



AGENDA

CABINET

Monday, 15th October, 2012, at 10.00 am Ask for: **Louise
Whitaker/Karen
Manning**
Darent Room, Sessions House, County Telephone: **(01622)
Hall, Maidstone** **694433/694367**

Tea/Coffee will be available 15 minutes before the meeting.

Webcasting Notice

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UNRESTRICTED ITEMS

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

1. Introduction/Webcasting
2. Declaration of Interests by Members in Items on the Agenda for this meeting
3. Minutes of the Meeting held on 17 September 2012 (Pages 1 - 12)
4. Revenue & Capital Budget Monitoring Exception Report 2012 - 13 (Pages 13 - 20)
5. Development and Infrastructure: Creating Quality Places (Pages 21 - 62)
6. Kent Thameside Strategic Transport (Homes & Roads) Programme (Pages 63 - 94)
7. Kent and Medway Broadband Delivery UK (BDUK). Project (Pages 95 - 100)
8. Children's Services Improvement Panel - Minutes of 2 August 2012 (Pages 101 - 106)
9. Other items which the Chairman decides are relevant or urgent

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)

Peter Sass
Head of Democratic Services
Friday, 5 October 2012

Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 17 September 2012.

PRESENT: Mr P B Carter (Chairman), Mr M C Dance, Mr G K Gibbens, Mr R W Gough, Mr P M Hill, OBE, Mr A J King, MBE, Mr J D Simmonds, Mr B J Sweetland, Mr M J Whiting and Mrs J Whittle

ALSO PRESENT: Mr Leslie Christie (Member for Gravesham and Northfleet)

IN ATTENDANCE: Mr M Austerberry (Corporate Director, Environment and Enterprise), Mrs A Beer (Corporate Director of Human Resources), Mr M Burrows, (Director of Consultation and Communications), Mr D Cockburn (Corporate Director of Business Strategy and Support), Mr A Wood (Corporate Director of Finance and Procurement), Mr P Leeson (Corporate Director Education, Learning and Skills Directorate), Ms A Honey (Corporate Director, Customer and Communities), Mr A Ireland (Corporate Director, Families and Social Care), Ms M Peachey (Kent Director Of Public Health), Mr G Wild (Director of Governance and Law) and Mrs L Whitaker (Democratic Services)

UNRESTRICTED ITEMS

1. Minutes of the Meeting held on 9 July 2012 (Item 3)

The minutes of the meeting held on 9 July 2012 were agreed and signed by the Chairman as a true record.

2. Revenue & Capital Budgets, Key Activity and Risk Monitoring 2012-13

(Item 4 – Report by Mr J Simmonds, Cabinet Member for Finance & Business Support and Mr A Wood, Corporate Director of Finance and Procurement).

Cabinet received a report of the Member and officer named above. Mr Simmonds introduced the report to Cabinet and in particular referred to the following details contained within it pertaining to the revenue Budget:

- That the current underspend had increased since the report taken to cabinet in July to £3.297m
- That this figure was expected to further increase to £4.568m following the implementation of management action within the ELS and BSP&HR portfolios.
- That Specialist Children's Services continued to face budgetary pressures owing to the continuing rise in demand for services.
- That the Asylum budget was predicted to break-even following positive discussions with other Councils and UKBA. However caution continued to be exercised until the outcome of

arrangements in place for those young people who were considered to have 'All Rights Exhausted' were known.

- That the Adult Social Care budget was forecast a £3.5m underspend and that this was largely a reflection of a fall in demand for direct payments and other services.
- That savings had been realised on debt charges as a result of the decision taken to use cash flow to enable no new borrowing to have occurred in the first quarter of 2012-13.

Mr Simmonds continued to describe the key points within the report pertaining, this time, to the Capital Budget as follows:

- That the capital programme currently forecast a variance of - £6.290m, but he reminded Cabinet members that this was set against a total budget of £621m that stretched over a three year period, 2012 – 2015.
- This variance was partially attributable to delays in Planning and other functions; in particular he highlighted Drovers Roundabout and the Multi Agency Strategic Hubs.

Mr Simmonds brought to the attention of Cabinet the successful completion of three projects, delivered on time and within budget and providing excellent services and recreational benefits to the people of Kent, namely the Kent History and Library Centre, East Kent Access phase 2 and the A2 Cyclopark.

In drawing to a close Mr Simmonds referred Cabinet to further information of interest on reserves, staffing levels, debt maturities, levels of debt owed to Kent County Council and the settling of debts by KCC. On this last point Mr Simmonds reported that the Council had struggled, on occasion, to meet its deadlines for payment and that this was under review. Options being considered were centralisation of payment services and / or e-invoicing

Mr Simmonds urged cabinet to agree the recommendations contained within the report, which would enable technical actions to be completed such as virement of monies, which were needed following the conclusion of the directorate restructure in April 2012.

In conclusion he reiterated the positive nature of the messages contained within the report.

In response to a question from the Leader the Director of Finance and Procurement reported that in the two and a half months from the end of the quarter referenced in the report, trends had continued in the same manner, and that this was consistent with the prediction of an approximate underspend of £5m at year end.

The Cabinet Member for Specialist Children's Services, Ms Whittle, addressed cabinet in relation to the overspend reported within her Portfolio. She offered assurances that work was being undertaken both in-house, and with partners and providers in order to reduce costs and achieve benefits for children in receipt of those services.

In addition she welcomed the news of the successful negotiation of costs for All Rights Exhausted children in the asylum system and reported that work would continue to ensure that these negotiations came to a practical fruition. The Leader of the County Council, Mr Carter, reported that lobbying of Home office ministers continued to ascertain a firm commitment that KCC would not be liable for the cost of ARE young people who remained in the country after 13 weeks, but this was yet to materialise.

The Cabinet Member for Environment, Highways and Waste, Bryan Sweetland, echoed praise already received for the East Kent Phase 2 project and commended the strategy and implementation involved. In light of this success, and the reshuffle at central government level that had seen 3 of 4 transport ministers changed, he argued that KCC's bid to build the extension to the A21 be further pursued. The Leader of the County Council, Mr Carter endorsed that view and hoped that government could be persuaded of the benefits of local procurement and local delivery.

RECORD OF DECISION

CABINET Revenue and Capital Budgets, Key Activity and Risk Monitoring 17 September 2012	
1.	That the latest monitoring position on both the revenue and capital budgets be noted.
2.	That the changes to revenue cash limits within the ELS portfolio as detailed in section 1.1.1 and 1.1.2 of annex 1, be agreed.
3.	That the realignment of revenue budgets within the ASC&PH portfolio as detailed in section 1.1.1 and 1.1.2 of annex 3, be agreed.
4.	That the realignment of revenue budgets within E&E directorate affecting the EH&W and R&E portfolios as detailed in section 1.1.1 and 1.1.2 of annex 4, be agreed.
5.	That the changes to revenue cash limits within the BSS directorate affecting the R&E, BSP&HR, F&BS & D&P portfolios as detailed in section 1.1.1 and 1.1.2 of annex 6, be agreed.
6.	That the residual pressures currently forecast within the SCS portfolio, and the management action required within the ELS & BSP&HR portfolios to address them, be noted.
7.	That the changes to the Capital programme, detailed in section 4.3 of the report, be agreed.
8.	That the latest Financial Health Indicators and Prudential Indicators as reported in appendix 2 and appendix 3, be noted.
9.	That directorate staffing levels as at the end of June

	2012, be noted.
REASON	
2.	To reflect adjustments made to cash flows that have resulted from changes in policy, or delivery models, in accordance with the Council's constitution, Appendix 4, Part 7, 7.20.
3.	To reflect adjustments made to cash flows that have resulted from changes in policy, or delivery models, in accordance with the Council's constitution, Appendix 4, Part 7, 7.20.
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7.	To reflect adjustments made to cash flows that have resulted from changes in policy, or delivery models, in accordance with the Council's constitution, Appendix 4, Part 7, 7.20.
1. 6. 8. 9	For noting only.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

3. Treasury Strategy Update

(Item 5 – Report by the Cabinet Member for Finance and Business, Mr John Simmonds and the Corporate Director of Finance and Procurement, Mr Andy Wood)

Cabinet received a report of the Member and officer named above, the purpose of which was to detail, and seek agreement to, changes to the Council's Annual Treasury Strategy as originally agreed by Cabinet in January 2012. Mr Simmonds introduced the report to Cabinet and in particular referred to the following details contained within it:

- That the current economic climate continued to provide challenges for treasury management and the important balances to be made between risk and return.
- That the Government's Debt Management office was currently offering very low interest rates of approximately 0.2%. In addition, ratings agencies had

undertaken various reviews of financial institutions, and indeed countries, which had affected the investment landscape.

- In light of this Kent County Council's ratings criteria for those organisations in which it would invest, had been reduced to A+ to A- in light of rating reviews and available returns. This would enable continued investments without it being necessary to use the DMO. A Multi-Party Treasury Advisory Group had been established in order that in the current volatile financial climate all of the council's current and future investments were tightly monitored.
- That the council's current investments were considered to be sound and in particular officers were confident that investment in Santander was wholly safe given the separation between the UK and European entities.
- That £55m of cash reserves had been utilised in order to settle debts matured this year. This decision reflected the disparity between interest rates on cash and on borrowing.
- That initial research was being undertaken into investments in other countries, particularly in Australia and Canada as alternatives to K banking investments should ratings fall further in the future. Agreement was sought for banks from both countries to be added to the agreed counterparty list with certain conditions detailed within the report and recommendations.
- That in order to establish the Local Authority Mortgage Scheme intended to help local residents to purchase homes KCC would need to invest monies in Lloyds bank for a minimum term. The actual deposit was not yet known but there was a maximum liability of £12m. Formal agreement for this course of action was sought and detailed within the report and recommendations.

Following a question from the Leader of the County Council, Mr Carter, regarding the figures quoted within the report, the Corporate Director for Finance and Performance confirmed that they were separate from the Pension Fund which had its own banking arrangements and treasury management strategy. Therefore any strategy agreed today would be relevant only to the main KCC budget.

Mr Dance further elaborate on this theme and reported conversations that took place at a recent meeting on local authority investment that had taken place in London. Here it had been reported that Canadian firms had used pension fund monies to invest in long term projects expected to return profits, such as infrastructure projects, and that this would be of benefit to the efforts to create economic upturn England should the rules be adjusted to allow it.

RECORD OF DECISION:

CABINET DECISIONS on Treasury Strategy Update 17 September 2012	
1.	That the addition of the Australian and Canadian banks, specified in the appendix to the report, be agreed.
2.	That in relation to the additions to the Counter party list agreed at 1. a limit of £25m in any one bank and a total of £50m in any one country, be agreed.
3.	That a 5 year deposit in Lloyds TSB to a maximum of £12m, in order to establish the Local Authority Mortgage

	Scheme, be agreed.
REASON	
1.	In order to increase options for investment should the rating agency further reduce the ratings of UK banks.
2.	In order to protect new investments from economic downturn in the countries named or from institutional failure at any of the named banks.
3.	In order to fulfil the terms required by Lloyds and facilitate the establishment of the scheme.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

4. Quarterly Performance Report, Quarter 1 2012/13

(Item 6 – Report by the Cabinet Member for Business Strategy, Performance and Health Reform, Mr Roger Gough and the Corporate Director for Business Strategy and Support, Mr David Cockburn)

Cabinet received a report of the above named Cabinet Member and officer, the purpose of which was to provide the latest quarterly figures, relating to key areas of the council's performance. Mr Gough introduced the report to Cabinet and in particular referred to the following details contained within it:

- That Key Performance Indicators had been refreshed in order to better reflect the council's priorities.
- That 'Lead indicators' had been tested and reported for the first time. These indicators were intended to focus on the 'demand' side of council provided services in order that peaks or troughs in that demand might be better predicted and, therefore, managed.
- Qualitative indicators were currently being developed and would be added to the report for Cabinet at the earliest opportunity.

