

## **February Report from DDC Councillor Geoff Lymer**

### **KCC Budget 21-22**

As local authority budgets continue to reel from the financial impact of COVID-19, Kent County councillors have voted through the authority's spending plans for 2021-22.

The budget focuses on supporting communities and residents to recover from the pandemic and keeping vital services going in the county.

To achieve this, councillors agreed a 'regrettable but unavoidable' 1.99% rise in general council tax, and 3% ring-fenced to meet increased spending on adult social care.

The proposals were accepted at a virtual meeting of the full county council with 55 "for", 12 "against" and 2 "abstentions."

During today's Budget County Council meeting an amendment to the formal budget recommendations, proposed by the Liberal Democrat Group was approved, following their acceptance of a slight change to the wording

As part of the budget plans KCC has also proposed a package of extra financial support and funding for Kent's lowest income families. This will include an automatic £50 reduction on the council tax bill of anyone currently receiving a discount. There are now over 65,000 families eligible for this scheme, compared to 56,000 a year ago.

On top of this extra help, it is also proposed to give every district council funding for their Council Tax hardship fund, which will allow families just above the very lowest income bracket to apply for extra financial support.

As well as the proposed council tax reduction, The Helping Hand Scheme will provide help to just-managing families with utility bills, firms struggling to stay afloat, digital poverty and supporting crowdfunded projects to get communities back on their feet.

The council tax increase, which equates to £67.50 a year (£1.30 a week) for Band D households, is needed to meet budget pressures predicted in the next financial year due to the pandemic, and to meet extra spending pressures in social care. Council tax is now 70% of the income the authority relies on to pay for services.

The authority is having to increase its adult social care budget by £40.1m, taking the total adults social care budget to £437.5m this year, and COVID-19 has triggered increased care needs, and risks to care services in the coming

Since 2013/14 KCC's core revenue support grant from central Government has reduced from around £247m to approximately £10m, which means increasingly core local authority services have to be funded by council tax.

The council will be spending around £1.132bn on day-to-day services, which equates to about £720 for every person living in the county. This is an increase of £68.8m (6.5%) on the approved budget for 2020-21 an extra £41 for every person.

It originally intended to add £9.2 million to its reserves to cover off the risks relating to adult social care services and children's services, as well as the huge uncertainty caused by the pandemic. However, since it produced its draft budget the council has revised its plans to take account of the third national lockdown which has meant taking out £1.8 million of the reserves instead. Changes include an anticipated £5million rise in prices for adult social care, another £5 million for increased social care demand and removing a £3 million saving on pothole repairs due to less government funding for highways.

As we come out of lockdown the risks and pressures on our services and spending increase. Greater complexity in needs of people in care, pressures on mental health, domestic abuse; and the children who were out of sight of public agencies, when so many fewer were in school, are now likely to come back to our services in increased numbers and with increased needs.

We have had significant support from government this year, which we have lobbied hard for. But, if we look ahead, we see a lot of government restraint over the years to come, as it seeks to rebuild its finances after COVID-19. It is important that the one-off funding we have had is used to help those in need through this time of crisis. That is what we set out in our Helping Hands Scheme announced a few days ago, some £10m to support individuals, businesses, communities and the voluntary sector.

Today we are announcing further measures of council tax relief for those who are most vulnerable. In what are, and what will continue to be, challenging times, we are taking measures to sustain a council strong enough to help people when it is needed. This budget is about setting our course, protecting our services and keeping our council resilient in the face of the challenges of the coming years. Kent has received about £140 million from the government to cover additional spending incurred and income losses to date due to the impact of the pandemic.

The Chancellor has said that over time, and once the economic recovery is secured, the government is fully committed to taking the necessary steps to ensure borrowing and debt are on a sustainable path, but it would not be right to speculate at this stage how this is to be achieved.

In our approach to the capital programme this year we have sought to re phase spending into later years so that we do not fall into the trap of committing to additional borrowing which subsequently proves to be unsustainable.

This means the programme presented today is very much about an appropriate timing of spend on projects we are already committed to, rather than including a lot of new projects.

KCC has a strong track record of good financial management but we are at the lower end of the resilience range. We cannot be complacent and must maintain and improve our financial rigour.

Other key points from the draft budget:

- The council proposes a £97.7m increase in spending on council services, including £5.5m for adult social care packages, £2.8m for home-to-school transport for Special Educational Needs pupils, £3.2m to cover increased demand for children's social work and disabled children's services.
- This increase in spending is offset by £61.7m which includes savings from efficiencies, transformation and policy choices, additional income; as well as £22m from reserves.
- There is proposed capital investment of £1.058bn on infrastructure over the next 3 years 2021-22 to 2023-24, mainly on roads and schools. This includes £19m of new schemes, £54m of schemes that have been removed, and £168m of spending that has been rephased within the three-year period.
- The budget has been prepared against the backdrop of an unprecedented level of uncertainty and risk. This stems from a one-year settlement from government for 2020-21 followed by the impact of the Covid-19 pandemic which hit soon after the 2020-21 budget was agreed last February.
- KCC has received a total of around £140m in one-off grants which should be enough to meet the costs of dealing with the COVID pandemic in the current financial year.
- However, these costs do not include the impact of the latest national lockdown and the latest wave of infections we are now experiencing. The budget for 2021-22 includes the

£32.9m un-ringfenced emergency grant and a COVID-19 Local Council Tax Support grant of £14.3m.

- The council is experiencing a rise in demand and extreme pressure on services as well as seeing increased levels of financial hardship for residents and businesses.
- The Chancellor of the Exchequer has already stated that, once the pandemic has subsided and economic recovery is secured, the government is committed to ensuring that borrowing and debt are on a sustainable path, which is likely to impact future funding levels for local councils.
- The council is under a legal duty to set a balanced and sustainable budget and maintain adequate reserves such that it can deliver its statutory responsibilities and priorities and be considered financially resilient.

As your representative for the Dover West Ward, I voted "for" all the recommendations, except for one, in the budget. That was I voted "against" a reduction in the member's community and highways grant funding which was proposed to be reduced yet again from £15,000 down to £10,000.

Over the years of serving the Dover West Ward I have found this grant funding useful for financing community or highways projects on the ward, where such projects would struggle to raise funds via any other means.

I have further suggested KCC discontinues the Central Government inspired plan under their partnership with Homes England to set up a Dover Fast Track bus system to take residents in the Whitfield and Whitfield rural area into Dover Priory Rail Station and the local supermarkets. If Stagecoach cannot fill their buses with such passengers then I doubt Dover Fast Track will improve things, but this will cost KCC or you and I, the ratepayer, around £30-40 million plus, to build and is based upon flawed "housing needs" algorithms. To support me with your objections please email [Barbara.Cooper@kent.gov.uk](mailto:Barbara.Cooper@kent.gov.uk) and [Roger.Gough@kent.gov.uk](mailto:Roger.Gough@kent.gov.uk) before March 18. This will save KCC, or put another way, you and I an unnecessary expenditure for the rate payer. You can read my newsletter article objecting to the Dover Fast Track in my November/December 2020 report. The only way to halt this unnecessary spend is by a good thousand objections, which will save rate payer's money.

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