehicles - the driving line) as these create similar issues.”**

## NEXT STEPS

The feedback from this consultation is being reviewed and considered by KCC. Taking responses on board, they will finalise the design of the scheme. Feedback will also be used to review the Equality Impact Assessment and fed into the Environmental Impact Assessment process.

Subject to funding arrangements and approval processes, a planning application is expected to be submitted in Summer / Autumn 2024. Once submitted, this will be subject to a statutory consultation.

This report will be published on the consultation webpage [www.kent.gov.uk/norththanetlink](http://www.kent.gov.uk/norththanetlink) and an email will be sent to people who have taken part via Let's talk Kent and asked to be kept informed.

Further information in relation to key dates and delivery timescales will be communicated throughout the lifespan of the scheme via the KCC website and an email will be sent to people who have taken part via Let's talk Kent and asked to be kept informed.

## Section 1 – About you

### Q1. Are you responding as...?

Please select the option from the list below that most closely represents how you will be responding to this consultation. *Please select **one** option.*

- A Thanet resident
- A resident of somewhere else in Kent or further afield
- A representative of a local community group or residents' association
- On behalf of a Parish / Town / Borough / District Council in an official capacity
- A Parish / Town / Borough / District / County Councillor
- An educational establishment, such as a school or college
- On behalf of a local business
- On behalf of a charity, voluntary or community sector organisation (VCS)
- Other, please specify:

**Q1a. If you are responding on behalf of an organisation (business, community group, residents' association, council, or any other organisation), please tell us the name of your organisation. *Please write in below.***

**Q2. Please tell us the first 5 characters of your postcode:**

Please do not reveal your whole postcode. If you are responding on behalf of an organisation, please use your organisation's postcode. We use this to help us to analyse our data. It will not be used to identify who you are.

**Q3. How did you find out about this consultation?**

*Please select **all** that apply*

|                          |
|--------------------------|
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |

Direct mail / postcard to my home

Email from the KCC Major Capital Programme team

Email from Let's talk Kent or KCC's Engagement and Consultation team

Roadside signs

From my Parish Council

From a friend or relative

Social Media (for example, Facebook, Nextdoor or Twitter)

Kent.gov.uk website

Poster

Newspaper

Other, please specify:

|  |
|--|
|  |
|--|

**Q4. Please tell us why you use A28 Canterbury Road and how often.**

*Please select **one** option for each type of journey.*

|   | <b>Regular, daily use</b> | <b>A couple of times a week</b> | <b>Less frequently</b> | <b>Not applicable</b><br>(e.g. never travel for this purpose / responding on behalf of an organisation) |
|---|---------------------------|---------------------------------|------------------------|---|
| Travel to work  |                           |                                 |                        |   |
| Travel to education<br>(student or parents/carer of student)                |                           |                                 |                        |   |
| Travel for essential services (food shopping, medical appointments etc.)    |                           |                                 |                        |   |
| Travel for recreational purposes (clubs/groups, gym or leisure centre etc.) |                           |                                 |                        |   |
| Other, please specify:  |                           |                                 |                        |   |

**Q5. Please tell us how you use the A28 Canterbury Road and how often.**

*Please select **one** option for each journey method.*

|  | <b>Regular, daily use</b> | <b>A couple of times a week</b> | <b>Less frequently</b> | <b>Not applicable</b><br>(e.g. never travel in this way / responding on behalf of an organisation) |
|--|---------------------------|---------------------------------|------------------------|--|
| Personal vehicle (car, van, motorbike, moped)      |                           |                                 |                        |  |
| Public transport (bus)                             |                           |                                 |                        |  |
| Non-motorised vehicle (bicycle, push-scooter etc.) |                           |                                 |                        |  |
| Pedestrian (walking)                               |                           |                                 |                        |  |
| Pedestrian (wheeling)                              |                           |                                 |                        |  |
| Motorised mobility aid                             |                           |                                 |                        |  |
| Other, please specify:                             |                           |                                 |                        |  |

## Section 2 – The scheme

**Q6. To what extent do you agree or disagree with the overall proposals for the North Thanet Link?** This question focuses on the scheme as a whole. Questions will follow on the options for the A28 Canterbury Road junction in Birchington.

*Please select **one** option.*

- |                          |                            |
|--------------------------|----------------------------|
| <input type="checkbox"/> | Strongly agree             |
| <input type="checkbox"/> | Tend to agree              |
| <input type="checkbox"/> | Neither agree nor disagree |
| <input type="checkbox"/> | Tend to disagree           |
| <input type="checkbox"/> | Strongly disagree          |
| <input type="checkbox"/> | Don't know                 |

**Q6a. Please tell us the reason for your answer to Q6 in the box below.**



The proposed North Thanet Link scheme design currently includes two options for the junction at the existing A28 Canterbury Road in Birchington. See pages 10 to 13 of the consultation document for more information.

**Q7. To what extent do you agree or disagree with Option 1 Signal Junction on the A28?**

*Please select one option.*

- Strongly agree
- Tend to agree
- Neither agree nor disagree
- Tend to disagree
- Strongly disagree
- Don't know

**Q7a. Please tell us the reason for your answer to Q7 in the box below.**

**Q8. To what extent do you agree or disagree with Option 2 Roundabout Junction on the A28?**

*Please select **one** option.*

- |                          |                            |
|--------------------------|----------------------------|
| <input type="checkbox"/> | Strongly agree             |
| <input type="checkbox"/> | Tend to agree              |
| <input type="checkbox"/> | Neither agree nor disagree |
| <input type="checkbox"/> | Tend to disagree           |
| <input type="checkbox"/> | Strongly disagree          |
| <input type="checkbox"/> | Don't know                 |

**Q8a. Please tell us the reason for your answer to Q8 in the box below.**

One of the aims of the North Thanet Link scheme is to discourage vehicles from travelling through the residential area of Acol Village unless they are accessing a destination within the village.

**Q9. Which of the following additional highway measures (that are not included within the current scheme proposals) would you support within Acol village?**

*Please select all that apply*

- Additional traffic calming measures
- Full closure of Crispe Road to motorised vehicles
- Partial (one way closure) of Crispe Road to motorised vehicles
- Reducing speed limit on selected roads
- Other, please specify:

The scheme proposals include a range of off road walking and cycling infrastructure including road crossing facilities.

**Q10. Would the proposed walking and cycling infrastructure encourage you to...? Please select *one* option for each row.**

|                       | Yes | No | Don't know | Not applicable responding on behalf of an organisation |
|-----------------------|-----|----|------------|--|
| Walk/wheel more often |     |    |            |  |
| Cycle more often      |     |    |            |  |

**Q11. If you have any other comments on the proposed North Thanet Link scheme, including any suggestions for improvements to the design of the A28 Canterbury Road junction or the wider scheme, please tell us in the box below.**

*We ask you not to identify yourself within your response.*

### **Section 3 – Equality analysis**

**To help ensure that we are meeting our obligations under the Equality Act 2010 we have prepared an Equality Impact Assessment (EqIA) for the scheme presented in this consultation.**

An EqIA is a tool to assess the impact any proposals would have on the protected characteristics: age, disability, sex, gender identity, sexual orientation, race, religion or belief, and carer's responsibilities. The EqIA is available online at [www.kent.gov.uk/norththanetlink](http://www.kent.gov.uk/norththanetlink) or on request.