Mr Gough assured Cabinet that although the report was somewhat dated by the time it was considered by Cabinet work began immediately on its production to rectify red status indicators. He particularly cited the Contact Centre issues included within the report, as an example where good work was already underway.

Performance Manager for the Department for Business Strategy and Support, Mr Richard Fitzgerald was asked by the leader of the County Council, Mr Paul Carter to comment. He added to Mr Gough's comments that the Cabinet Committees recently introduced as part of the council's new governance arrangements were being fully and effectively utilised by allowing consideration of more detailed dashboard

information, in a more timely fashion, further strengthening the council’s performance management mechanisms.

To further that end, the Leader of the County Council, Mr Paul Carter reported that he had agreed with the Leader of Hampshire County Council that each would provide for the other a light touch peer review of performance management structures, actions and reporting.

CABINET DECISIONS on Quarterly Performance Report, Quarter 1, 2012 / 13 17 September 2012	
1.	That the information within the report be noted.
REASON	
1.	The report was for information only – no decision required.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

5. Kent County Council Equality Policy Statement and Objectives

(Item 7 – Report by the Cabinet Member for Customer and Communities, Mr Mike Hill and the Corporate Director for Customer and Communities, Mrs Amanda Honey)

Cabinet received a report of the above named Cabinet Member and officer, the purpose of which was to seek agreement of the new Equality Statement and Policy Objectives for Kent County Council produced in response to the implementation of the Equality Act 2010. Mr Hill introduced the report to Cabinet and in particular referred to the following details contained within it:

- That Kent County Council must adhere fully to the Equality Act in order to provide the right services for residents and in order to protect the council from legal challenge and possible costs.
- That an essential part of this work would be to ensure that all reports received by Cabinet contained an Equality Impact Assessment in order that decisions could be taken with full knowledge of the potential impacts for all residents of Kent. Furthermore decisions taken without evidence of Equality Impact assessments having been conducted could be open to Judicial Review and costly delays.

The Leader of the County Council, Mr Paul Carter, asked the Director of Communications and Engagement, Mr Matt Burrows to comment further. He echoed Mr Hill’s comments regarding the imperative to produce Equality Impact Assessments for all decisions and in addition he highlighted the need, detailed further

in the report, for the council's decisions and resulting actions to have clear and measurable objectives. Six objectives had been devised and recommended and detailed within the appendix of the report for consideration.

In conclusion he drew to the attention of Cabinet to the positive internal and external consultation that had taken place in the production of the recommendations before it today, and the more general improvements in this area which continued to further engage members of the public in the decision making process at Kent.

The Leader of the County Council, Mr Paul Carter, welcomed the intention of the Equality Impact Assessments but proposed that they be named locally as Customer Impact Assessments. Following advice for the Director of Legal and Governance, Mr Geoff Wild, that this would not put the council at risk so long as the 'Customer Impact Assessments' met the requirements of the Equality Act 2010, Mr Carter agreed to take the decision away for discussion between members and officers, whereby proposals would follow should it be decided that this would better reflect the intention of the council in producing these documents.

RECORD OF DECISION

CABINET DECISIONS on Kent County Council Equality Policy Statement and Objectives 17 September 2012	
1.	That the Equality Policy Statement and Objectives, be agreed.
2.	That a timeframe of four years, from October 2012 to September 2016 for the objectives agreed at 1. be agreed.
3.	That the receipt of a report detailing the objectives agreed at 1. by all committees of the council, be agreed
4.	That a requirement to include actions intended to meet the objectives within each departmental annual business plan and priorities, be agreed.
5.	That continued consideration of the Annual Performance Report by Cabinet, be agreed.
REASON	
1.	In order to fulfil the requirements of the Equality Act 2010 and further improve services for all residents of Kent.
2.	In order that objectives can be reviewed at the end of an agreed fixed period to ensure that they remain relevant to the residents of Kent and the objectives of the Council.
3.	In order that there is a defined path for the information and requirements within the report to be disseminated to all directorates. This is intended to ensure that all directorates work with the correct equality performance indicators.
4.	In order that all directorates fully consider and disclose in a uniform

	fashion the work that they are undertaking to meet the requirements set out in the Policy statement and agreed objectives.
5.	In order that Cabinet continue to be fully informed about the progress of the council in meeting the requirements of the act and the needs of the residents of Kent and maintain an overarching view of departmental work in this area.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

6. Commissioning Plan for Education Provision 2012-17

(Item 8 – Report by the Cabinet Member for Education, Learning and Skills and the Corporate Director for Customer and Communities, Mr Patrick Leeson)

Cabinet received a report of the above named Cabinet Member and officer, the purpose of which was to seek agreement of Kent County Council's new Commissioning Plan for Education Provision 2012 - 2017.

The Leader of the County Council, Mr Paul Carter, introduced the item; he described the aim of the plan, which was to provide an adequate supply of school places for children in Kent, addressing some of the issues that had occurred in previous years, particularly where spikes of demand had occurred in particular localities. This plan he hoped, would provide sensible solutions to such issues not only countywide, or in district areas but also in smaller community localities. In addition he hoped that the dissolution of the Audit Commission would reduce the pressure on Councils to limit surplus places to such an extent that the choices of parents in the future might be affected.

Mr Whiting introduced the report to Cabinet and in particular referred to the following details contained within it:

- That there were three main aims of the Plan:
 - The effective provision of local school places for local people
 - Provision of more choice for parents
 - Improvement in the standards of education provided by all of the counties schools.
- These aims reflected the responsibilities of the Local Authority in terms of education provision in a much changed educational sphere.
- In addition the plan sought to deliver other goals of the County Council including those relating to parental preferences, namely, 85% of all parents having received their first preference of school and 95% of parents having received their first or second preference. The provision of parental preference being aided by maintaining a 5–10% surplus of school places in each phase of education.

- Challenges resulting from the aims detailed above had been identified within the report; in particular he referred to the need for 10,000 new primary school places required in the relatively short term and 3,200 new nursery places for entitled 2 year olds by September of 2013.
- The plan would be continuously reviewed at County and District level to ensure that it was fit for purpose and amended if necessary to better meet local needs as they develop.

The Leader of the County Council, Mr Paul Carter, sought further information on the following points:

- how the Cabinet Member and officers had taken steps to define and provide for the smaller localities that had been described
- how the plan would continue to provide school places in response to external influences, particularly new housing developments in particular localities that may already be running at capacity in terms of education provision.
- How any continued provision in such circumstances would be made affordable for the council particularly in those localities where CIL or Section 106 agreements might deliver less value than in other more affluent areas

In response Mr Leeson reported:

- (a) That localities had been, and would continue to be, defined in terms of distance travelled to school and that this was different depending on the phase of education in question. However, the definition would also include preferences expressed by parents, for example, where there were significant numbers choosing to attend a school other than the nearest available.
- (b) In order that the council might become more responsive to such choices the plan would be revised on a yearly basis to identify and respond to such trends.
- (c) That the council had little influence over the choices that developers in the County made to develop in certain areas and not in others. However the plan would seek to make assumptions about what might be expected in the short term, although the current financial climate made even short term predictions difficult. This would also be kept under continuous review.
- (d) Positive discussions had been held with district councils regarding the continued prioritisation of educational needs and securing of funds for that provision in planning agreements through SIL and Section 106 agreements.

In response to further questioning from the Leader of the County Council regarding the risk that the council faced in relation to basic need allocations from the Department for Education Mr Leeson argued that the more rigorous the planning process and detailed the plan the stronger the County Council's case would be in demanding additional funding where additional needs arose.

The Leader of the County Council in his capacity as Chairman of Cabinet had granted permission for Mr Les Christie local elected member for Northfleet and Gravesend West division to speak to this item.

Mr Christie approached the table and thanked the Leader for the opportunity provided. He urged the Cabinet to consider the following points in taking its decision:

- That the wished the section of the plan affecting his division, Gravesham Primary Commission (P.317-318) to be omitted from any decision to approve the plan and instead authority be delegated to the Cabinet Member for Education, Learning and Skills to approve that particular commissioning at a later date when further discussion had been enabled.
- That this delay was necessary because building an extension to church school to resolve unmet demand for reception year places was not a solution for the whole community within his division. In particular many of the ethnic minority families who made up 17.5% of the population.
- An unwanted consequence in the mind of Mr Christie was that discussions had now begun locally about the possibility of building a Sikh faith school and he believed schools with children from all faith backgrounds were more positive in a time where integration and acceptance should be promoted.
- He welcomed the Cabinet Member for Education, learning and Skill's efforts to discuss with various parties with influence the relaxing of admissions criteria for faith schools to make them more inclusive, but that until an agreement to that effect had been reached long term commissioning decisions such as these should not be taken.
- He asked that decision be deferred to allow the Gravesham members an opportunity to put forward an alternative proposal.

The Leader of the County Council, Mr Paul Carter, thanked Mr Christie for his contribution. He also hoped that discussions with both the Anglican and Catholic diocese would resolve in the long term to make admissions criteria for faith schools as broad and inclusive as possible.

Mr Leeson also responded to some of the points raised. He described the close working relationships that existed between the local authority and the diocese. This relationship, and the school places created by faith schools, was crucial to the provision of sufficient places for children in Kent. He acknowledged that the admission arrangements for faith schools were more or less inclusive depending on the school in question but that the Anglican diocese in particular had a clear intention that all of its schools would be genuine community schools. In relation to the situation in Gravesham in particular, Mr Leeson regarded that it was largely a question of alternatives, of all those contemplated this was the only and best solution.

Mr Sweetland addressed the Cabinet, as elected member for Gravesham East he echoed some of Mr Christie's concerns regarding the situation in that area which he believed did deserve some special attention and imaginative solutions. In particular he urged the Cabinet Member and Corporate Director to exert all possible influence on the schools to relax as far as possible their admissions criteria.

In response to further questioning by the Leader of the County Council, Mr Carter, the Corporate Director of Education, Learning and Skills confirmed that while the diocese would set broad principles for it's schools to as here to the interpretation of these principles into actual criteria for admission was the responsibility of each school. He also confirmed that the plan would be continually reviewed starting with the preferences expressed in this years intake, followed by a mid year review in January to begin to predict the next years preferences.

Area Education Officer, Simon Webb was invited to the table and provided further information about the discussions that had taken place with St Botolphs regarding

their admission criteria in light of the expansion that was at proposal stage at that time. He confirmed that in this years admissions, to the additional places 30% went to children of different or no faith. In addition he urged members not to forget that this solution was a relatively short term on and that new provision would be forthcoming.

RECORD OF DECISION

CABINET DECISIONS on Commissioning Plan for Education Provision 2012 - 17 17 September 2012	
1.	That the Commissioning Plan for Education Provision 2012-2017, be approved.
REASON	
1.	To ensure that a, fit for purpose and responsive plan be put in place in a timely fashion in order that parents and children in Kent can attend their preferred school and receive a high level of education whilst there.
ALTERNATIVE OPTIONS CONSIDERED	Cabinet considered an alternative decision whereby the Gravesham primary School Commissioning Plan was omitted from the decision to approve the full plan, in order that further consideration could be given to alternative solutions to meet local need in that locality. This alternative was rejected after some debate and assurances from officers, when Cabinet was satisfied that sufficient research had been completed to be confident that the commissioning solution contained in the plan could not be bettered.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

7. Other items which the Chairman decides are relevant or urgent (Item 9)

There were no urgent items to be considered.

