

Consultation on amendments to the Budget 2020-21

Consultation document

Have your say on Kent County Council's
spending priorities and approach following
the COVID-19 pandemic



kent.gov.uk/budget
Consultation closes on 9 August 2020



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Alternative formats

If you require any of the consultation material in an alternative format or language please email alternativeformats@kent.gov.uk or call 03000 421553 (text relay service number: 18001 03000 421553). This number goes to an answering machine, which is monitored during office hours.

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13 July to 9 August 2020



Have your say on Kent County Council's priorities following the COVID-19 (Coronavirus) pandemic

1. Introduction

Kent County Council (KCC) provides a wide range of essential services. Some of these services, like keeping Kent's roads working and running libraries, are highly visible, others less so. KCC provides help, care and support to people of all ages. We believe services to the young, the elderly, the vulnerable and those with disabilities to help them to live a fulfilling life are a true test of a successful Kent community.

KCC's current strategic statement (our strategic plan), [Increasing Opportunities, Improving Outcomes](#) was developed in 2015 and set out the outcomes we wanted to achieve for Kent's residents, businesses and communities. This set our priorities for spending. In 2019-20, we talked to Kent residents and partners about what is important to them and what they want from their County Council, which informed a [draft 5 Year Plan](#).

Due to COVID-19, we have paused the 5 Year Plan and we will have an Interim Strategic Plan for 2020-21 (in Autumn 2020) and a new 5 Year Plan in 2021. This will mean our plans and budget are brought together, so our spending is aligned with our priorities.

1.1 Our budget

The 2020-21 revenue budget (spending on day to day services) was approved by County Council on 13 February 2020. The budget is £1.6bn (excluding schools) and full details on how this was funded and what it was planned to be spent on can be found on our website: www.kent.gov.uk/budget.

Since setting the budget in February 2020, we have faced additional expenditure and loss of income due to the impact of the COVID-19 pandemic. This means we now need to re-look at our budget and make some changes. Before we do this, we would like to understand what you think our spending priorities should be and what approach we should take. This document gives you information on these extra spending demands and loss of income. Please read through this information and tell us your views at www.kent.gov.uk/budget.

2. The impact of the COVID-19 (Coronavirus) pandemic

On 11 March the COVID-19 outbreak was declared a pandemic. KCC's response has focussed on protecting the safety and wellbeing of all Kent residents, especially the most vulnerable, as well as supporting our key suppliers in line with government guidelines.

Examples of the **extra costs** we have incurred include:

- making additional payments to social care providers towards extra costs they are incurring during the emergency
- buying and distributing additional personal protective equipment (PPE) to staff and care providers
- maintaining payments to early years and childcare providers, even where they have had to temporarily close
- maintaining payments to bus companies and home to school transport providers, to sustain the market following the slump in journeys during lockdown and school closures
- securing additional temporary mortuary provision.

Examples of **loss of income** we have suffered include:

- less money from wedding ceremonies
- less uptake of community learning (adult education) courses
- reduced income from country parks through café and car parking charges.

Although some services delivered for us by other organisations could not be provided, and some of our own facilities had to close (including children's centres, libraries, waste disposal and recycling facilities), we have continued to incur contractual and staffing costs for these services.

The magnitude of these changes is such that we have recognised we need to revise our revenue spending plans (spending on day to day services) and capital programme (investment in infrastructure). Time is tight and we need to present revised spending plans to the County Council meeting on 10 September for approval if we are to balance our budget and manage the recovery in a sustainable way.

This is a unique situation, and whilst we have responded to the pandemic and consequential economic fallout, there remains a significant amount of uncertainty which makes financial planning far more challenging than would usually be the case. A key part of the uncertainty is how much funding the Government will provide and whether this will cover all the costs incurred by KCC as well as the losses in income. It is important to emphasise the estimated figures on costs and loss of income in this consultation document are based on the latest available information.

3. Spending in response to the COVID-19 pandemic

As soon as the pandemic was declared, all councils were asked by the Government to incur additional spending to keep a range of vital public services going. This was on the commitment that extra funding would be provided to cover these costs and the loss of any income from the closure of facilities or services.

Table 1 below provides a summary of the additional spending incurred and the loss of income for the current financial year (from 1 April 2020). This is our estimated projection for the whole of this financial year, taking us to 31 March 2021.