**Q12. We welcome your views on our equality analysis and if you think there is anything we should consider relating to equality and diversity, please add any comments below.**

## Section 4 – More about you

We want to make sure that everyone is treated fairly and equally, and that no one gets left out. That's why we are asking you these questions. We'll use it only to help us make decisions and improve our services.

**If you would rather not answer any of these questions, you don't have to.**

**It is not necessary to answer these questions if you are responding on behalf of an organisation.**

**Q13. Are you...? Please select *one* option.**

|                          |                     |
|--------------------------|---------------------|
| <input type="checkbox"/> | Male                |
| <input type="checkbox"/> | Female              |
| <input type="checkbox"/> | I prefer not to say |

**Q14. Is your gender the same as your birth? Please select *one* option.**

|                          |                     |
|--------------------------|---------------------|
| <input type="checkbox"/> | Yes                 |
| <input type="checkbox"/> | No                  |
| <input type="checkbox"/> | I prefer not to say |

**Q15. Which of these age groups applies to you? Please select *one* option.**

|       |                          |       |                          |       |                          |          |                          |                     |                          |
|-------|--------------------------|-------|--------------------------|-------|--------------------------|----------|--------------------------|---------------------|--------------------------|
| 0-15  | <input type="checkbox"/> | 16-24 | <input type="checkbox"/> | 25-34 | <input type="checkbox"/> | 35-49    | <input type="checkbox"/> | 50-59               | <input type="checkbox"/> |
| 60-64 | <input type="checkbox"/> | 65-74 | <input type="checkbox"/> | 75-84 | <input type="checkbox"/> | 85+ over | <input type="checkbox"/> | I prefer not to say | <input type="checkbox"/> |

**Q16. Do you regard yourself as belonging to a particular religion or holding a belief?**  
*Please select one option.*

- Yes
- No
- I prefer not to say

**Q16a. If you answered 'Yes' to Q16, which of the following applies to you? Please select one option.**

- Christian
- Buddhist
- Hindu
- Jewish
- Muslim
- Sikh
- Other
- I prefer not to say

If you selected Other, please specify:

The Equality Act 2010 describes a person as disabled if they have a long standing physical or mental condition that has lasted, or is likely to last, at least 12 months; and this condition has a substantial adverse effect on their ability to carry out normal day-to-day activities. People with some conditions (cancer, multiple sclerosis and HIV/AIDS, for example) are considered to be disabled from the point that they are diagnosed.

**Q17. Do you consider yourself to be disabled as set out in the Equality Act 2010? Please select one option.**

- Yes
- No
- I prefer not to say

**Q17a. If you answered 'Yes' to Q17, please tell us the type of impairment that applies to you.**

*You may have more than one type of impairment, so please select all that apply. If none of these applies to you, please select 'Other' and give brief details of the impairment you have.*

- Physical impairment
- Sensory impairment (hearing, sight or both)
- Longstanding illness or health condition, such as cancer, HIV/AIDS, heart disease, diabetes or epilepsy
- Mental health condition
- Learning disability
- I prefer not to say
- Other

Other, please specify:

A Carer is anyone who provides unpaid care for a friend or family member who due to illness, disability, a mental health problem or an addiction cannot cope without their support. Both children and adults can be carers.

**Q18. Are you a Carer?** *Please select **one** option.*

- Yes
- No
- I prefer not to say

**Q19. Are you ...?** *Please select **one** option.*

- Heterosexual/Straight
- Bi/Bisexual
- Gay man
- Gay woman/Lesbian
- Other
- I prefer not to say



**Q20. To which of these ethnic groups do you feel you belong? Please select *one* option.**  
 (Source 2011 Census)

|                                    |                          |                                  |                          |
|------------------------------------|--------------------------|----------------------------------|--------------------------|
| White English                      | <input type="checkbox"/> | Mixed White & Black Caribbean    | <input type="checkbox"/> |
| White Scottish                     | <input type="checkbox"/> | Mixed White & Black African      | <input type="checkbox"/> |
| White Welsh                        | <input type="checkbox"/> | Mixed White & Asian              | <input type="checkbox"/> |
| White Northern Irish               | <input type="checkbox"/> | Mixed Other*                     | <input type="checkbox"/> |
| White Irish                        | <input type="checkbox"/> | Black or Black British Caribbean | <input type="checkbox"/> |
| White Gypsy/Roma                   | <input type="checkbox"/> | Black or Black British African   | <input type="checkbox"/> |
| White Irish Traveller              | <input type="checkbox"/> | Black or Black British Other*    | <input type="checkbox"/> |
| White Other*                       | <input type="checkbox"/> | Arab                             | <input type="checkbox"/> |
| Asian or Asian British Indian      | <input type="checkbox"/> | Chinese                          | <input type="checkbox"/> |
| Asian or Asian British Pakistani   | <input type="checkbox"/> | I prefer not to say              | <input type="checkbox"/> |
| Asian or Asian British Bangladeshi | <input type="checkbox"/> |                                  |                          |
| Asian or Asian British Other*      | <input type="checkbox"/> |                                  |                          |

\*Other - If your ethnic group is not specified on the list, please describe it here:



## EQIA Submission – ID Number

### Section A

**EQIA Title**

North Thanet Link

**Responsible Officer**

James Wraight - GT TRA

### Type of Activity

**Service Change**

No

**Service Redesign**

No

**Project/Programme**

Project/Programme

**Commissioning/Procurement**

No

**Strategy/Policy**

No

**Details of other Service Activity**

No

### Accountability and Responsibility

**Directorate**

Growth Environment and Transport

**Responsible Service**

H&T - Major Capital Programme Team

**Responsible Head of Service**

Tim Read - GT TRA

**Responsible Director**

Haroona Chughtai - GT TRA

### Aims and Objectives

North Thanet Link is a strategic transport scheme, which focusses on improving connectivity within Thanet. It will provide both new and improved highway links in the existing highway network, improving resilience and better connecting Thanet's existing primary road network and significantly enhancing public transport and active travel options.

The scheme under development includes the widening of the existing Shottendane Road which runs south of, and parallel to the A28. The new road will link to the A28 south of Birchington and re-join the existing highway network at Manston Road and Hartsdown Road, within Margate (east of Westgate-on-Sea). The project also seeks to provide a southern highway link through an extension to the existing Columbus Avenue (Acol), which will also provide an alternative route to relieve the village.

The proposed highway infrastructure will also incorporate footpaths and cycle infrastructure, thus encouraging the use of sustainable modes of transport.