To: CABINET – 15 October 2012

By: John Simmonds, Cabinet Member for Finance & Business Support
Andy Wood, Corporate Director of Finance & Procurement

REVENUE & CAPITAL BUDGET MONITORING EXCEPTION REPORT 2012-13

1. Introduction

1.1 The first full monitoring report for 2012-13 was presented to Cabinet in September. This exception report, based on the monitoring returns for July, highlights the main movements since that report.

2. REVENUE

2.1 The current underlying net revenue position by portfolio, before and after the implementation of assumed management action, compared with the net position reported last month, is shown in **table 1** below.

Table 1: Net Revenue Position before and after Proposed Management Action

Portfolio	Gross Position £m	Proposed Management Action £m	Net Position after mgmt action £m		Movement £m
			This month	Last month	
Education, Learning & Skills	-0.162	-	-0.162	-	-0.162
Specialist Children's Services	+5.453	-	+5.453	+5.295	+0.158
Adult Social Care & Public Health	-2.805	-	-2.805	-3.474	+0.669
Environment, Highways & Waste	-2.603	-	-2.603	-2.228	-0.375
Customer & Communities	-0.556	-	-0.556	-0.462	-0.094
Regeneration & Economic Development	-	-	-	-	-
Finance & Business Support	-4.137	-	-4.137	-3.699	-0.438
Business Strategy, Performance & Health Reform	+1.050	-0.954	+0.096	+0.074	+0.022
Democracy & Partnerships	-0.146	-	-0.146	-0.074	-0.072
Total (excl Schools)	-3.906	-0.954	-4.860	-4.568	-0.292
<i>Schools (ELS portfolio)</i>	+1.902	-	+1.902	+1.902	-
TOTAL	-2.004	-0.954	-2.958	-2.666	-0.292

2.2 **Table 2** shows the forecast underlying gross position **before** the implementation of proposed management action, compared with the gross position reported last month.

Table 2: Gross Revenue Position before Management Action

Portfolio	Variance		Movement £m
	This Month £m	Last Month £m	
Education, Learning & Skills	-0.162	+0.325	-0.487
Specialist Children's Services	+5.453	+5.295	+0.158
Adult Social Care & Public Health	-2.805	-3.474	+0.669
Environment, Highways & Waste	-2.603	-2.228	-0.375
Customer & Communities	-0.556	-0.462	-0.094
Regeneration & Economic Development	-	-	-
Finance & Business Support	-4.137	-3.699	-0.438
Business Strategy, Performance & Health Reform	+1.050	+1.020	+0.030
Democracy & Partnerships	-0.146	-0.074	-0.072
Total (excl Schools)	-3.906	-3.297	-0.609
<i>Schools (ELS portfolio)</i>	+1.902	+1.902	-
TOTAL	-2.004	-1.395	-0.609

- 2.3 The gross underlying revenue position (excluding schools) is currently an underspend of £3.906m as shown in table 2 above, but this underspend is expected to increase to £4.860m by year end, after assuming the delivery of management action within the Business Strategy, Performance & Health Reform portfolio, as shown in table 1.
- 2.4 In the context of a savings requirement of £100m and on the back of delivering a £95m savings target last year, this is a very promising position at this stage of the year. The forecasts show that the vast majority of the £100m savings are on track to be delivered. The intention remains that where delivery proves to be unlikely, that equivalent savings elsewhere within the relevant portfolio will be made as appropriate. The position will be monitored very closely throughout the remainder of the financial year and every effort will be made to ensure that we remain within a balanced position.
- 2.5 Table 2 shows that there has been an increase in the underspend of -£0.609m before management action this month. The main movements, by portfolio, are detailed below:

2.6 Education, Learning & Skills portfolio:

The position for this portfolio has moved by -£0.487m since the last report from a pressure of +£0.325m to an underspend of -£0.162m, excluding schools. This is mainly due to:

- 2.6.1 -£0.200m ELS Strategic Management & Directorate Support – a reduction in the position from a pressure of +£0.037m to an underspend of -£0.163m. This is mainly due to a forecast underspend of -£0.222m on the Participation by Rights budget within the Advocacy and Entitlement Unit. This budget will not be spent in 2012-13 and will, in part, offset the pressure on the Attendance and Behaviour service due to an unachievable contract saving reported last month. There are other minor variances all below £0.100m in value.
- 2.6.2 -£0.209m Individual Learner Support – the forecast underspend on this budget line is due to early years training previously supported by the Early Years Inclusion and Equalities budget being provided elsewhere in the directorate, within existing resources.

2.7 Specialist Children's Services portfolio:

The pressure on this portfolio has increased by £0.158m this month from +£5.295m to +£5.453m. This is due to:

- 2.7.1 +£0.080m Fostering – an increase in the pressure from +£3.235m to +£3.315m, which is due to an increase in Independent Fostering (IFA) placements, resulting in further pressure of £0.150m, along with a small decrease in In-house fostering placements of -£0.070m.
- 2.7.2 +£0.378m Preventative Children's Services – a reduction in the underspend from -£0.950m to -£0.572m due to:
- +£0.510m forecast pressure on direct payments. This forecast is based on year to date spend. Further work is being undertaken to validate this position and an update will be provided in the quarter 2 report.
 - +£0.188m forecast pressure due to a shortfall of income from Health regarding the MASH (Multi Agency Specialist Hubs) buildings lease. This shortfall is being pursued with Health.
 - -£0.320m forecast underspend on short breaks for disabled children. Once again this forecast has been based on spend to date and further work is being undertaken to validate this position in time for the quarter 2 report.
- 2.7.3 -£0.300m Early Years & Childcare – an underspend of -£0.300m is forecast for the Early Years, Children's Centre Development Team from the release of uncommitted budget to offset pressures elsewhere within Specialist Children's Services.

2.8 Adult Social Care & Public Health portfolio:

The forecast underspend on this portfolio has reduced by £0.669m this month from -£3.474m to -£2.805m. The movements over £0.1m this month are:

- 2.8.1 +£0.176m Learning Disability Direct Payments – a reduction in the underspend from -£1.373m to -£1.197m, reflecting a reduction in the gross underspend of +£0.185k due to a net increase of 44 clients and minor increases in one-off direct payments, partially offset by a minor increase in income expected of -£0.009m.
- 2.8.2 +£0.113m Older People Direct Payments – a reduction in the underspend from -£1.014m to -£0.901m resulting from a small increase in activity and a minor shortfall in income.
- 2.8.3 +£0.119m Physical Disability Domiciliary Care – an increase in the position from an underspend of -£0.101m to a small pressure of +£0.018m as a result of an increase in externally purchased domiciliary care creating an additional pressure of +£0.160m. This is slightly offset by minor movements on other domiciliary services and an increase in income, totalling -£0.041m.
- 2.8.4 +£0.762m Learning Disability Residential Care – a reduction in the underspend from -£0.928m to -£0.166m representing an increase in gross costs of +£1.128m partially offset by -£0.366m increase in income contributions. A net increase of 10 clients, in addition to changes to services for existing clients, have increased gross costs by +£0.344m, along with the reclassification of costs from Supported Accommodation to Residential Care associated with a block contract, totalling +£0.709m (a similar reduction is shown within Supported Accommodation in section 2.8.6 below). The remainder of the increase in gross cost of +£0.075m relates to minor increases in both residential care preserved rights budgets and in-house services.
- 2.8.5 +£0.103m Older People Residential Care – an increase in the pressure from +£0.825m to +£0.928m resulting from an increase in gross costs associated with the in-house residential care services, totalling +£0.622m, mainly due to a review of forecast staffing commitments, partially offset by -£0.444m expected PCT contributions to help fund additional costs and -£0.008m other contributions. The balance of -£0.067m relates to an increase in expected contributions for those clients in receipt of externally purchased residential care.

Indications suggest that the forecast activity for both externally purchased residential care and nursing care is increasing, however this goes against the trend that we would expect and therefore an increased pressure is not being reported at this point in time, whilst we await the outcome of an exercise being undertaken to provide further clarity on this current activity profile. The results of this will be presented in the next monitoring report to Cabinet in December.

- 2.8.6 -£0.420m Learning Disability Supported Accommodation – a reduction in the pressure from +£2.289m to +£1.869m as a result of the reclassification of costs from Supported Accommodation to Residential Care associated with a block contract, as reported in section 2.8.4 above, totalling -£0.709m. This is partially offset by a net increase of ten clients, along with the effect of changes to services for existing clients, contributing a +£0.348m pressure. Minor changes to the position for both group homes and additional client contributions account for the balance of -£0.059m.
- 2.8.7 -£0.177m Other Adult Services – an increase in the underspend from -£0.081m to -£0.258m, which is mainly due to a forecast underspend of -£0.110m for Telehealth and Telecare services and minor changes to other services including increased client contributions for the meals service, totalling -£0.067m.

2.9 Environment, Highways & Waste portfolio:

The underspend for this portfolio has increased by £0.375m this month from -£2.228m to -£2.603m. The main movements are:

- 2.9.1 Planning Applications:
Although there is no net movement on this budget, there is a movement on gross of -£0.128m which primarily results from staffing vacancies which are being held to offset an under-recovery in income of +£0.128m, which largely relates to reduced income from planning applications.

2.9.2 Waste Management:

Although the overall forecast net underspend has increased by -£0.341m from -£1.888m to -£2.229m, the overall forecast tonnage remains at 715,000. There have however been a number of changes to the forecast which are detailed below:

- (a) +£0.374m Recycling Contracts and Composting - an increase in the net position from a -£0.211m underspend to a pressure of +£0.163m. This is made up of various movements in both volume (+£0.183m) and prices (+£0.216m) across the recycling and composting contracts, together with additional income from the sale of recyclables (-£0.025m).
- (b) -£1.912m Disposal Contracts - an increase in the underspend from -£0.440m to -£2.352m as a result of reduced contractual payments due to extended planned maintenance at the Allington Waste to Energy Plant, which has resulted in less tonnage being processed at the plant than previously forecast. However, for the same reason part of this underspend has been offset by an increase in spend on Landfill Disposal Contracts due to more waste being diverted to landfill; this has also resulted in a corresponding increase in landfill tax referred to in section (d) below.
- (c) -£0.178m Haulage and Transfer Stations - an increase in the underspend from -£0.067m to -£0.245m which is due to a reduction in forecast activity.
- (d) +£1.442m Landfill Tax - an increase in the position from a -£0.241m underspend to a pressure of £1.201m. This movement relates to additional volumes of waste sent to landfill due to extended planned maintenance at the Allington Waste to Energy Plant. This pressure is offset by savings on Disposal Contracts referred to in section (b) above.
- (e) In addition, there has been a small increase of -£0.067m in the underspend on the Household Waste Recycling Centres budget, which has moved from a net underspend of -£0.579m to -£0.646m.

2.10 **Customer & Communities portfolio:**

The underspend for this portfolio has increased by £0.094m this month from -£0.462m to -£0.556m. This is due to:

- 2.10.1 -£0.171m Supporting Independence & Supported Employment – There is a forecast underspend of -£0.232m against staffing within Kent Supported Employment (KSE). Also within KSE there is a forecast income shortfall of +£0.061m relating to the Department for Work & Pensions funded Work Programme. Referrals are below the anticipated demand and in consequence a reduction in income follows.
- 2.10.2 There have also been a number of smaller movements, all below £0.1m, across other units which total +£0.077m.

2.11 **Finance & Business Support portfolio:**

The forecast underspend for this portfolio has increased by £0.438m this month from -£3.699m to £4.137m. This is mainly due to:

- -£0.488m as a result of further underspending on the net debt charges budget largely due to no new borrowing being taken so far this year and another month of relatively high cash balances.