Table 1

Projection for the financial year (1 April 2020 to 31 March 2021)	£'million (m)
Additional costs incurred	96.6
Loss of income	21.0
Total	117.6

Costs and income loss estimates will continue to be updated as we get more evidence. At the end of June 2020, the additional spending and losses of income incurred totalled £48m.

It is important to note that the cost estimates, provided in Table 1 above, do not include any impact if there is a second wave of infections. It also does not include any additional changes in spending as we recover from COVID-19, and its longer lasting impact on KCC services.

Income losses for KCC do not include the impact of more council tax discounts for households facing a decline in income, or any losses if households are unable to pay. It also doesn't include losses on business rate collection for businesses that don't receive additional COVID-19 relief funding. At this stage, these income losses will be borne by billing authorities (district and borough councils in Kent), although the longer-term consequences are still unclear.

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4. Additional funding from the Government

The Government has made £3.7 billion (bn) available to support councils through an emergency grant. This funding is un-ringfenced which means we can spend it on what we need to. This is because councils are best placed to determine the specific needs of their local communities. KCC has so far received two payments of the emergency grant, in March and May, which total £66.9m.

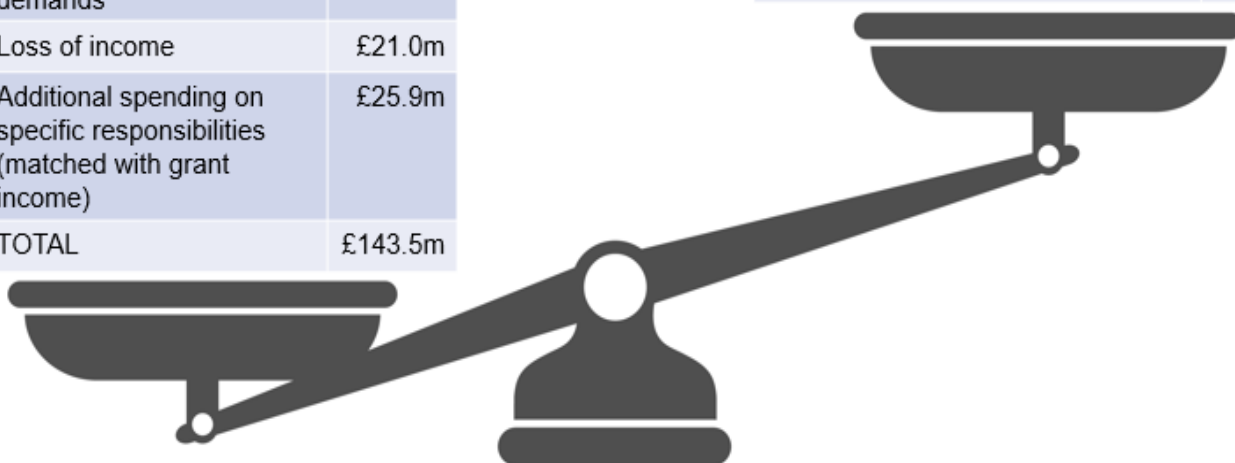
Of the £3.7bn, £0.5bn has only recently been announced and we do not yet have any detail on how this will be allocated between councils. We are expecting details of our share of this shortly. We estimate this could be around £10m for KCC.

KCC has also received grants (£25.9m) for specific reasons such as Infection Control in care homes, support for bus operators, and Trace and Test. This funding is ring-fenced which means it is just for use on these areas.

The image below shows the financial challenge we face due to the spending demands and loss of income. On the left, we see the challenge arising from the additional spending and loss of income. On the right, we see the current solution from government grants. The scales are unbalanced because we still have to find between £40m to £50m in order to balance the budget.

Challenge	
Additional spending demands	£96.6m
Loss of income	£21.0m
Additional spending on specific responsibilities (matched with grant income)	£25.9m
TOTAL	£143.5m

Solution	
Additional grants from government	£66.9m
Additional grant from government - amount to be confirmed	£0.0m to £10.0m TBC
Additional grants from government for specific responsibilities (matched with additional spending)	£25.9m
TOTAL – to be confirmed following grant announcement	£92.8m to £102.8m



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The additional funding provided by Government is extremely welcome, however, this does not fully cover the costs we have incurred. The actions and decisions we take to balance the 2020-21 amended budget are important. That's why we want to understand what matters most to Kent residents.