The initial impact assessment identifies that the scheme will have limited adverse impact. Any impact can be mitigated through good design practice and assessment through Non-Motorised User Audits (including Road Safety Audit to be undertaken at the detailed design stage). Several positive impacts have also been identified.

| <b>Section B – Evidence</b>  |
|--|
| <b>Do you have data related to the protected groups of the people impacted by this activity?</b>   |
| Yes  |
| <b>It is possible to get the data in a timely and cost effective way?</b>  |
| Yes  |
| <b>Is there national evidence/data that you can use?</b>   |
| Yes  |
| <b>Have you consulted with stakeholders?</b>   |
| No   |
| <b>Who have you involved, consulted and engaged with?</b>  |
| An engagement exercise will be completed with relevant Residents, Local Members, Parish Councils, District Council, Cycling Forums and Access Groups (where present) and will inform scheme development.<br><br>A statutory consultation will be completed at planning application stage. All feedback will help inform the final scheme proposals.  |
| <b>Has there been a previous Equality Analysis (EQIA) in the last 3 years?</b>   |
| Yes  |
| <b>Do you have evidence that can help you understand the potential impact of your activity?</b>  |
| Yes  |
| <b>Section C – Impact</b>  |
| <b>Who may be impacted by the activity?</b>  |
| <b>Service Users/clients</b>   |
| No   |
| <b>Staff</b>   |
| No   |
| <b>Residents/Communities/Citizens</b>  |
| Residents/communities/citizens   |
| <b>Are there any positive impacts for all or any of the protected groups as a result of the activity that you are doing?</b>   |
| Yes  |
| <b>Details of Positive Impacts</b>   |
| The project will provide several enhanced walking and cycling routes which are currently absent within the local highway network. This will enable those with impaired mobility (such as users of motorised scooters) and vulnerable road users such as children to travel within the district more safely between key employment, education, commercial and leisure destinations.<br><br>The project will provide increased resilience within the local road network to assist with journey time reliability. This is a key consideration given the presence of local hospitals and healthcare facilities.<br><br>The project will provide the scope for better public transport coverage within the district by enabling buses to access parts of local road network currently inaccessible by larger buses, this will benefit non-motorised users including elderly, disabled and children. |
| <b>Negative impacts and Mitigating Actions</b>   |
| <b>19.Negative Impacts and Mitigating actions for Age</b>  |
| <b>Are there negative impacts for age?</b>   |
| Yes  |
| <b>Details of negative impacts for Age</b>   |
| Short term impact during construction from noise / dust. Restrictions on access to properties during construction.   |

|  |
|--|
| <b>Mitigating Actions for Age</b>  |
| Work with eventual contractor to minimise timescales required for closures. Seek to maintain access for residents and tailor construction strategy to maintain access where practicably possible. Through Construction, Design and Management (CDM) review, ensure that construction impact of the project is reviewed throughout the design process.  |
| <b>Responsible Officer for Mitigating Actions – Age</b>  |
| James Wraight  |
| <b>20. Negative impacts and Mitigating actions for Disability</b>  |
| <b>Are there negative impacts for Disability?</b>  |
| Yes  |
| <b>Details of Negative Impacts for Disability</b>  |
| Short term impact during construction from noise / dust. Restrictions on access to properties during construction. Could impact on the ability of road users with disabilities to travel unimpeded.  |
| <b>Mitigating actions for Disability</b>   |
| Work with contractor to minimise timescales required for closures. Seek to maintain access for residents and tailor construction strategy to maintain access where practicably possible. Through CDM review ensure that buildability of the project is reviewed throughout the design process. Ensure engagement with residents prior to construction taking place to manage access needs. Ensure that all necessary environmental mitigation is maintained (through CDM). |
| <b>Responsible Officer for Disability</b>  |
| James Wraight  |
| <b>21. Negative Impacts and Mitigating actions for Sex</b>   |
| <b>Are there negative impacts for Sex</b>  |
| No   |
| <b>Details of negative impacts for Sex</b>   |
| Not Applicable   |
| <b>Mitigating actions for Sex</b>  |
| Not Applicable   |
| <b>Responsible Officer for Sex</b>   |
| Not Applicable   |
| <b>22. Negative Impacts and Mitigating actions for Gender identity/transgender</b>   |
| <b>Are there negative impacts for Gender identity/transgender</b>  |
| No   |
| <b>Negative impacts for Gender identity/transgender</b>  |
| Not Applicable   |
| <b>Mitigating actions for Gender identity/transgender</b>  |
| Not Applicable   |
| <b>Responsible Officer for mitigating actions for Gender identity/transgender</b>  |
| Not Applicable   |
| <b>23. Negative impacts and Mitigating actions for Race</b>  |
| <b>Are there negative impacts for Race</b>   |
| No   |
| <b>Negative impacts for Race</b>   |
| Not Applicable   |
| <b>Mitigating actions for Race</b>   |
| Not Applicable   |
| <b>Responsible Officer for mitigating actions for Race</b>   |
| Not Applicable   |
| <b>24. Negative impacts and Mitigating actions for Religion and belief</b>   |
| <b>Are there negative impacts for Religion and belief</b>  |
| Yes  |

|   |
|---|
| <b>Negative impacts for Religion and belief</b>   |
| Short term impact during construction from noise / dust etc. Restrictions on access to properties during construction. Construction activity could impact on individuals religious rituals or requirements for access.  |
| <b>Mitigating actions for Religion and belief</b>   |
| Work with contractor to minimise timescales required for closures. Seek to maintain access for residents and tailor construction strategy to maintain access where practicably possible. Engagement with local community prior to scheme build process to identify local constraints prior to construction commencing.  |
| <b>Responsible Officer for mitigating actions for Religion and Belief</b>   |
| James Wraight   |
| <b>25. Negative impacts and Mitigating actions for Sexual Orientation</b>   |
| <b>Are there negative impacts for Sexual Orientation</b>  |
| No  |
| <b>Negative impacts for Sexual Orientation</b>  |
| Not Applicable  |
| <b>Mitigating actions for Sexual Orientation</b>  |
| Not Applicable  |
| <b>Responsible Officer for mitigating actions for Sexual Orientation</b>  |
| Not Applicable  |
| <b>26. Negative impacts and Mitigating actions for Pregnancy and Maternity</b>  |
| <b>Are there negative impacts for Pregnancy and Maternity</b>   |
| Yes   |
| <b>Negative impacts for Pregnancy and Maternity</b>   |
| Short term impact during construction from noise / dust etc. Restrictions on access to properties during construction.  |
| <b>Mitigating actions for Pregnancy and Maternity</b>   |
| Work with contractor to minimise timescales required for closures. Seek to maintain access for residents and tailor construction strategy to maintain access where practicably possible. Engagement with local community prior to scheme build process to identify local constraints prior to construction commencing. Ensure that all necessary environmental mitigation is maintained (through CDM) |
| <b>Responsible Officer for mitigating actions for Pregnancy and Maternity</b>   |
| James Wraight   |
| <b>27. Negative impacts and Mitigating actions for Marriage and Civil Partnerships</b>  |
| <b>Are there negative impacts for Marriage and Civil Partnerships</b>   |
| No  |
| <b>Negative impacts for Marriage and Civil Partnerships</b>   |
| Not Applicable  |
| <b>Mitigating actions for Marriage and Civil Partnerships</b>   |
| Not Applicable  |
| <b>Responsible Officer for Marriage and Civil Partnerships</b>  |
| Not Applicable  |
| <b>28. Negative impacts and Mitigating actions for Carer's responsibilities</b>   |
| <b>Are there negative impacts for Carer's responsibilities</b>  |
| Yes   |
| <b>Negative impacts for Carer's responsibilities</b>  |
| Short term impact during construction from noise / dust etc. Restrictions on access to properties during construction. Could impact on journey to and from medical appointments or to reach those who require care.   |
| <b>Mitigating actions for Carer's responsibilities</b>  |
| Work with contractor to minimise timescales required for closures. Seek to maintain access for residents and tailor construction strategy to maintain access where practicably possible. Through CDM review ensure that buildability of the project is reviewed throughout the design process. Ensure engagement with   |

residents prior to construction taking place to manage access needs. Ensure that all necessary environmental mitigation is maintained (through CDM).