2.12 **Democracy & Partnerships portfolio:**

The underspend for this portfolio has increased by -£0.072m this month to -£0.146m. There are no movements over £0.1m included within this.

3. CAPITAL

OVERALL MONITORING POSITION

3.1 The Capital Programme 2012-13 has an approved budget¹ of £621.312 m (see table 1 below). The forecast outturn against this budget is £612.572m, giving a variance of -£8.74m. This is made up of an unfunded variance of +£2.303m, re-phasing to later years of -£16.858m, funded variances of +£6.812m and project underspends of -£0.997m and (see table 3).

3.2 Table 1 – Revised approved budget

	Total	Adults Social Care & Public Health	Business Strategy, Performance & Health Reform	Customer & Communities	Education, Learning & Skills	Environment, Highways & Waste	Regeneration & Economic Development	Specialist Childrens Services
	£m	£m	£m	£m	£m	£m	£m	£m
Approved budget last reported to Cabinet	621.156	21.468	34.085	13.245	274.096	174.000	103.518	0.744
Approvals made from last Cabinet Meeting	0.156	0.000	-0.874	0.256	0.000	-0.125	0.874	0.025
Revised approved budget	621.312	21.468	33.211	13.501	274.096	173.875	104.392	0.769

3.3 Table 2 – Funded Variances

	Total	Adults Social Care & Public Health	Business Strategy, Performance & Health Reform	Customer & Communities	Education, Learning & Skills	Environment, Highways & Waste	Regeneration & Economic Development	Specialist Childrens Services	Reason for cash limit change
Scheme	£m	£m	£m	£m	£m	£m	£m	£m	
Cabinet to agree cash limit changes:									
Public Rights of Way				0.050					Additional developer contributions
No cash limit changes to be made:									
Minor over and underspends on various schemes *1		0.125							
Non TSG Land, Compensation Claims & Blight						0.195			
Energy & Water Investment Fund						0.286			

¹ Approved budget is last reported budget to Cabinet plus any delegated approvals of changes i.e. virements, since last reported to Cabinet.

Member Highway Fund						-0.018			
A2 Cyclopark						0.018			
Victoria Way						0.033			
TOTAL	0.689	0.125	-	0.050	-	0.514	-	-	

*1 – There are a number of minor over and underspends on various projects resulting in an overall funded overspend of £0.125m. Cabinet are asked to note that it is proposed to use the underspends to offset the projects with overspends, however, cash limits will not be changed unless a virement is actioned.

3.4 Table 3 – Summary of variance

	Total	Adults Social Care & Public Health	Business Strategy, Performance & Health Reform	Customer & Communities	Education, Learning & Skills	Environment, Highways & Waste	Regeneration & Economic Development	Specialist Childrens Services
	£m	£m	£m	£m	£m	£m	£m	£m
Unfunded variance	2.303					1.203		1.100
Funded variance (from table 2)	0.689	0.125		0.050		0.514		
Variance to be funded from revenue	6.123			0.063		6.000		0.060
Project Underspend	-0.997		-0.700			-0.013	-0.284	
Rephasing (to 2014-15)	-16.858	-1.418				-4.130	-11.310	
Total variance	-8.740	-1.293	-0.700	0.113	0.000	3.574	-11.594	1.160

3.5 Movements in Variance

3.5.1 Movements in unfunded variance

The unfunded variance totals £2.303m which is a movement of -£0.773m against previously reported unfunded variance. The movement is on the MASH project within the **Specialist Childrens Services Portfolio**. The previous monitoring report included in error a £0.718m overspend that related to spend in 2011-12. The latest forecast identifies a true reflection of the current year's spend, with a minor movement of £0.055m from last month.

There have been no other changes in unfunded variances in any other portfolio since the previous report to Cabinet on 17th September.

3.5.2 Movements in re-phasing

Re-phasing beyond the 2012-15 period has increased by £1.61m since the last report and now totals -£16.858m. The reasons for this are as follows:

Regeneration & Economic Development Portfolio – -£1.6m re-phasing on **Margate Housing** project. The financial model for the project has been updated to reflect the acquisition and re-development/refurbishment strategy that has been recently developed. As a result the projected profile of spend within the capital programme has been re-phased in line with the financial model.

Environment, Highways & Waste Portfolio:

- **Sandwich Sea Defences** – re-phasing beyond 2012-15 of -£1.016m. The schedule of planned contributions from KCC now reflects the anticipated progression of the scheme, giving more realistic phasing.
- **Sittingbourne Northern Relief Road** – further re-phasing of -£0.462m. Although the scheme itself is complete, the revised phasing gives a more accurate estimate of the final costs which include landscaping, signage, traffic calming and compensation claims.
- **East Kent Access Phase 2** – re-phasing back into 2012-15 of +£0.368m. This reflects a more realistic view of settling compensation claims within the 6 year statutory period.
- **Growth Without Gridlock** – re-phasing beyond 2012-15 of -£2.500m to better reflect the plans for this money.
- **A28 Chart Road** – re-phasing into 2012-15 of +£3.600m. The plan is to deliver this scheme in phases as funding becomes available. The initial phase has funding approval in principle from the Growing Places fund, and is unlikely to require planning consent. The revised forecast spend reflects this.

There have been no other movements in re-phasing in any other portfolio since the previous report to Cabinet on 17th September.

3.5.3 Other movements

Regeneration & Economic Development Portfolio - There is a forecast underspend on Euro Kent of -£0.284m. This is due to a reduction in the forecast of compensation claims which are payable under the Land Compensation Act Part 1.

3.6 Key Issues & Risks

Regeneration & Economic Development Portfolio:

- **Rural Broadband** is re-phasing within the three year period (2012-15), mainly due to further rounds of the grant schemes having been temporarily placed on hold, pending the outcome of the Kent and Medway BDUK procurement and until the DEFRA bidding rounds have concluded (to reduce the risk of displacing the draw-down of national funding). BDUK are also advising local authorities that they should consider holding a contingency for the BDUK - particularly to address any differences between budgeted tender provision and final procured costings. A view will be taken as to whether the rural community funding should be used as a contingency once the outcome of the BDUK procurement, surveys and delivery plan are known or to fund delivery to areas not currently included in the procurement.
- **East Kent Empty Property Initiative** – one of the recipients of the loans in this programme has gone into liquidation with a possible write off to be incurred of £0.050m.
- **Specialist Childrens Services Portfolio** - Of the unfunded overspend, £0.800m is potentially to be funded from the NHS. However, until this funding is confirmed there is a risk around this.

4. **RECOMMENDATIONS**

Cabinet is asked to:

- 4.1 **Note** the forecast revenue and capital budget monitoring position for 2012-13.
- 4.2 **Note** the changes to the capital programme.

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By: Mark Dance
Cabinet Member for Regeneration and Economic Development

David Cockburn
Corporate Director of Business Strategy and Support

To: Cabinet
15th October 2012

Subject: Development and Infrastructure: Creating Quality Places

Classification: Unrestricted

Summary:

Development and Infrastructure: Creating Quality Places is intended to replace the current KCC approach to securing funding for community infrastructure set out in KCC's Guide to Development Contributions and the provision of Community Infrastructure.

The revised approach sets out KCC's vision for growth and its partnership approach to secure funding for necessary community infrastructure to support housing growth across Kent through existing and proposed public funding sources and from the private sector.

The document also sets out the technical assessment process used in the Integrated Infrastructure and Finance Model (IIFM) which has been developed to identify the additional community infrastructure required as a consequence of forecast housing growth and an estimate of when this is required, its costs and available funding.

KCC has undertaken both an informal and formal consultation on the document and the main themes from the consultation exercise have been reported to the Development Contributions Cabinet Sub-Group and the Regeneration Board. The attached document incorporates agreed changes as a consequence of the consultation.

1. Introduction

- 1.1. KCC has a long-standing commitment to ensuring that new housing growth is supported by new/enhanced community infrastructure to ensure quality of life for new and existing communities living in areas of housing development. This includes:

- The publication in 2002 (updated 2007) of the current “KCC Guide to Development Contributions and the provision of Community Infrastructure.
 - The publication in June 2003 of “Kent – What Price Growth” (WPG) which set out the approximate costs of community infrastructure to support the housing targets set by the former Government.
 - The publication in October 2009 of “Unlocking Kent’s Potential – Kent County Council’s framework for regeneration in which KCC pledged to update the work in WPG with a more robust assessment of the County’s needs and in particular the implications for KCC services.
- 1.2. WPG was produced in more economically buoyant times and in the context of a major expansion of Government expenditure. Today, economic circumstances are more fragile and Government funding for infrastructure has been substantially reduced. At the same time, the Government has made radical changes to the planning system including introduction of Community Infrastructure Levy (CIL), National Planning Policy Framework and the Localism Act.
- 1.3. These changes have provided the backdrop for a radical review of our current approach to infrastructure provision. The revised approach is set out in the document “Development and Infrastructure: Creating Quality Places”. Part 1 of the document sets out KCC’s partnership approach for working with Districts, parish and town councils and the development industry in seeking funding to support delivery of necessary community infrastructure. Examples of how KCC works with Districts in this respect are outlined in section 3 of this report.
- 1.4 The document also sets out in part 2, KCC’s technical assessment process used in the Integrated Infrastructure Finance Model (IIFM). The IIFM is a strategic modelling tool which has been developed by KCC to provide the evidence base to support the allocation of CIL receipts to fund KCC services. The development of the IIFM has drawn together key assumptions for assessing demand for and supply of KCC services ensuring that these are based on consistent and shared datasets and approach. KCC services included in the IIFM are Education (primary and secondary), Adult Social Care and Communities (Community Learning, Libraries and Archives and Integrated Youth Service).
- 1.4. In overview the IIFM provides a framework for provision on a district by district basis, based on:
- a) An estimate of the demand for school places, social care and community facilities that will be needed by people living in existing housing stock allocating any existing capacity to these people first;
 - b) An estimate of the net additional need arising from people who will live in new housing developments, taking into account any remaining surplus capacity in existing facilities for use by these people;

- c) An estimate of capital and revenue cost of new infrastructure and when it is needed.

Appendix 1 provides an example of output from the IIFM.

2. Consultation Process

- 2.1. The consultation process on the document was undertaken in three phases:
 - a) Phase 1 – an internal informal consultation within KCC to draft the initial consultation document. As part of this phase, SNR Denton was asked to critique the document including the approach and methodologies being used by KCC in service provision planning. Denton concluded that the model has produced a much more credible evidence base that is evident in the current guide and will provide a sound basis for inputting into forthcoming CIL Charging Schedules.
 - b) Phase 2 - an external informal consultation with key stakeholders (Kent Planning Officers Group, Kent Developers Group, Kent House Builders Group etc) involving presentations to meetings and circulation of the draft document.
 - c) Phase 3 – an external 12-week formal consultation with key stakeholders (Districts, Town and Parish Councils, Kent Developers and House Builders, Planning Consultants) and the public.
- 2.2. Overall, the document was well-received. Main themes emerging from the consultation document were reported to Development Contributions Cabinet Sub-Group and Regeneration Board in May alongside proposed changes to the final document. All consultees have been made aware of the agreed changes via email and a Consultation Statement has been posted on the KCC website.
- 2.3. The revised document is attached at Appendix 2.

3. Working with Districts

- 3.1 KCC has been very successful in securing development contributions, mainly through Section 106 Agreements. Since 2002, KCC has agreed (from April 2002 to June 2012) approximately £58m in contributions on developments of less than 500 houses, plus financial contributions, school sites and infrastructure on larger sites.
- 3.2 Much of this success is due to the working relationships we have with the Districts, particularly where viability is an issue. Examples of joint working to unlock development include:
 - Land being reserved at Chilmington Green, Ashford for provision of community services. The intention is for co-location within a

Community Hub type facility but if this is not possible, services would be in close proximity of each other to create a focal point for the community.

