

Kent County Council Labour Group – Alternative Budget

Amendment to the Revenue Budget 2025-26, Medium Term Financial Plan 2025-28 and Capital Programme 2025-35

*Proposed by Mr Alister Brady
Seconded by Mrs Jackie Meade*

County Council is asked to agree the following:

2025-26 Revenue Budget and 2025-28 Medium Term Financial Plan

To replace Recommendation (d) by making changes to the revenue budget 2025-26 and 2025-28 Medium Term Financial Plan proposed by the Administration and for it to be substituted with the Labour Group's Alternative Budget. See attached revisions to Appendices D and F for both revised spending allocations and savings proposals. Consequential changes to Appendices E and G should also be assumed where relevant Directorate and Key Service budgets have been changed by the Alternative Budget.

To replace Recommendation (h) with

Agree provision for Kent Scheme pay sufficient to fund the transition to the new pay points under the pay strategy agreed by full Council in May 2024 and the following uplifts to be applied from April 2025 (consistent with the principles underpinning the pay strategy agreed in May 2024):

- Increase the minimum rate for grade KSA to £12.71 per hour (5% increase) to maintain the current positive differential from Living Wage Foundation's Living Wage (11 pence). This will exceed the minimum requirement for the National Minimum Wage of £12.21 per hour for employees aged over 21.
- Increase all points within grades KSB to KSF by 5%.
- Percentage increases for KSG-R will be allocated on a reducing basis as you progress up the pay scale within the pay envelope limits.

To replace Recommendation (o) with

To note that the Cabinet Member for Finance, Corporate and Traded Services, in consultation with the Leader and Cabinet, will determine the final pay increases for KSG and above based on what is affordable within the total pay pot.

Changes to the Key Policies and Strategies proposed by the Labour Group are only to those as a consequence of the Group's revised budget and Medium Term Financial Plan. All other recommendations (e.g. to council tax levels) to remain the same.

1 Introduction

- 1.1 The recommendations above and the attached appendices reflect a revised 2025-26 Revenue Budget and 2025-28 Medium Term Financial Plan by Kent County Council's Labour Group, as changes to the Administration's final budget proposals. As such,

consequent changes are reflected in Labour Group's budget plans and are published in a format recommended by the interim Corporate Director of Finance.

- 1.2 Since 2013-14 (when the local government finance system was last fundamentally reviewed), the Council's Revenue Support Grant has been reduced from £250m to around £15.7m. During that period inflation rose by over 35%. This combination of cuts to grant, a lack of inflationary grant increases and additional demands on services, have meant that the County Council has had to make cumulative savings of around £900m since 2010. That includes £61.5m of savings needed to balance the budget in 2025-26.

2. Budget Principles

- 2.1 The Labour Group has sought to engage pro-actively and positively to the budget setting process. The Budget Dashboard provides more detail than in previous years but there remains a lack of detail in some areas, for example, when looking at Adult Social Care Sustainability Plans. This has made the process of understanding the delivery plans and expected impact on Kent residents difficult. If this information lacks clarity for members, it raises concerns about how Kent residents can be informed about the Administration's spending and savings plans.
- 2.2 The Labour Group budget has a focus on investing in front line and in-house services. Labour Group has listened to residents' requests in the budget consultation¹, and so proposes to reduce management, support and overheads throughout the organisation. The Labour Group recognises the importance of listening to our staff and has responded to this through the design of this budget. The budget has been founded on the following principles:
 - Investment in services consistent with the Kent Labour Party Manifesto Pledges
 - Investment and savings consistent with the principles of expanding in-house provision and investing in universal prevention by reducing spend on commissioning activity
 - Refuse to accept the Administration's proposed savings, where they are inconsistent with principles outlined above
 - Produce a balanced budget over 3 years (the period of the medium-term financial plan), ensuring financial prudence and sustainability
 - Sustainable use of reserves, to smooth investment and savings between years and to use reserves to support one-off investment that produces longer term savings

3. Manifesto Pledges

- 3.1 The Labour Group's budget is predicated on their Kent Labour 2021 Manifesto. However, the Group acknowledges that not everything in its Manifesto can be delivered in Year 1 of the budget (that is, 2025-26). Therefore, the alternative budget proposal, over the three year life of the Medium Term Financial Plan, delivers on the following:
 - Establishing an in-house adult social care homecare service to help stabilise the market and replace the use of expensive spot purchasing contracts.
 - Investment of £0.9m to create a universal play service for 5-11 year olds, including for those children with additional needs.
 - Protecting a Youth Service that is fit for purpose focusing on a more preventative universal youth offer.
 - Investing in staff to enhance street works compliance, which will improve road safety and reduce disruptions for Kent residents.
 - Funding feasibility study into a 'Transport for Kent' model.