**Responsible Officer for Carer's responsibilities**

James Wright

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**From:** Neil Baker Cabinet Member, Highways and Transportation  
Simon Jones – Corporate Director, Growth Environment and Transport.

**To:** Environment & Transport Cabinet Committee Meeting – 11<sup>th</sup> January 2024.

**Subject:** Highways Term Maintenance Contract – Update and Next Steps

**Key decision** – No

**Classification:** Unrestricted

**Past Pathway of Paper:** N/A

**Future Pathway of Paper:** N/A

**Electoral Division:** All

**Summary:** The current and recently awarded Highways Term Maintenance Contract with Amey Highways commenced on 1<sup>st</sup> September 2023 for a period of 32 months.

This contract will end on 30<sup>th</sup> April 2026 by which time a new commissioned contract will need to be procured and put in place. This ensures continuity of a Highways Maintenance Service and that KCC can meet its statutory responsibilities as Highway Authority in accordance with the Highways Act 1980 and other pertinent mandatory legislation.

There are several key lessons learnt from this process including the need to ensure timely reporting of key issues and progress to this committee.

However there has been unprecedented disruption and volatility in the markets that has caused a delay in the commissioning cycle. Global economic factors and double-digit inflation would have seriously impacted a contract of this size, value, complexity, and duration.

This in turn could have placed greater operational risk with a potentially unaffordable contract for KCC to deliver its statutory highways service.

It was anticipated that by extending the prevailing contract by 32 months would provide a period undertake a full commissioning process and to allow the highways market to stabilise.

**Recommendation(s):**

Environment and Transport Cabinet Committee members are asked to endorse or to make comment or recommendation to the Cabinet Member in relation to the report, lessons learnt and next steps.

## **1. Introduction.**

1.1 On 21 August the Cabinet Member for Highways and Transport took a decision to:

- Award a new contract to Amey Highways for 32 months.
- Delegate to the Corporate Director of Growth, Environment and Transport in consultation with the Cabinet Member for Highways and Transport to take relevant actions including but not limited to entering into contracts and other legal agreements, as necessary to implement the decision.
- Agree to the proposed procurement timeline for the replacement contract.

## **2. Reason(s) for decision:**

2.1 KCC has a legal duty to maintain its respective sections of the highway network under section 41 of the Highways Act 1980 and this demands continuity of operational service.

2.2 Many of these services are delivered through a Highway Term Maintenance Contract (HTMC) with Amey Highways Ltd. The previous contract expired on 31 August 2023. A new contract was urgently needed to be in place from 1 September 2023.

2.3 Several key services are delivered through this contract including:

- Winter Service Provision – i.e. gritting/salting of the road network during freezing conditions including ploughing during snow events.
- Drainage Maintenance and Capital Projects – i.e. cyclical highway drainage cleansing, emergency response during storm events and capital drainage repair schemes.
- Structures – i.e. bridge repairs, tunnels maintenance and management and construction of new structures.
- Highway patching and small- to medium-scale road asset renewal works – i.e. pothole repairs and larger surface defect repairs of the highway
- Pavement asset preservation services – i.e. carriageway and footway life extension treatments such as surface dressing.
- Emergency Response – i.e. respond to emergencies across the network due to weather, emergency services support, vehicle collisions and structural asset failure both in hours and out of hours, 24/7/365.
- Highway Improvement Scheme Delivery – i.e. construction of schemes for crash remedial measures, engineering and traffic schemes and s106 requirements.

## **3. Financial Implications**

3.1 Despite the prevailing double-digit inflation, the extended contract provided for an overall increase in price of circa 10%.

- 3.2 68 rates required specific adjustment to ensure that they remain sustainable for delivery. These rates remain critical for the delivery of the service and primarily related to asphalt works that have seen exceptional industry increases in material costs and labour.
- 3.3 The prevailing contract contains circa 7,000 individual work rates.
- 3.2 The price increase is split between capital and revenue budgets with circa one third revenue to two thirds capital. Expenditure against these budget areas will be contained and managed within available budgets/resource envelope.
- 3.3 Price indexation increases are applied annually to KCC revenue budgets however capital budgets see no such increase. The consequence of not increasing KCC capital budgets whilst the prevailing delivery contract benefits from inflation adjustment result in less work being delivered year on year.
- 3.4 The estimated highways revenue pressure for 2023/24 is £1m. This has been met from in year savings particularly around lower than budgeted energy costs and by avoiding circa £400k which had been budgeted to address potential additional costs for a re-commissioning the HTMC.

#### **4. Contract Performance**

- 4.1 KCC has implemented several commissioning programmes over the past six years with regard to re-procuring the HTMC. On each occasion the decision has been taken to extend the existing contract in the main for reasons of the potential increased costs of a new openly competed contract and that there was acceptable delivery performance of the incumbent.
- 4.2 The current contract management system includes thirty-five key performance measures which are assessed monthly. Whilst there has been no service failure or material breach of the contract throughout the previous 12 years arrangement, Amey's recent performance over the last 12 months has been variable and this has been reflected in the regular Performance Dashboard reports to the Environment and Transport Cabinet Committee.
- 4.3 As part of the arrangements for the new contract, a joint performance steering group has been established to ensure performance improvements, and efficiencies are made to closely manage and to hold AMEY Highways Limited accountable for performance issues.

#### **5. Value for Money**

- 5.1 In 2022, a Value for Money (VfM) review of the Enterprise AOL Limited contract and Highways & Transportation operational management arrangements was undertaken by The Future Highways Research Group (FHRG). The review concluded that the contract demonstrated strong performance against all the VfM dimensions.
- 5.2 Furthermore, that it was within the top four of assessed (FHRG) members within the last 18 months which evidences the performance of the contract. A recommended action plan for further improvements was developed and is being embedded within the service.

5.3 FHRG have been asked to review delivery against the action plan and continue to engage with the wider market to help shape our arrangements beyond the current Amey contract.

## **6 Market Capacity**

6.1 As previously stated market intelligence suggested that delaying procurement would be prudent to allow the highway/energy/bitumen markets to stabilise.

6.2 The industry has and continues to experience significant volatility due to the impact and aftermath of COVID-19 and the war in Ukraine. The consequence of these and other global economic factors has seen widescale challenges in the supply of materials, skilled and unskilled labour, and increasing fuel and financing costs. This has led to large uplifts in inflation with many indices (e.g. RPI, CPI forecasting between 10% –12% and BCIS forecasting up to 30% increases over the past 12-18 months).