- Agreed a Deed of Variation at Westwood Cross, Thanet whereby the developer will directly deliver an on-site multi-purpose hub facility including dedicated space for adult social care, 8 wheelchair accessible homes with nomination rights for KCC, time limited free use of space by community learning and youth services, a 2FE primary school site plus additional financial contributions and a financial contribution to provide additional resources and expansion of Broadstairs Library.
- Secured an Adult Social Care Centre at Lowfield Street, Dartford as part of the Tesco development
- Ongoing discussions with Sevenoaks District Council regarding dual use of the Community Centre at Dunton Green
- Renegotiated phasing of development contributions for a hub facility at Martello Lakes, Leisure Centre, Shepway, also securing free use of the hub for youth services, and, wheelchair accessible housing as part of the affordable housing provision.

4. Next Steps

- 4.1. Outputs from the IIFM are already being used to inform District Local Development Framework documents, particularly their emerging Infrastructure Delivery Schedules. The outputs are also feeding into the joint work between KCC and Districts to provide District-specific prioritised investment schedules of community infrastructure projects. A key element of this work will be to review all projects identified in the IIFM alongside other KCC and District Infrastructure project requirements. This will also involve an assessment of current available funding for each project and how any identified funding gaps can be met.
- 4.2. To assist this work, KCC is developing a cash-flow modelling tool which forecasts likely returns from expected funding streams such as CIL, S106 and NHB set against the costs of infrastructure requirements. This work is at an early stage of development and as such is focused mainly on KCC infrastructure projects as these are most readily available. Going forward, the intention is to work with Districts to include all infrastructure requirements to provide a more comprehensive analysis of costs and funding. Appendix 3 provides example outputs from this model.

5. Recommendation

- 5.1 Members are recommended to confirm the revised framework and technical approach to securing funding for community infrastructure.
- 5.2 Members are further recommended to note and give support to the next steps as outlined in section 4 of this report

Report author:

Theresa Warford
Economic Development Officer
01622 221927
theresa.warford@kent.gov.uk
12 September 2012

Background documents: None

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KCC SERVICE SUMMARY	Capital requirement			Committed Revenue Requirement			Gross Project Cost	Current Banked Funding	Net Project Cost		
	2012-16	2017-21	2022-26	Beyond 2026	2012-16	2017-21				2022-26	Beyond 2026
Project Education											
Primary	£	£ 20,195,508	£ 8,339,940	£ 8,339,940				£ 1,240,000	£ 35,635,388		
Secondary	£	£ 4,214,998	£ 29,276,700	£ -					£ 33,491,698		
Adult Social Services	£	£ 1,732,097	£ 129,708	£ 406,574	£ 68,688			£ 14,412	£ 2,322,655		
Customer and Communities											
Libraries	£	£ 210,239	£ 210,748	£ 72,890	£ 378,128	£ 188,299	£ 223,280	£ 94,582	£ 1,611,309		
Community Learning	£	£ 17,305	£ 16,476	£ 10,398	£ 21,101	£ 118,969	£ 114,413	£ 50,625	£ 450,537		
Integrated Youth Service	£	£ -	£ -	£ -	£ 16,008	£ -	£ -	£ 86,120	£ 102,128		
Total - KCC Services	£	£ 1,959,641	£ 24,767,438	£ 38,106,502	£ 8,823,865	£ 307,268	£ 337,693	£ 145,207	£ 74,868,127		
									£ 1,254,412		
									£ 73,613,715		

EDUCATION SERVICE SUMMARY	Capital requirement			Committed Revenue Requirement			Gross Project Cost	Current Banked Funding	Net Project Cost		
	2012-16	2017-21	2022-26	Beyond 2026	2012-16	2017-21				2022-26	Beyond 2026
PRIMARY											
New build											
Whitfield primary schools		£ 8,339,940	£ 8,339,940	£ 8,339,940					£ 25,019,820		
Dover Town PS		£ 8,339,940							£ 8,339,940		
Capacity expansions											
Aylesham PS		£ 1,240,000						£ 1,240,000	£ -		
Deal		£ 779,285						£ 779,285	£ 779,285		
Sandwich		£ 688,304						£ 688,304	£ 688,304		
Ash		£ 148,066						£ 148,066	£ 148,066		
Dover Rural		£ 659,973						£ 659,973	£ 659,973		
SECONDARY											
New build											
Dover South SS			£ 29,276,700					£ 29,276,700	£ 29,276,700		
Capacity expansions											
Deal									£ 2,656,068		
Sandwich									£ 1,558,930		
TOTALS	£	£ 24,410,506	£ 37,616,640	£ 8,339,940	£ -	£ -	£ -	£ 70,367,086	£ 69,127,086		
									£ 1,240,000		
									£ 29,276,700		
									£ 2,656,068		
									£ 1,558,930		

PROJECT	Capital requirement				Committed Revenue Requirement				Gross Project Cost	Current Banked Funding	Net Project Cost	
	2012-16		2017-21		2012-16		2017-21					Beyond 2026
	2012-16	2017-21	2022-26	Beyond 2026	2012-16	2017-21	2022-26	Beyond 2026				
Assistive Technology	£14,083	£14,505	£7,291	£9,925					£ 45,803		£ 45,803	
Aylesham Local Hub	£165,766	£0	£0	£0					£ 165,766	£14,412	£ 151,354	
Building Community Capacity	£70,089	£56,441	£19,986	£0					£ 146,516		£ 146,516	
Changing Places @ Dover Leisure	£39,832	£0	£0	£0					£ 39,832		£ 39,832	
Changing Places @ Tides at Deal	£39,832	£0	£0	£0					£ 39,832		£ 39,832	
Co-location with Health at Deal	£29,208	£29,382	£29,382	£0					£ 87,971		£ 87,971	
Co-location with Health at Whitfield	£29,382	£29,382	£58,763	£58,763					£ 176,290		£ 176,290	
Integrated Dementia Care @ Whitfield	£296,793	£0	£0	£0					£ 296,793		£ 296,793	
Local Hub provision within Dover Town	£597,938	£0	£0	£0					£ 597,938		£ 597,938	
Local Hub provision at Deal	£300,410	£0	£0	£0					£ 300,410		£ 300,410	
Whitfield Local Hub A	£148,764	£0	£0	£0					£ 148,764		£ 148,764	
Whitfield Local Hub B	£0	£0	£291,152	£0					£ 291,152		£ 291,152	
Totals	£1,732,096	£129,708	£406,574	£68,688	£14,412	£0	£0	£0	£2,337,067	£14,412	£2,322,655	

PROJECT	Capital requirement				Committed Revenue Requirement				Gross Project Cost	Current Banked Funding	Net Project Cost	
	2012-16		2017-21		2012-16		2017-21					Beyond 2026
	2012-16	2017-21	2022-26	Beyond 2026	2012-16	2017-21	2022-26	Beyond 2026				
LIBRARIES AND ARCHIVES												
Dover District Library Stock	£168,990.87	£173,801.35	£62,717.98	£168,890.10	£0.00	£0.00	£0.00	£0.00	£574,400.29		£574,400.29	
Aylesham Library Spatial and Staffing	£0.00	£18,062.59	£7,418.77	£0.00	£0.00	£36,898.07	£8,491.63	£0.00	£70,871.06		£70,871.06	
Deal Library Spatial and Staffing	£25,431.74	£5,523.07	£0.00	£0.00	£26,416.11	£5,736.85	£0.00	£0.00	£63,107.77		£63,107.77	
Dover Library Spatial and Staffing	£0.00	£0.00	£0.00	£209,238.14	£151,333.80	£170,079.17	£86,090.10	£233,143.32	£849,884.52		£849,884.52	
Dover Mobile Library Spatial	£8,931.22	£6,463.82	£2,753.21	£0.00	£0.00	£0.00	£0.00	£0.00	£18,148.26		£18,148.26	
Sandwich Library Spatial and Staffing	£6,885.62	£6,896.71	£0.00	£0.00	£10,549.40	£10,566.39	£0.00	£0.00	£34,898.11		£34,898.11	
INTEGRATED YOUTH SERVICE												
Youth Service Centre based Spatial and Staffing	£0.00	£0.00	£0.00	£16,008.30	£0.00	£0.00	£0.00	£86,119.55	£102,127.85		£102,127.85	
COMMUNITY LEARNING												
Adult Learning Centre based Spatial and Staffing	£9,206.46	£8,797.81	£6,992.75	£14,268.11	£70,875.00	£68,850.00	£30,375.00	£60,750.00	£270,115.13		£270,115.13	
Adult Learning Outreach Spatial and Staffing	£8,098.29	£7,678.36	£3,404.85	£6,833.13	£48,093.75	£45,562.50	£20,250.00	£40,500.00	£180,420.88		£180,420.88	
TOTALS	£58,553.33	£53,422.36	£20,569.58	£246,347.67	£307,268.06	£337,692.97	£145,206.73	£420,512.87	£2,163,973.87	£0.00	£2,163,973.87	

Development and Infrastructure – Creating Quality Places

October 2012

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Executive Summary

This document sets out the framework by which KCC will work together with Districts, Parishes, Town Councils and the development industry to deliver the necessary community infrastructure to support the forecast level of housing growth in Kent. For the purposes of this document, community infrastructure covers primary and secondary education, adult social care, community learning, libraries and archives and youth. KCC also has statutory responsibility for other services such as highways. Appendix 5 lists the main service contacts for KCC that may require development contributions. It also provides additional information on KCC Highways and Transportation approach.

The framework sets out the approach, funding sources and methodology for calculating the quantum of contributions required towards funding the necessary community infrastructure for the next 20-25 years. This information will be used to assist and inform Section 106 Agreement negotiations and the emerging Community Infrastructure Levies (CIL) throughout the County. The framework and its resultant outputs replace the previous KCC Developer's Guide and should be substituted for the Developer's Guide where that document is referred to in existing Section 106 Agreements.

This document sets out KCC's vision for growth and its partnership approach to seeking to secure funding for the necessary community infrastructure to support that growth through existing and proposed public funding sources and from the private sector. (Part 1)

The document then outlines, in Part 2, the KCC's technical assessment process used in the Integrated Infrastructure Finance Model (IIFM) which has been developed to identify what additional community infrastructure is required as a consequence of forecast growth and when. The quantum is then capable of being converted to a per household or per dwelling contribution, although this document does not set out the specific financial contributions.

The document then provides a series of methodology statements for each service provider.

The framework has been prepared in challenging economic circumstances both for the public sector and development industry. This means it is more important than ever to work together to develop joint innovative and pragmatic solutions to unlock housing development to support both long-term economic growth and ensure quality places for Kent people to live and work.

Development and Infrastructure – Creating Quality Places

This document sets out a framework by which KCC will work together with Districts and the development industry to deliver necessary community infrastructure. It has been prepared in challenging economic circumstances both for the public sector and development industry. This means it is more important than ever to work together to develop joint innovative and pragmatic solutions to unlock housing development to support both long-term economic growth and ensure quality places for Kent people to live and work.

PART 1: The Vision

1. Kent Context

The recent recession and continuing depressed level of economic activity has meant tighter restrictions on investment funding and mortgage lending by banks. Government funding has substantially reduced. Despite some signs of recovery in the housing market sector site viability and demand currently remain fragile.