- Invest in preventative mental health services, including housing support, debt and counselling advice, and a dedicated support line, to reduce the need for costly supported living packages and ensure early intervention is accessible to all.
- Enhancing the Environment function to actively pursue opportunities for external funding to support net zero and carbon capture projects.
- Investment of training bursaries for Educational Psychologists to address recruitment difficulties, support social workers, improve outcomes for children.
- Reduce spend on consultants.

3.2 Labour Group's budget focuses on protecting and expanding front line services for the residents of Kent. Our residents wanted increased spending on community services and on education services including early year provision, Labour Group have heard Kent residents and acknowledged their voice in this budget.

4. Repudiating the Administration's Cuts

4.1 Labour Group acknowledges that local government has been poorly treated by central Government's austerity cuts over the past 15 years and that the area of Kent is no exception to this. Kent's residents want a review of the Administration's budget and spending priorities. The Labour Group agree, and have listened to that request by looking at an alternative way of delivering services. The Labour Group deplores the proposed cuts to front line services put forward by the Administration, many of which target those who can least afford it - the most deprived and vulnerable. So, instead, the alternative budget will:

- Reinstatement of the community warden service to 2022-23 budget levels, removing a total of £1m cuts from the Administration's current and previous MTFPs.
- Maintain operation of Commissioned Family Hubs (Millmead and Seashells), or to provide equivalent alternative provision.
- Reverse £0.4m cuts to our children's respite offer and continue to offer respite every four weeks.
- Limit the full-year effect of the Adults Charging Policy changes to 25% of the Administration's proposal.
- Reverse Kent 16+ Travel Saver above inflation increase.
- Scale back charging increases in post 16 SEN transport.
- Reinstatement up to 50% of the Council Tax Reduction schemes
- Reinstatement 50% of the Council Tax Incentives schemes
- Reinstatement of the Mental Health Wellbeing Services in the Community (Live Well Kent).
- Reverse cuts to Cyclopark sports and community facility.

5. Investing in Prevention & Insourcing

5.1 The Administration's budget has consistently focused on reducing service levels despite increasing demand. A preventative approach is needed to help people earlier, reducing demand while protecting existing services. The Labour Group's Alternative Budget proposes in-sourcing several services, including new in-house domiciliary care and youth and play services. Additionally, it invests in Adult Social Care initiatives such as family support at home and mental health preventative services, to produce savings of £1 million.

6. Proposals from previous Alternative Budgets

- 6.1 The Labour Group welcomes the following proposals in the Administration's previous and current MTFPs, which have featured in previous Alternative Budgets:
- Initiatives to increase use of Personal Transport Budgets to reduce demand for hired transport
 - Making use of BSIP funding to absorb inflationary increases to the cost of the Kent Travel Saver
 - The adoption of the Chief Executive model of Governance
 - In-house children's residential care initiative
 - Adoption and expansion of Kent Shared Lives service
 - Review of income targets from Highways and Transportation, including traffic management penalties
 - Opening a reuse shop at Allington Household Waste Recycling Centre
 - Review of revenue highway maintenance contract

7. Use of Reserves and Capital Receipts

- 7.1 The Alternative Budget utilises one-off capital receipts under the Government's flexible use of capital receipts policy. This policy allows authorities to use proceeds from asset sales to fund the revenue costs of projects aimed at reducing costs, increasing revenue, or supporting more efficient service provision.
- 7.2 Kent County Council owns several trading companies under Global Commercial Services Group Ltd. With upcoming Local Government Reorganisation and Devolution plans, the Authority must decide the future of these assets. The Labour Group believes in selling suitable assets at their peak financial potential. Therefore, the Alternative Budget proposes investing in a project management resource to assess if any portion of KCC's companies is suitable for sale or disposal. This will ensure due diligence and legal requirements are met, aiming to identify a capital receipt by 2027-28 for flexible use.
- 7.2 Although the Alternative Budget makes use of corporate reserves to help fund invest to save activities in year one and year two of the three year plan, provisions have been put in place for this to be repaid in each of the following years, and overall the Labour Group's three year financial plan results in **£500.0k** more in corporate reserves by 2027-28 than the Administration's proposed MTFP, making this a more financially sound budget.

8. Conclusions

The Labour Group budget has been reviewed by both the Section 151 Officer and the Monitoring Officer. Their comments are included within the budget template form.