6.3 Local authorities that are procuring new contracts have seen highly erratic pricing, reduced supplier availability and tenderers seeking to both increase contingencies significantly and to formally transfer several critical risks back to the client.

6.4 It is anticipated that over the next 18 months improved supplier confidence and market capability and capacity will return. This should provide a suitable and competitive platform to procure, commission, and secure a long term, affordable and beneficial (10-20 year) highway term maintenance contract.

## **7. Lessons Learnt**

7.1 During the recent routine and exceptional Environment and Transport Cabinet Committees and Scrutiny Committee Members were clear about their concerns on how the commissioning of the extended contract was undertaken.

7.2 The absence of suitable long-term debate and the lack of the ability to influence and contribute to the commissioning process was identified. Whilst Members understood the importance and urgency of the decision, they were clear that the last-minute approach to such a critical and reputationally important service would not be accepted in the future.

7.3 Members highlighted:

- Need for active participation in the commissioning process to ensure wider consideration (residents, businesses, locations) were considered during the process.
- Opportunity to explore and shape how the service could be delivered in the future.
- The duration and performance framework expected for a contract of this type. When would contract reviews be undertaken and the type and scale of operational contract measures and performance indicators. How can residents be better served and informed.
- Opportunities to consider the various contracting arrangements and the scale of work that could be undertaken under the contract. There was a

real desire to explore and understand the various delivery models. How to better incentivise operational services.

- Confirmation that this contract would be recommissioned and not extended again.
- The timeline for the commissioning process, the regularity of Member sessions/workshops and whether a dedicated member group should be set up. Alternatively, whether this could be routinely achieved within Cabinet Committee.
- The service promised to return in this (January) Cabinet Committee with further information.

7.4 Since the August meeting the service has been focusing on embedding the extended contract and implementing the revised rates and additional management controls. It has also been a period of very high demand across multiple service lines, that said and in response to the above challenges and requests:

- A Prior Information Notice has been published to commence market engagement activity in January / February 2024. This confirms KCC intention to recommission the Highway Term Maintenance Contract in open competition. It seeks engagement with the market and this information will aid in shaping the future contract.
- In terms of commissioning timeline, it is expected that the following will need to apply:

| <b>Estimated Milestones</b>                              | <b>Date</b>           |
|--|-----------------------|
| Risk, Assumptions, Issues & Dependencies Register (RAID) | January 2024          |
| Map out Analyse Phase activities                         | January 2024          |
| Stakeholder and Communications Plan                      | January 2024          |
| Detailed Project Plan                                    | January 2024          |
| ETCC – Report and Member Briefing                        | January 2024          |
| Formal Market Engagement                                 | January/February 2024 |
| Initial EqIA Assessment                                  | February 2024         |
| Member Session   | February 2024         |
| Strategic Outline Case Completion                        | March 2024            |
| Approval of SOC by Project Board                         | March 2024            |
| Strategic Outline Case Approval CPOB                     | April 2024            |
| Member Session   | May 2024              |
| Completion of Outline Business Case                      | May 2024              |
| Approval of OBC by Project Board                         | May 2024              |
| Approval of OBC by CPOB                                  | May 2024              |
| Member Session   | July 2024             |
| ETCC – Delegated Authority                               | September 2024        |
| Selection Questionnaire (SQ) Process                     | November 2024         |
| Initial Tender Period                                    | January/February 2025 |
| ETCC Update Paper  | March 2025            |
| Final tender period                                      | June 2025             |

|   |                     |
|---|---------------------|
| Development of FBC                        | September 2025      |
| Member Session                            | Sept/Oct 2025       |
| Approval of FBC                           | October 2025        |
| Procurement Oversight Board Final QA      | October 2025        |
| Cabinet Member for Approval               | October 2025        |
| <b>Contract Award</b>                     | <b>October 2025</b> |
| Mobilisation                              | November 2025       |
| New delivery arrangements/contracts start | 1 May 2026          |
| Project Closure                           | May 2026            |

- A commissioning board has been established. This board will monitor and act as necessary to ensure service quality, governance, cost, and the commissioning schedule stay in line with expectation. The Cabinet Member for Highways will be invited to these meetings.
- It is anticipated that ETCC Members will be provided a formal report of each session and that formal working sessions will be arranged during February, May, July, and Sept/Oct. These Member working sessions will allow check, challenge, and new ideas to be tabled insofar as the service and commissioning team can take away and establish the viability, risk, and opportunity for each. These can then be considered during the next board and workshop and adopted as appropriate.
- It is hoped that this process will allow Members to actively participate and shape the future service during the commissioning process and address the deficiencies identified.

## **8. Legal Implications**

- 8.1 KCC has a legal duty to maintain its respective sections of the highway network under section 41 of the Highways Act 1980 and this demands continuity of operational service.
- 8.2 While Members will be able to shape and influence the future Highways Term Maintenance Contract, the service must always comply with legislation, best value (and VfM), and the adopted Well Managed Highway policy.

## **9. Equality Implications**

- 9.1 An Equalities Impact Assessment will be undertaken at the appropriate time.

## **10. Data Protection Impact Assessment**

- 10.1 A Data Protection Impact Assessment will be undertaken at the appropriate time.

## **11. Summary and next steps**

- 11.1 The extension of the Highways Term Maintenance Contract was urgent, and the decision was taken at speed. This prevented Members the time to fully check, challenge and explore the options to deliver the contracted services.
- 11.2 Considering the impending commissioning of the next Highways Term Maintenance Contract, which is required to start 1 May 2026, actions are being implemented to address the cited deficiencies.
- 11.3 In this regard the service is seeking to adopt a commissioning schedule and associated sessions to ensure both Member contribution is recognised and that that suitable governance is maintained.

**12. Recommendations**

- 12.1 Environment and Transport Cabinet Committee members are asked to endorse or to make comment or recommendation to the Cabinet Member in relation to the report, lessons learnt and next steps.

|  |  |
|--|--|
| <p>Lead Officers:<br/>         Andrew Loosemore<br/>         Head of Highways<br/>         03000 4116532<br/> <a href="mailto:andrew.loosemore@kent.gov.uk">andrew.loosemore@kent.gov.uk</a></p> <p>Richard Emmett<br/>         Senior Highway Manager<br/> <br/> <a href="mailto:Richard.emmett@kent.gov.uk">Richard.emmett@kent.gov.uk</a></p> | <p>Relevant Director:<br/>         Haroona Chughtai<br/>         Director of Highways &amp; Transportation<br/>         03000 412479<br/> <a href="mailto:haroona.chughtai@kent.gov.uk">haroona.chughtai@kent.gov.uk</a></p> |
|--|--|

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**From: Roger Gough, Leader of the Council**  
**Simon Jones, Corporate Director Growth Environment and Transport**

**To: Environment & Transport Cabinet Committee 11<sup>th</sup> January 2024**

**Subject: Extension of Waste Recycling Payments to Collection Authorities**

Key Decision: 23/00123

Classification: **Unrestricted**

**Past Pathway of report: N/A**

**Future Pathway of report: For Cabinet Member Decision**

**Electoral Division: Gravesham, Swale, Maidstone & Ashford electoral divisions, twenty-eight local Member/s affected.**

**Summary:** It is proposed to extend the existing agreements to make enabling payments to Gravesham, Swale, Maidstone & Ashford Borough provided by Kent County Council to support and maintain service improvements in levels of recycling, which minimises cost to the County as the statutory Waste Disposal Authority.