These changes present challenges to current approaches to infrastructure provision. In response we will develop alternative, more innovative cost-effective solutions. Solutions that are based on shared objectives and priorities to stimulate local housing and jobs growth. This includes working with Districts, Parishes, Town Councils and Developers to develop more innovative and flexible solutions to deliver community infrastructure based on public and private sector funding sources. **Section two below outlines some of these options in more detail.**

This document has been developed to update and revise KCC's approach to development contributions to ensure the approach complements and supports the strategic policy approach and housing delivery objectives set out in the Kent Forum Housing Strategy, Bold Steps for Kent and Unlocking Kent's Potential: Kent County Council's framework for Regeneration.

2. Approaches to providing infrastructure and funding

The scale of development in Kent is still to be determined but is likely to be substantial. The South East Plan provided for a target of 139,420 dwellings in Kent and Medway from 2006 to 2026. It is the government's intention to revoke this plan and through the Localism Act give power to Districts to decide the housing targets for their area – these could be significantly different to those set out in the South East Plan. The picture will become clearer during 2012 as Districts and Boroughs make further progress with their Local Plans and begin reviews of adopted plans.

The main funding source for new infrastructure from new housing has until now been development contributions negotiated through S106 agreements. Whilst S106 agreements and the CIL (once implemented) will remain a source of future funding, current economic and financial constraints on the housing market will potentially reduce viability of housing schemes.

Moreover, reductions in local government revenue budgets will put more pressure on current levels of service provision. New provision, where it can be justified, must also be sustainable within revenue budgets. Maintaining a rigid approach to infrastructure provision will undermine the ability to deliver new housing. We recognise that a more flexible and varied approach is required.

KCC will work with the local community, developers and other service providers to support innovative approaches to providing infrastructure which reduce cost whilst ensuring well designed, quality places to live and work. The following list offers examples of these approaches. They are not exhaustive and we would be happy to explore other suggestions.

Provision

- Integrated provision/Community hubs development. An example is the integration of community and primary education provision at The Bridge, Dartford¹. The community hub planned for Chilmington Green, Ashford is another example and plans to host primary education provision, GP surgeries, dental care, library access point, café, police, community space, adult social care, nursery and children's centre with external space for children's play area, school playing field and community area.
- Gateway² provision such as in Ashford and Tunbridge Wells town centres where a range of services can be provided from a single building. At Ashford Gateway Plus, a full library service, community learning, council housing and benefits advice, Citizen Advice Bureau, Social Services and café are provided from one building.
- Provision of new equipment, for example, library book stock instead of a building extension project
- Where appropriate, the provision of a flexible space, outreach provision and commuted sums would enable new communities to determine the shape of their community facilities
- Time-limited commuted contributions to extend services offered at existing facilities, for example by funding additional opening hours, class sessions, accessibility improvements etc.
- New technology based solutions such as accessing services via provision of high-speed broadband, particularly in rural areas or to provide Internet based gateway provision instead of a property based solution
- Provision of houses meeting wheelchair accessible standard (as promoted in the Kent Forum Housing Strategy) within larger development schemes. Eight wheelchair accessible units are included in the Martello Lakes development, Shepway in lieu of financial contributions for use for older people diagnosed with Alzheimer's.
- Direct provision of facilities by the developer. For example, the S106 agreement for Eastern Quarry development includes scope for the developer to directly provide the primary schools. In Shepway, a Care Home provider included an additional 55sqm in

¹ <http://www.thebridgedartford.co.uk/>

² http://www.kent.gov.uk/your_council/contact_us/ore_offices_and_gateways/gateway.aspx

their new development in lieu of contributions for use for older people diagnosed with Alzheimers.

- Community facilities, for example, changing facilities, based in high foot-fall facilities such as retail outlets, supermarkets, leisure centres to enable full access for people with learning and physical disabilities.

Funding Sources

Whilst it is reasonable to expect housing development to make a contribution to the cost of required infrastructure, KCC recognise that in many circumstances this can only provide a proportion of the funds necessary for the provision of community facilities. Therefore, alongside looking at new ways of providing infrastructure, KCC with its partners, is committed to explore and seek to use the widest range of potential funding sources including:

- Community Infrastructure Levy (CIL)
- Section 106 (S106)
- Pooled New Homes Bonus (NHB)
- Business Rate Retention (BRR); Tax Increment Funding (TIF)
- Joint working with public and private sector, on a case-by case basis, on use of and disposal of publically owned land and possible property vehicles
- Local bonds

CIL

CIL is being worked up across the County and will gradually be introduced over the next two years. The CIL regulations require charging authorities (in Kent, the Districts) to identify the total infrastructure needed to support new development as the basis for creating a charging schedule as a source of funding to mitigate impact of new development. Where introduced³, it will, largely though not exclusively, replace the S106 Agreement approach with a set charge for infrastructure in a defined area. Benefits of a CIL charging schedule include the following:

- Funding raised can be used to support a wide range of infrastructure projects based on locally-determined priorities for growth and community development
- Provides greater transparency and gives an early indication to developers of how much contribution will be expected from them
- Funding streams for infrastructure will be more predictable allowing
 - more effective service planning and delivery of infrastructure
 - opportunity to encourage/enhance ability to attract other investment in an area
- Linking of funding to specific projects providing greater transparency of how and where contributions are being spent to support community development
- Under the Localism Act (2012), neighbourhoods will be able to retain a proportion of the levy raised to implement community schemes area thus giving local communities greater say over how resources are deployed in their area

³ While it is very likely that most/all Districts will adopt CIL, this is not compulsory. The IIFM has been calibrated to assist both S106 and CIL approaches

Work has already started on preparing charging schedules. Ashford and Dover Districts are piloting an approach to test issues raised by CIL. Tunbridge Wells and Sevenoaks Districts are also working in partnership preparing evidence to support a CIL charging schedule. Dartford Borough Council and Sevenoaks District Council have recently consulted on a preliminary draft Community Infrastructure Levy Charging Schedule for their areas.

Section 106

S106 payments will continue to exist alongside CIL but post 2014 and where CIL is adopted their use will likely be limited to provide on-site provision for major developments sites. KCC will work with Districts to agree the use of S106 and CIL to ensure developers are not charged twice for the same service.

New Homes Bonus

New Homes Bonus provides a financial incentive to encourage housing delivery. The bonus is equal to the national average council tax for each additional property built and is paid for the following six years after construction as a non ring-fenced grant. In two tier authority areas such as Kent, the bonus will be split between both tiers though the scheme allows for pooling of funding towards delivering infrastructure. Currently the scheme is intended to run to 2016/17 after which the bonus will be paid on a six-year rolling basis.

Business Rate Retention - Tax Increment Funding

The Government White Paper, 'Local Growth: Realising Every Place's Potential' (2011), introduces new powers for local authorities such as TIF to enable them to borrow against future growth in business rates to forward fund investment. Earlier work with partners has already identified a number of development schemes as being potentially suitable for TIF including:

- Ebbsfleet Valley, Dartford and Gravesham
- EuroKent, Thanet
- Ashford Eureka Park

Reports have been submitted to DCLG and we await their response. Dependent on the response received, we will continue working in partnership to pursue opportunities.

Joint working with public and private sector – working with Private Rented Sector

Kent Forum is actively exploring options to build on interest from the private sector to invest in housing through the creation of a national fund to support private sector investment in residential property development. The Homes and Communities Agency and Berkley Homes are already piloting two schemes in Kent where this approach is being tested; one at Holborough Lakes in Snodland and the other at Victory Pier in Gillingham. Discussions are also being held with advisers, investors, developers and local authorities about other possible sites that could be used.

Local Bonds

The Local Government Association is seeking to secure Government support to allow councils to borrow from financial markets via a bond issue arrangement as a potentially less expensive

method for borrowing than from the Public Work Loan Board. The proposals are in the early stages of development and if pursued, it would take up to 2-3 years to establish a collective bond agency to issue the bonds which would be used to pay for vital infrastructure.

3. Other Housing Provision Initiatives

The **No Use Empty (NUE)** Initiative seeks to return empty properties across Kent back into occupied use. NUE provides loans in units of £25k up to a maximum of £175k per applicant over three years at 0% interest to bring empty homes back into occupied use. NUE has been in operation since 2005 and at 31 March 2012, 2,126 homes back into use.

Building on this successful model, KCC is leading a related three-year initiative, **No Use Empty Affordable Rental Homes**. Working in partnership across all 12 Districts in Kent and Registered Providers, this project will focus on bringing large family-size homes back into use as affordable rented homes. The project is also receiving financial backing from the HCA. The project has set a minimum target of bringing 40 homes back into use over the three years.

Part 2: KCC Approach to Developer Contributions

1. Aims and Objectives

As local planning authorities, Districts will decide the level of growth required to deliver their individual needs and aspirations. KCC as a provider of statutory services will work alongside Districts to deliver the vision and objectives in the Core Strategy documents.

KCC will ensure that the information provided to Districts supports the case for infrastructure and is based on a sound and consistent evidence base to ensure the commitments made in Core Strategies complement joint service objectives, and, are affordable. To assist this task, KCC has developed a strategic modelling tool, the Integrated Infrastructure and Finance Model (IIFM). The IIFM enables early identification of the implications of district-specific population and housing growth over a 20-25 year time horizon. In summary, the IIFM provides a framework for service providers to assess, for each district on a development site(s) basis:

- the demand for school places, social care and community facilities (community learning, libraries and archives and youth) that will be needed by the existing population living in current housing stock allocating any existing capacity to these people first
- the additional need arising from the likely population make up of new housing incorporating any remaining surplus capacity in existing facilities for use by these people
- an assessment of the existing capacity of those facilities
- if a new facility or service enhancement is needed, accountability for provision, an indication of when this is required, its estimated cost and available funding to meet costs

This revised approach is intended to provide greater consistency and transparency across KCC services in planning for growth including the flexibility to consider alternative solutions for service provision, such as revenue and Internet based, on a district by district basis. Our aim is that the model outputs will give Districts greater certainty to help plan and support delivery of infrastructure which complements well-designed buildings and communities. The IIFM outputs will be shared with Districts to inform their Local Development Frameworks and, in particular their developing Infrastructure Delivery Schedules.