5. How to give your views

The consultation runs from 13 July until 9 August 2020. To take part, please visit our website www.kent.gov.uk/budget and complete the online questionnaire.

Completing the questionnaire online helps us to make the best use of our resources. However, if you are unable to take part online, a hard copy of the questionnaire can be requested via our Alternative Formats team: email alternativeformats@kent.gov.uk or call 03000 421553 (text relay service number: 18001 03000 421553). This number goes to an answering machine, which is monitored during office hours.

Consultation responses will be considered by Councillors at the full County Council meeting on 10 September 2020. Your input helps us make decisions, and we hope you can understand the pressures and challenging decisions we face.

In our consultation last Autumn, before the 2020-21 budget was set, you told us about your top priorities for spending. This was then considered when setting the budget. We now want to check whether these priorities are the same or if they have changed in recent months before we amend the budget in September, so we are asking these priority questions again.

Here's what you told us last time

People-based services:

Your responses indicated the three most prioritised people-based services were Older People Social Care (21%), Public Protection (18%) and Education & Youth Services (16%). Other services were very much on par with each other.

Community-based services:

Your responses indicated the three most prioritised place/community-based service areas were Highways (22%), Waste Services (18%) and Environment Services (18%). Transport Services was close behind (16%). The remaining services received considerably less.

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Appendix 1

How local government works in Kent

Kent is the most populated county in England with a population of over 1.5 million people (excluding Medway) and 630,000 households.

Local government in England operates under either a one tier system – unitary authorities, or a two-tier system – county and district councils. Kent is a two-tier area, with the county council providing services for the whole county.

There are 12 district, borough and city councils in Kent, covering local areas. In addition, there are 316 parish and town councils for local communities and neighbourhoods. Medway Council is a neighbouring unitary (one tier) authority.

2.1 What services do we provide?

KCC provides over 300 services including:

Services for children, young people and families

- 84 children's centres and early years services
- Supporting 1,600 children in care, and 1,700 care leavers
- Emotional wellbeing and mental health services
- Health visiting and child health checks
- Fostering, adoption and 10,000+ social work cases
- KCC travel saver and home to school transport
- Working with 583 schools on places, planning and access
- Special educational needs and disability including transport
- Apprenticeships, skills and career pathways for young people



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Services for all residents and communities

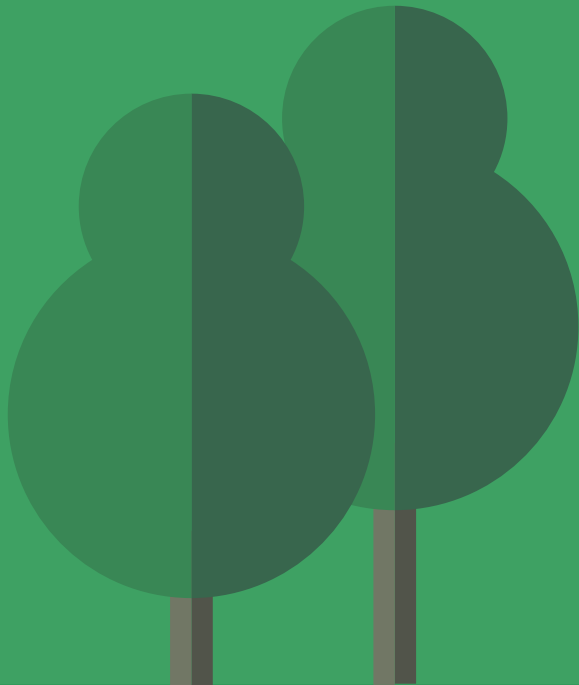
- Public health and wellbeing services
- Sports, arts, culture and heritage
- Highways, waste management and concessionary travel
- Active travel, public rights of way and country parks
- 99 libraries, mobile libraries and archives
- Community safety, emergency planning and trading standards
- Protecting the natural environment
- Registration and coroners' services
- Economic development and strategic planning



Services for older and vulnerable people

- Support for 4,900 adults with learning disabilities
- 4,100 permanent residential care placements
- Respite, safeguarding and support for 152,000 carers
- Support for 3,200 social care clients with mental health needs
- Support for 1,200 older people in nursing care homes
- Partnership working between health and social care
- 7,000 people receiving care and support at home
- Support for 5,300 adults with physical disability and sensory needs
- 2,400 people using day care services in their community





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