**Recommendation(s):**

The Cabinet Committee is asked to consider and endorse or make recommendations to the Leader of the Council on the proposed decision to:

APPROVE the existing agreements to make enabling payments to Gravesham, Swale, Maidstone & Ashford Borough provided by Kent County Council to support and maintain service improvements in levels of recycling limited to a maximum of two years;

DELEGATE to the Director for Environment and Circular Economy in consultation with the Leader to take other actions, including but not limited to entering into contracts or other legal agreements, as required to implement the decision and

AGREE For the Director for Environment and Circular Economy to bring new policy arrangements to this Committee within two years, should new legislation be implemented as planned by DEFRA;

as shown at Appendix A.

**1. Introduction**

1.1 KCC Waste Management operates in a two-tier system. KCC is the statutory Waste Disposal Authority (WDA), responsible for the receipt at Waste Transfer Stations (WTSS) and onward processing / disposal of household waste which is collected by the District and Borough councils as the Waste Collection Authorities (WCAs). KCC also has the statutory responsibility to provide an HWRC service to residents.

- 1.2 There are Inter Authority Agreements in place with the Waste Collection Authorities, which include financial reward to support and maintain levels of recycling performance for household materials collected at the kerbside. This minimises cost to KCC as the WDA, as levels of residual waste reduce, resulting in less expenditure at the Allington Energy from Waste plant.
- 1.3 The Mid Kent Waste Partnership covers Swale, Maidstone & Ashford Borough Councils and this agreement ends on 21<sup>st</sup> April 2024. The Gravesham Borough Council Inter Authority Agreement ends on 31<sup>st</sup> March 2024.
- 1.4 These agreements accord with the consistent policy approach discussed at Cabinet Committee on the 31<sup>st</sup> May 2018, and agreed by the Deputy Cabinet Member for Environment, that Waste Partnership Agreements with Collection Authorities should include a financial reward as described above.
- 1.5 Existing agreements also remain with Dover & Folkestone and Hythe District Councils, Canterbury City Council, Tonbridge, and Tunbridge Wells Borough Councils.
- 1.6 These Authorities all provide comprehensive waste collection services designed to improve levels of household recycling.,

## **2. New legislative arrangements**

- 2.1 It is important to note that these arrangements will be superseded by fundamental legislative changes planned to be introduced as part of the Resources and Waste strategy which is integral to delivering the targets within the Environment Act 2021.
- 2.2 Government waste recycling targets are that 55% should be recycled by 2025, 60% to be recycled by 2030 and 65% by 2035. Across all Authorities the average recycling rate is 43%. Last year the highest achieving collection authority achieved 51% recycling and the lowest 24%.
- 2.3 New legislation is for implementation by Government in 2025/26, this will mandate all waste collection authorities to collect kerbside waste materials with consistency across England. This is known as Simpler Recycling and will include a weekly separate food waste collection with a requirement to collect glass, cans, plastics, and paper & card – with a continuation of chargeable garden waste and, of course, residual waste. Over time further materials will be included for recycling such as film and flexible plastics.
- 2.4 Further to this, additional legislative regulations will introduce new funding streams in 2025/26 for both collection and disposal authorities who process packaging materials. Known as packaging extended producer responsibility, manufacturers will ultimately have to fund the burdens of producing packaging that is recyclable and can be reused – also known as the circular economy.
- 2.5 Payments will be made to local authorities for the collection of waste packaging materials. DEFRA's appointed scheme administrator will fund WCAs directly, based upon the efficiency and effectiveness of their collection service, with demographic factors also accounted for.

- 2.6 With this fundamental new legislation, to be introduced in 2025/26, it is proposed that, with the benefits of these new regulations, the County reviews its policy decision to consider how support payments will operate in the future to all WCAs.
- 2.7 It is for this purpose that the maximum two-year is proposed to extend these current arrangements.

### **3. The current agreement**

- 3.1 The Mid Kent Authorities receive fixed enabling payments which it is proposed remain for up to two years, these payments were agreed in 2012 and represent the contribution from the Disposal Authority to support the preferred collection method.
- 3.2 Gravesham Borough Council has an Inter Authority Agreement where the payments are varied in line with their actual recycling performance. Through improvements in the collection of recycling, the savings benefits are equally shared between both Collection & Disposal Authorities. They will reflect 50% of the net saving to KCC. These payments will be calculated on the actual reduction of residual waste (waste that is not recycled) against the agreed baseline. These payments were agreed by this Committee in January 2016.

### **4. Performance of existing Agreements**

- 4.1 The enabling payments provided by KCC have supported service improvements delivering significant performance improvements across the three Mid Kent Authorities. Maidstone was the first to introduce the weekly food waste collections which increased recycling from 30% to over 50%. Ashford previously had one of the lowest recycling rates in the Country (12%), however, now has the highest rate in Kent (53%) supported by substantial investment from both the Borough and County Council. Swale has consistently increased its recycling performance rising from 32% in 2013/14 to 40% in 2022-23. Swale is continuing to implement new weekly food waste and fortnightly refuse collections in hard-to-reach communities and additional properties which is expected to further improve recycling levels.
- 4.2 The Mid Kent Authorities have committed to further significant investment in their recycling services with the new contract starting in March 2024. Borough Councils are focused on delivering continuous improvement in performance. All authorities have also invested in tackling contamination issues including communication campaigns, targeted engagement, and where necessary enforcement. The new contract will also fund a Special Projects Officer and Mid Kent Contract Officer who will ensure the partnership works collaboratively to drive up performance, improve reuse through a partnership with Demelza and bring new recycling roadshows to the heart of communities.
- 4.3 Gravesham Borough Council have similarly seen performance improvements from 25% before their improvements were made, up to 40% last year, again this Authority is actively considering further improvement to increase recycling levels.

### **5. Financial Implications**

- 5.1 The payments below are within the budgeted expenditure and will be reviewed when the new funding streams are introduced because of new legislation as described above.

|              |                    |
|--------------|--------------------|
| Gravesham BC | £400,000 per annum |
| Ashford BC   | £272,000 per annum |
| Maidstone BC | £333,900 per annum |
| Swale BC     | £297,900 per annum |

- 5.2 The budget assumes that levels of recycling performance is maintained.

## **6. Legal implications**

- 6.1 The requirement of the Environmental Protection Act 1990 S.45a requires that these agreements should be renewed as all Collection Authorities still provide waste collection services that are more comprehensive than the required two types of separate recycling as per the EPA 1990.