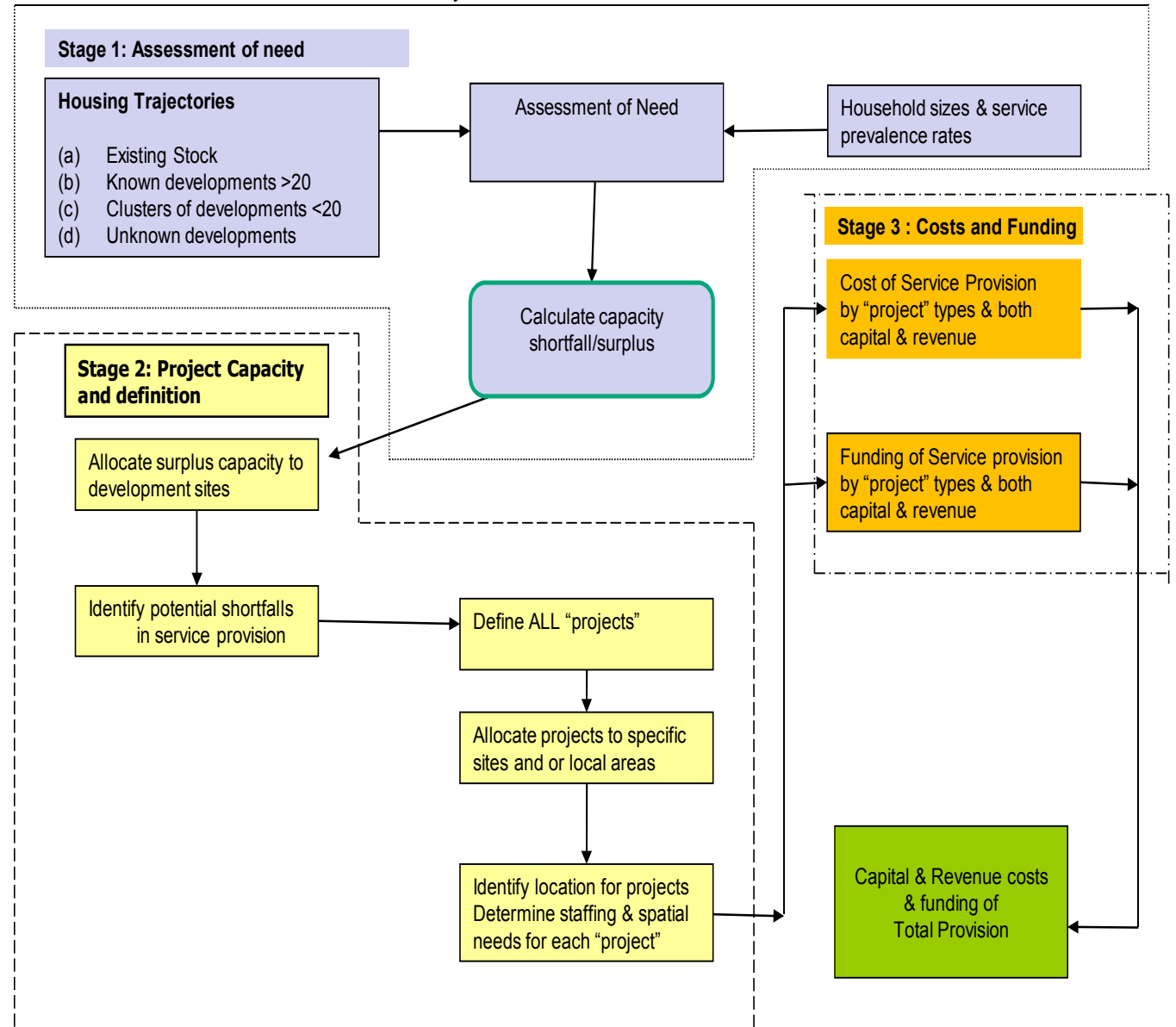
2. KCC Infrastructure Planning Framework

In developing the IIFM, KCC has adopted a county approach based on common datasets and methodologies with a clear auditable trail of underlying evidence and data sources, recorded as part of the model's functionality. The IIFM is structured around three core elements:

- Assessment of need - stage 1
- Assessment of capacity and project definition - stage 2
- Assessment of the project costs and financial contributions - stage 3

This is illustrated in the diagram below:

IIFM – Service Provider Model Functionality and Flow



Stage 1 - Assessment of Need

The starting point for assessment of need is District-specific occupancy profiles of existing housing stock at 2006, and overlaid on this, District-specific occupancy profiles expected from new housing developments set out over 5-year development tranches 2007-11 to 2022-2026 and a further period of beyond 2026 to capture housing that will be approved but not delivered within the timeframe of District Core Strategies. Occupancy profiles have been used in preference to an assumed housing mix as this approach better enables KCC to develop an understanding of how infrastructure needs vary by District and over time.

Need from new housing is analysed as follows:

- individual assessment for developments of 20 or more units
- grouped assessment for clusters of smaller developments under 20 units based on electoral wards
- unknown development, where development is expected but sites have not yet been determined

The inclusion of existing housing stock allows KCC service providers to make a distinction between the evolving needs of the existing population and the needs associated with new development. The following principles have been used:

- Where a new development is built within the catchment area of an existing facility, a proportion of households moving into the new development will be from existing housing in the catchment area and therefore this does not generate new demand, however these relocating households will vacate dwellings in the existing stock which are likely to be new to the catchment area and will generate new demand.
- Demographic changes may result in either an increased or reduced demand for services. Where KCC's approach identifies an anticipated increase in demand, the costs of meeting these needs are considered separately from need arising from new development. Conversely where there is an anticipated reduction in demand, this may free up capacity in existing infrastructure which is allocated proportionally across all new developments in the relevant time period to reduce the requirement for additional infrastructure.
- Houses may be vacant or shared, resulting in either a higher or lower number of households within the area therefore KCC's approach also incorporates district specific sharing and vacancy rates applied to both existing and new housing to account for household fragmentation and a decline in the average household size over time.

This approach results in an estimated number of households as the basis for calculating the potential number of KCC service users to which the following formula is applied:

$$\{[SAH * SR] + [NAH * (1 - SR)]\} * DR * \text{Household count}$$

Where:

- SAH (Stock Age Households) are District-specific and is the number of people in the age group relevant to each service (for example primary school pupils), out of each household. There is a SAH for each year to 2026. . The variation of SAHs by time period captures changes in the demographic profile of the existing population, including declining average household size and different dynamics within each age group. This data is sourced from KCC's Zero Net Migration projections (Sept 2009), as the best proxy to estimate change in occupancy of existing stock households. They are updated on an annual basis.
- SR is the retained Services Ratio. This is the proportion of users in a new development that have relocated from the existing housing stock but who continue to use the same local facility as before moving. This data is sourced from 2005 KCC MORI New Build Survey.
- NAH (New-build Age Household) are District-specific and is the number of people in the age group that is relevant to each service, out of each household moving in to new developments. This data is sourced from 2005 KCC MORI New Build Survey.
- DR is the Demand Ratio. This is the number of people who are likely to use services, and thereby a facility, out of the household members in the relevant age group. This data is sourced from KCC service providers. Where available, this information is District-specific.

Use of District-specific data enables KCC to tailor requirements to local need and development plans. Appendix 4 has a worked up example of the formula to assess need.

Stage 2 - Assessment of Capacity and project definition

In assessing need, service providers have undertaken a review of current capacity of existing infrastructure. Any surplus is allocated firstly to meet the demand from service users in existing households before consideration of potential need from service users from new developments. If this process identifies a residual need for new or enhanced infrastructure service providers have, in the first instance, determined the specific projects that will most effectively meet this need including revenue-based solutions though we are open to alternative solutions that assist site viability and which can also meet service needs.

The same method is used to assess current and future capacity but on a service-specific basis. The following tables outline the main assessment criteria and performance outputs employed by each service. The information in the following tables is based on the current service delivery strategies of service providers. These strategies are kept under review via KCC's medium and annual business planning processes to enable KCC to respond to changes arising from new legislation, demographical changes and also how people will want to access/ have services provided in the future. Users of this document are advised to check the relevant pages on KCC's website: WWW.kent.gov.uk for latest information.

Primary and Secondary Education

<p>Statutory basis</p>	<p>Education Acts 1944 – 2011 The Schools Standards and Framework Act 1998 The Education (School Premises) Regulations 1999 The Education and Inspections Act 2006 Education and Skills Act 2008 Apprenticeships, Skills, Children and Learning Act 2009 Academies Act 2010</p>
<p>Service Delivery</p>	<p>The Commissioning Plan for Education Provision 2012-2017 provides the framework by which KCC will commission future primary and secondary education provision in Kent.</p> <p>This document sets out how KCC will carry out its responsibility for ensuring that there are sufficient places of high quality for all learners, while at the same time fulfilling its other responsibilities to raise education standards, and be the champion of children and their families in securing good quality education. The purpose of the document is to be transparent about the future need for education provision in Kent in order to enable parents and education providers to put forward proposals as to how these needs might best be met.</p>
<p>Methodology</p>	<p>School capacities and forecast rolls assessed for those primary and secondary schools situated within the local settlement area pertaining to the application site and deemed to include those schools best placed to meet the education needs of new development and most likely to be affected by the additional pupil product</p> <p>Known and expected future surplus/deficit arising from demographical changes</p> <p>Pupil product ratios (PPR) based on methodologies and assumptions in the IIFM as outlined above</p>
<p>Project Requirement (where necessary)</p>	<p>Contribution towards the cost of new school places</p> <p>Wherever possible KCC will allocate surplus places in existing schools within the local area (two miles for primary schools) and meet additional need by expansion of schools in the area. Where this is not possible a new facility and school site will be required. The school site is expected to be provided at no cost to KCC. Appendix 2 contains the site transfer requirements.</p> <p>Where additional facilities and sites are required due to the cumulative effect of development proportionate contributions towards build and land costs will be necessary to enable delivery.</p> <p>Through the LDF process, KCC will work with Districts to provide Districts and</p>

	developers with early indication of potential requirement for new schools to give advance notice of required sites and associated site requirements.
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Adult Social Care	
Statutory basis	<p>National Assistance Act 1948 The Chronically Sick and Disabled Act 1970 Mental Health Act 1983 NHS and Community Care Act 1990 NHS Act 2006 Our Health, Our Care, Our Say 2006 Valuing People Now 2007 Putting People First 2007 Transforming Social Care 2008 The Heath and Social Care Bill 2008 National Dementia Strategy 2009 Equity and excellence: Liberating the NHS 2010 Partnership Strategy for Learning Disability 2012-15</p>
Service Delivery	<p>The service provides support to older people, people with physical or sensory disabilities, people with learning disabilities and people with mental health problems. Personalisation is the primary focus for service delivery – putting the individual at the centre of the care process giving individuals greater choice and control to decide the service and support they want provided. There is also a government directive for health and social care to work together, as people who require social care, usually also need medical care as well.</p> <p>Delivery models are therefore primarily focused on enabling clients to remain in their own homes by using assistive technology and by providing suitable accommodation solutions and community support whilst fully participating in community life.</p> <p>Projects in the community may be commissioned to providers in the social care sector.</p>
Methodology	<p>SWIFT management information system and population estimates to identify the prevalence rates of potential “capital need” clients</p> <p>Number of potential clients based on methodologies and assumptions in the IIFM as outlined above</p>
Project Requirement (where necessary)	<p>Contribution towards enhancement or provision of a range of community facilities including:</p>

- **Community / local hubs** within shared buildings: community resource from which a range of services can be delivered. Hubs may include adult changing facility, assessment clinics and can be used for demonstrating assistive technology.
- **Adult changing places⁴** in community buildings: to enable full access to people with disabilities to key community buildings, such as libraries, Gateways and leisure centres
- **Co-location with health:** co-location of social and health care staff to enable joint/single assessment, diagnosis and enablement services. This could be via new GP practices, new build health and social care centres
- **Integrated dementia day care hubs:** community facility to deliver a 24 hour integrated dementia care service including “in-reach” and “outreach”, early onset dementia resource, memory clinics, and respite care.
- **Building community capacity:** this space is secured for rural areas where facilities are scarce. The funding will contribute towards enhancing local and community venues which are essential for statutory and voluntary organisations to deliver services. These can be used for outreach work such as advice and information surgeries and assessment clinics
- **Assistive technology (also referred to as Telecare):** provision of practical resources to increase the user and their carer’s safety and comfort of staying in their own home as well as promoting independence. This includes the purchase and installation of equipment.
- Unless provided for by Districts through existing planning policy, enhanced standards of housing provision **Enhanced standards of housing provision:** to enable wheelchair users of any age and people with disabilities to access suitable housing solutions. This will enable service users to live in the community with care and support at home rather than in residential care institutions.