- 6.2 The Environmental Protection (Waste Recycling Payments) Regulations 2006 requires that the payments to be made by a WDA under section 52(1) or (3) of the EPA shall consist of such amounts representing the authority's net saving of expenditure on the disposal of the waste as are determined in accordance with these Regulations.

## **7. Equalities implications**

- 7.1 An Equality Impact Assessment has been carried out and as this is not a public facing service there is no potential for discrimination, this is a business-to-business proposal.

## **8. Conclusions**

- 8.1 The County Council is intending to promote and support collection authorities to increase levels of kerbside recycling, to support improving environmental outcomes, to meet resident expectation that also serve to reduce waste disposal costs. Officer recommendation is to continue to work in partnership by extending the current agreements for up to two years and, if the new legislation and new funding streams are identified before this time, the Director for Environment and Circular Economy will bring new policy arrangement back to this committee.

## **9. Recommendation(s):**

The Cabinet Committee is asked to consider and endorse or make recommendations to the Leader of the Council on the proposed decision to:

APPROVE the existing agreements to make enabling payments to Gravesham, Swale, Maidstone & Ashford Borough provided by Kent County Council to support and maintain service improvements in levels of recycling limited to a maximum of two years;

DELEGATE to the Director for Environment and Circular Economy in consultation with the Leader to take other actions, including but not limited to entering into contracts or other legal agreements, as required to implement the decision and

AGREE For the Director for Environment and Circular Economy to bring new policy arrangements to this Committee within two years, should new legislation be implemented as planned by DEFRA;

as shown at Appendix A.

## **10. Appendices**

- Appendix A – Proposed Record of Decision
- Appendix B – Equality Impact Assessment

## **11. Contact details**

Report Author:

David Beaver, Head of Resource  
Management & Circular Economy  
Telephone number: 03000 411620  
david.beaver@kent.gov.uk

Relevant Director:

Matthew Smyth, Director for Environment  
and Circular Economy  
Telephone number: 03000 416676  
Matthew.Smyth@kent.gov.uk

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# KENT COUNTY COUNCIL –PROPOSED RECORD OF DECISION

**DECISION TO BE TAKEN BY:**

Roger Gough, Leader of the Council

**DECISION NO:**

2300123

**For publication**

**Key decision: YES**

**Subject Matter / Title of Decision:** Extension of Waste Recycling Payments to Collection Authorities

**Decision:**

As Leader of the Council, I agree to:

APPROVE the existing agreements to make enabling payments to Gravesham, Swale, Maidstone & Ashford Borough provided by Kent County Council to support and maintain service improvements in levels of recycling limited to a maximum of two years;

DELEGATE to the Director for Environment and Circular Economy in consultation with the Leader to take other actions, including but not limited to entering into contracts or other legal agreements, as required to implement the decision and

AGREE For the Director for Environment and Circular Economy to bring new policy arrangements to this Committee within two years, should new legislation be implemented as planned by DEFRA.

**Reason(s) for decision:**

To promote and support collection authorities to increase levels of kerbside recycling, to support improving environmental outcomes and reduce waste disposal costs

It is important to note that the proposed arrangements will be for up superseded to two years as there are expected fundamental legislative changes planned to be introduced as part of the Resources and Waste strategy which is integral to delivering the targets within the Environment Act. If new legislation is put in place during this time, the Director for Environment and Circular Economy will bring a new policy arrangement To Environment and Transport Cabinet Committee for consideration.

**Cabinet Committee recommendations and other consultation:**

The proposed decision is being considered by members of Environment and Transport Cabinet Committee at their meeting on 11 January 2024.

**Any alternatives considered and rejected:**

- Not to renew the contracts. This does not support KCC objectives to promote and support collection authorities to increase levels of kerbside recycling, to support improving environmental outcomes, to meet resident expectation that also serve to reduce waste disposal costs.
- To extend the contracts by more than two years or to have an extension option. However it is expected these arrangements will be superseded by fundamental legislative changes planned to be introduced in 2025/26 as part of the Resources and Waste strategy which is integral to delivering the targets within the Environment Act 2021.

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

.....  
signed

.....  
date



## EQIA Submission – ID Number

### Section A

**EQIA Title**

Extension of Waste Recycling Payments to Collection Authorities

**Responsible Officer**

Hannah Allard - GT - ECE

**Type of Activity****Service Change**

No

**Service Redesign**

No

**Project/Programme**

No

**Commissioning/Procurement**

No

**Strategy/Policy**

Strategy/Policy

**Details of other Service Activity**

No

**Accountability and Responsibility****Directorate**

Growth Environment and Transport

**Responsible Service**

Resource Management and Circular Economy

**Responsible Head of Service**

David Beaver - GT - ECE

**Responsible Director**

Matthew Smyth - GT - ECE

**Aims and Objectives**

The decision being sought is regarding a proposal to extend the existing agreements to make enabling payments to Gravesham, Swale, Maidstone & Ashford Borough provided by Kent County Council to support and maintain service improvements in levels of recycling, which minimises cost to the County as the statutory Waste Disposal Authority.

Reason for the decision:

- a. KCC Waste Management operates in a two-tier system. KCC is the statutory Waste Disposal Authority (WDA), responsible for the receipt at Waste Transfer Stations (WTSs) and onward processing / disposal of household waste which is collected by the District and Borough councils as the Waste Collection Authorities (WCAs).
- b. There are Inter Authority Agreements in place with the Waste Collection Authorities, which include financial reward to support and maintain levels of recycling performance for household materials collected at the kerbside. This minimises cost to KCC as the WDA, as levels of residual waste reduce, resulting in less expenditure at the Allington Energy from Waste plant.
- c. The Mid Kent Waste Partnership covers Swale, Maidstone & Ashford Borough Councils and this agreement ends on 21st April 2024. The Gravesham Borough Council Inter Authority Agreement ends on 31st March 2024.

d. These agreements accord with the consistent policy approach discussed at Cabinet Committee on the 31st May 2018, and agreed by the Deputy Cabinet Member for Environment, that Waste Partnership Agreements with Collection Authorities should include a financial reward as described above.

Equality recommendations:

This decision is a business-to-business proposal relating to a financial reward and is not public facing. As a result, there are no equality implications identified.

## Section B – Evidence

**Do you have data related to the protected groups of the people impacted by this activity?**

Yes

**It is possible to get the data in a timely and cost effective way?**

No

**Is there national evidence/data that you can use?**

No

**Have you consulted with stakeholders?**

Not Applicable

**Who have you involved, consulted and engaged with?**

This is a business-to-business decision. It is not public facing and so therefore there is no requirement to engage stakeholders from an equality perspective.

A paper is being taken to Environment and Transport Cabinet Committee in January 2024.

**Has there been a previous Equality Analysis (EQIA) in the last 3 years?**

No

**Do you have evidence that can help you understand the potential impact of your activity?**

Yes

## Section C – Impact

**Who may be impacted by the activity?**

**Service Users/clients**

No

**Staff**

No

**Residents/Communities/Citizens**

Residents/communities/citizens

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

No

**Details of Positive Impacts**

Not Applicable

## Negative impacts and Mitigating Actions

19.Negative Impacts and Mitigating actions for Age

**Are there negative impacts for age?**

No

**Details of negative impacts for Age**

Not Applicable

**Mitigating Actions for Age**

Not Applicable

**Responsible Officer for Mitigating Actions – Age**

|  |
|--|
| Not Applicable   |
| <b>20. Negative impacts and Mitigating actions for Disability</b>                  |
| <b>Are there negative impacts for Disability?</b>                                  |
| No   |
| <b>Details of Negative Impacts for Disability</b>                                  |
| Not Applicable   |
| <b>Mitigating actions for Disability</b>   |
| Not Applicable   |
| <b>Responsible Officer for Disability</b>  |
| Not Applicable   |
| <b>21. Negative Impacts and Mitigating actions for Sex</b>                         |
| <b>Are there negative impacts for Sex</b>  |
| No   |
| <b>Details of negative impacts for Sex</b>   |
| Not Applicable   |
| <b>Mitigating actions for Sex</b>  |
| Not Applicable   |
| <b>Responsible Officer for Sex</b>   |
| Not Applicable   |
| <b>22. Negative Impacts and Mitigating actions for Gender identity/transgender</b> |
| <b>Are there negative impacts for Gender identity/transgender</b>                  |
| No   |
| <b>Negative impacts for Gender identity/transgender</b>                            |
| Not Applicable   |
| <b>Mitigating actions for Gender identity/transgender</b>                          |
| Not Applicable   |
| <b>Responsible Officer for mitigating actions for Gender identity/transgender</b>  |
| Not Applicable   |
| <b>23. Negative impacts and Mitigating actions for Race</b>                        |
| <b>Are there negative impacts for Race</b>   |
| No   |
| <b>Negative impacts for Race</b>   |
| Not Applicable   |
| <b>Mitigating actions for Race</b>   |
| Not Applicable   |
| <b>Responsible Officer for mitigating actions for Race</b>                         |
| Not Applicable   |
| <b>24. Negative impacts and Mitigating actions for Religion and belief</b>         |
| <b>Are there negative impacts for Religion and belief</b>                          |
| No   |
| <b>Negative impacts for Religion and belief</b>                                    |
| Not Applicable   |
| <b>Mitigating actions for Religion and belief</b>                                  |
| Not Applicable   |
| <b>Responsible Officer for mitigating actions for Religion and Belief</b>          |
| Not Applicable   |
| <b>25. Negative impacts and Mitigating actions for Sexual Orientation</b>          |
| <b>Are there negative impacts for Sexual Orientation</b>                           |
| No   |
| <b>Negative impacts for Sexual Orientation</b>                                     |

|  |
|--|
| Not Applicable   |
| <b>Mitigating actions for Sexual Orientation</b>                                       |
| Not Applicable   |
| <b>Responsible Officer for mitigating actions for Sexual Orientation</b>               |
| Not Applicable   |
| <b>26. Negative impacts and Mitigating actions for Pregnancy and Maternity</b>         |
| <b>Are there negative impacts for Pregnancy and Maternity</b>                          |
| No   |
| <b>Negative impacts for Pregnancy and Maternity</b>                                    |
| Not Applicable   |
| <b>Mitigating actions for Pregnancy and Maternity</b>                                  |
| Not Applicable   |
| <b>Responsible Officer for mitigating actions for Pregnancy and Maternity</b>          |
| Not Applicable   |
| <b>27. Negative impacts and Mitigating actions for Marriage and Civil Partnerships</b> |
| <b>Are there negative impacts for Marriage and Civil Partnerships</b>                  |
| No   |
| <b>Negative impacts for Marriage and Civil Partnerships</b>                            |
| Not Applicable   |
| <b>Mitigating actions for Marriage and Civil Partnerships</b>                          |
| Not Applicable   |
| <b>Responsible Officer for Marriage and Civil Partnerships</b>                         |
| Not Applicable   |
| <b>28. Negative impacts and Mitigating actions for Carer's responsibilities</b>        |
| <b>Are there negative impacts for Carer's responsibilities</b>                         |
| No   |
| <b>Negative impacts for Carer's responsibilities</b>                                   |
| Not Applicable   |
| <b>Mitigating actions for Carer's responsibilities</b>                                 |
| Not Applicable   |
| <b>Responsible Officer for Carer's responsibilities</b>                                |
| Not Applicable   |

**Environment and Transport Cabinet Committee – Draft Agenda and Work Programme (Updated 29 December 2023)**

| <b>Item</b>  | <b>Cabinet Committee to receive item</b> |
|--|--|
| Verbal Updates by Cabinet Members and Corporate Director | At each meeting                          |
| Performance Dashboard                                    | At each meeting                          |
| Work Programme   | At each meeting                          |
| Draft Budget   | Annual                                   |
| Biosecurity and Tree Health Report                       | Annual (January)                         |
| Corporate Risk Register                                  | Annual (March)                           |
| Winter Service Policy                                    | Annual (September)                       |
| Environment Agency - Presentation                        | Bi-Annual                                |
| Southern Water - Presentation                            | Bi-Annual                                |

| <b>7 March 2024</b> |  |   |
|---------------------|--|---|
| <b>No.</b>          | <b>Item</b>  | <b>Additional Comments</b>                          |
| Page 305            | Verbal Updates by Cabinet Members and Corporate Director | At each meeting                                     |
|                     | Performance Dashboard                                    | At each meeting                                     |
|                     | Work Programme   | At each meeting                                     |
|                     | Corporate Risk Register                                  | Annual  |
|                     | Biosecurity and Tree Health Report                       | Annual  |
|                     | Moving Traffic Offences                                  | Added 28 November 2023                              |
|                     | Gravesend to Tilbury Ferry - Key Decision                | Moved from September 2023                           |
|                     | South West Organics- Green Waste West Kent Contract      | Added at agenda setting meeting on 29 November 2023 |
|                     | Recommissioning of Household Waste Centre contracts      |   |

| <b>21 May 2024</b> |  |                            |
|--------------------|--|----------------------------|
| <b>No.</b>         | <b>Item</b>  | <b>Additional Comments</b> |
|                    | Verbal Updates by Cabinet Members and Corporate Director | At each meeting            |
|                    | Performance Dashboard                                    | At each meeting            |
|                    | Work Programme   | At each meeting            |
|                    | Natural Landscapes (AONB) Management Action Plan         |                            |

**9 July 2024**

| No. | Item   | Additional Comments |
|-----|--|---------------------|
|     | Verbal Updates by Cabinet Members and Corporate Director | At each meeting     |
|     | Performance Dashboard                                    | At each meeting     |
|     | Work Programme   | At each meeting     |
|     | Southern Water Presentation                              | Bi-annual           |

**Items for Consideration that have not yet been allocated to a meeting**

|   |  |
|---|--|
| Highways and Transportation fault reporting and enquiry form - Update | Requested at ETCC on 19 January 2023                 |
| A review of highway aspects of planning applications - Report         | Requested at ETCC on 7 March 2023<br>For information |
| Climate Change Adaptation Plan  |  |
| Dover Access Improvements Levelling Up Fund                           |  |