⁴ <http://changing-places.org/>

Community Learning	
Statutory basis	Learning and Skills Act 2000 New challenges New Chances (BIS Policy Statement – December 2011)
Service Delivery	The service is provided on a district-wide basis and is based on a hub and spoke service delivery model. Each district will have one main centre building. Additionally outreach provision provides more locally based adult learning provision outside of the main centres to ensure services can be accessed across a wide geographical area.
Methodology	Number of potential clients based on methodologies and assumptions in the IIFM as outlined above Service performance targets: <ul style="list-style-type: none"> • Attendances per session • Staff requirement per session • Space requirement per class and per session
Project Requirement (where necessary)	Contributions for short term funding whilst classes become established and build up to a viable size to include: <ul style="list-style-type: none"> • Additional staffing or class room hours at either main centres or via outreach venues to increase the number of classes • Additional stock and equipment at either main centres or via outreach venues to increase the number of classes • Where existing assets cannot be used, new build (as a last resort)

Libraries and Archives	
Statutory basis	<p>Public Libraries and Museums Act 1964</p> <p>Other national guidance relevant to this service can be found in</p> <ul style="list-style-type: none"> • Building Better Libraries for the Future • Framework for the Future and Public Library Service Standards <p>The Local Government Act (1972) requires local authorities to take proper care of their records and archives.</p>
Service Delivery	<p>The service is provided on a District-wide basis and is based on a hub and spoke service delivery model. Each District has one main centre library (the hub) and archive building from which the full range of library and archive service is provided. Spokes (smaller libraries and the mobile library service) provide more localised delivery services and provide access points to the main hub services. Additionally, the Library and History Centre in Maidstone provides all Kent residents access to a county-wide centre of excellence library and archive service</p>
Methodology	<p>Number of potential clients based on methodologies and assumptions in the IIFM as outlined above</p> <p>Service performance targets:</p> <ul style="list-style-type: none"> • Space per 1,000 population • Items of stock per head • Weekly customer contact time in hours per Full Time Employee
Project Requirement (where necessary)	<p>Contributions towards:</p> <ul style="list-style-type: none"> • Extended opening hours (i.e. additional running costs and staffing costs). Additional book stock and IT equipment • Building improvements and refurbishment to accommodate additional users and/or book stock and equipment • Where existing assets cannot be used, new build (as a last resort)

Youth Service	
Statutory basis	<p>Section 53 of the Education Act 1944 Section 11 of the Further Education Act 1992 Sections 15 and 508 of the Education (Consolidation) Act 1996 Section 1 Subsection 6 of the Education Act 2006</p> <p>There is a legal duty for Local Authorities to provide youth service facilities in their area and to work with communities to encourage and promote the constructive development and health of its young people.</p>
Service Delivery	<p>The service caters for young people from 11 to 25 years though the prime focus is on 13 to 19 year olds. From 1 January 2013, service delivery will combine a KCC delivery service and commissioned services. The KCC service will comprise, for each District, a building-based service facility, a street-based project and at least one school-based Youth Community worker. In addition, commissioned youth work activity will be delivered by a range of local providers</p>
Methodology	<p>Number of potential clients based on methodologies and assumptions in the IIFM as outlined above</p> <p>Service performance targets:</p> <ul style="list-style-type: none"> • Attendances per session • Staff requirement per session • Space per attendee • Hours per session
Project Requirement (where necessary)	<p>Contributions towards short term funding whilst sessions become established and build up to a viable size to include:</p> <ul style="list-style-type: none"> • Additional stock and commissioned services

Stage 3 Project Costs and Financial Contributions

Project costs

Project costings used in the IIFM are based on actual schemes, QS work undertaken on behalf of KCC and revenue data. Where applicable percentage uplifts for professional fees, contingency and fit out has been added.

Need and capacity in existing infrastructure will vary between Districts. Overall project requirements and, therefore costs, will also vary between individual Districts and development schemes. The IIFM is calibrated to identify particular sites to projects for S106 purposes and can also be used to estimate the total infrastructure costs of services included in the IIFM on an area-wide basis for use in CIL charging schedules.

Additionally, the IIFM identifies existing and potential funding available and source(s), on a project basis, to calculate a net project cost. Information supplied to Districts for charging schedules is the net project cost. Project costs do not include a land cost though this can be added to the model to enable full understanding of the cost implications of service provision where land is needed to deliver the service.

Financial contributions

As stated earlier in this document, Districts are responsible for setting of CIL charges and for collection of CIL receipts. KCC will work with Districts to provide a prioritised investment schedule of necessary projects including typical costs and review of funding sources available for each project. Where there is an identified need for a project due to new housing development that is not supported through CIL receipts, it will not be possible for KCC to underwrite these projects. The consequence will be a reduction in service provision for both existing and new communities.

Where contributions are being secured via S106, KCC will continue to work with partners to profile payments, where necessary to enable development to proceed, provided sufficient monies are available at the appropriate time to commission and deliver the necessary infrastructure required.

Viability

A major element in defining the level of CIL will be financial viability which is a material consideration under the CIL regulations. As stated earlier in this document, KCC recognises that a balance is needed between contributions from developments and delivery of development necessary for economic growth. It is clear that developer contributions (CIL or S106) cannot meet the full costs of infrastructure needed to support new housing and there is a risk to all services regardless of who is/will provide them of a significant funding gap. KCC is therefore working with North Kent Districts on a financial model intended to provide a forecast of the likely return from a mix of funding sources including developer contributions, New Homes Bonus and Business Rate Retention over time set against infrastructure requirements to identify pressure points and funding gaps.

Updating and review

This guide will be revised periodically as required to reflect significant changes in National and Local legislation and policy frameworks. Assumptions, occupancy ratios and project cost figures used in the IIFM will be reviewed annually by KCC. Where appropriate, individual S106 agreements will make provision for indexation of contributions to ensure that pricing is inflation- proofed. Build costs will normally be linked to the Royal Institute of Chartered Surveyors Building Cost Information indices.

Legal and Planning Context

National Planning Policy Framework: (NPPF)

Published in March 2012, the NPPF is intended to make the planning system less complex and more accessible, to protect the environment and promote sustainable growth. In the framework, local plans are seen as the key to delivering sustainable development. As such, Local Plans should include the strategic priorities and policies that will deliver them including the provision of community infrastructure. The framework also imposes a duty on Local Planning Authorities to co-operate on planning issues that cross administrative borders. This includes cultural and community infrastructure.

Localism Act

The Localism Act (2012) gives new rights for local communities to shape new development via the preparation of a neighbourhood plan, development order or a Community Right to Build order. Neighbourhood plans, where approved by the majority of local people, will become part of the local strategic Development Plan and form the basis of determining planning applications in the area.

S106

KCC seeks to secure development contributions using powers under Section 106 of the Town and Country Planning Act 1990 (as amended). S106 provides that anyone with an interest in land may enter into a planning obligation which is enforceable by the local planning authority. Obligations may:

- Restrict the development or use of land
- Require operations to be carried out in, on, under or over the land
- Require the land to be used in any specified way
- Require payments to be made to the Local Planning Authority, either in a sum or periodically

Under the Act, KCC seeks development contributions to secure community infrastructure on or off site to meet demand from new housing developments where it is demonstrated that requests meet the three legal tests outlined in the Planning Act 2008 and the Community Infrastructure Regulations 2010 in that the planning obligation is:

- necessary to make the development acceptable in planning terms
- directly related to the development; and
- fairly and reasonably related in scale and kind to the development

Contributions can be in kind or in the form of a financial contribution. Payments can include

maintenance costs. Contributions can be pooled⁵ where the combined impact from a number of developments creates a need for new infrastructure or facilities.

CIL

The introduction of the Community Infrastructure Levy (CIL Regulations 2010) requires charging authorities to identify the total infrastructure needed to support new development as the basis for creating a charging schedule as a source of funding to mitigate impact of the new development. The outputs from the IIFM are consistent with this approach and can be fed into the Local Development Framework process in which local planning authorities set out their policies and requirements. The IIFM is calibrated to consider individual developments of 20 or more units and clusters of developments under 20 units based on electoral wards. Outputs can be produced at both a district and development site level thus meeting the requirements of current planning and proposed future planning regimes.

⁵ From April 2014, restrictions will apply to pooled contributions

General Site Transfer Requirements

This list is illustrative and not exhaustive and will be flexibly applied for each individual site.

1. The developer/landowner to provide site investigation report and to effect a transfer free from:
 - contamination (including radiation),
 - protected species
 - ordnance
 - rubbish (including broken glass)
 - any adverse soil conditions or occupation

Where appropriate the following indemnities may be required.

2. The County Council to be granted a Licence for access onto the site, prior to transfer for the purpose of surveying and carrying out technical investigations.
3. The site and any associated areas i.e. playing fields are fit for purpose, above flood plain level and adequately drained. (The early involvement of KCC Property is encouraged in this respect)
4. The site to be level, regular-shaped and undivided (i.e. a single unit with no public footpaths crossing the site). It should offer ease of access to intended users, i.e. school children, parents, staff and deliveries etc. Where appropriate, indemnities may be required.
5. The site to be clearly pegged out on site to the satisfaction of the delegated representative of KCC's Head of Property, and fenced with GIS co-ordinates prior to completion of the transfer.
6. The site to be freehold unencumbered and conveyed for the nominal consideration of £1 with full title guarantee and vacant possession with no onerous covenants.
7. Prior to the use of the site or any ground/construction works i.e. the building of a school and subject to the approval of KCC, the developer/landowner is to provide, at their own cost, suitable free and uninterrupted construction access to a suitable location on the site boundary. Haul roads should be constructed, at no cost to KCC, and maintained to a standard capable of accommodating HVGs and other construction traffic.
8. Prior to the use of the site for its intended purpose, and adopted highway (or highway capable of being adopted), which is suitable for the intended use of the site is to be

provided up to a suitable point on the site boundary together with a suitable alternative vehicular access for deliveries etc., if required and also close to public transport,. The highway and any alternative access is subject to approval by KCC.

9. Prior to the site transfer adopted services and utilities will be provided to an agreed location(s) on the site boundary of sufficient capacity and depth to accommodate the maximum potential requirement without mechanical and upon transfer. Necessary statutory undertakers' plant (such as electricity sub-stations or transfer stations) shall be located outside of the site boundary and the County shall not be liable for any costs (including legal costs) associated with the installation and commissioning of such plant.
10. Where possible, no mobile phone masts, overhead cables etc within 100m of a school site and where possible the developer/landowner to impose a covenant that none will be erected within this distance of any site boundary.
11. Rights to enter so much of the adjoining land within the ownership of the Developer as is reasonably necessary to carry out construction works on the site. The County Council to be responsible for making good any disturbance caused to the reasonable satisfaction of the adjoining owner in the exercise of these rights.
12. The landowner to be responsible for the County Council's legal costs and surveyor's fees together with administrative costs incurred during negotiations and in completing the Section 106 Agreement, taking transfer of the land including Land Registry costs, the granting of any easements/licences, or any other documentation and any Project Management agreements.
13. Plan of the site to a scale of 1:1250 to be supplied prior to transfer showing site levels, access, boundaries and details of any adjoining development. The plan is to be provided in a suitable electronic format together with paper copies.
14. Adjoining uses should not cause interference, conflict or be inappropriate in any way to the use of the site i.e. the curriculum delivery for schools. This also includes adverse conditions disruption and inconvenience by noise, dust, fumes, traffic circulation, artificial lighting etc.

List of assumptions and information sources used in KCC infrastructure Planning Framework

Service age groups in the IIFM have been sourced from KCC service providers. They are:

Service Group	Age Group
Primary Education	4 – 10
Secondary Education	11 – 15
Sixth Form	16 - 17
Libraries	All
Community Learning	19+
Youth Services	13 - 19
Learning Disabilities	18 – 64
Physical Disabilities	18 – 64
Older People	65+
Assistive Technology	18+

Stock age population per household (SAH) figures have been sourced from Zero Net Migration projections (September 2009) provided by KCC Research & Intelligence Team. These can be updated annually.

Retained services ratio (SR) has been sourced from the 2005 KCC MORI New Build Survey

New build age group per house hold (NAH) has been sourced from the 2005 KCC MORI New Build Survey.

The **demand ratio (DR)** has been sourced from:

- Education: ONS mid-year population estimate data and January school census data (KCC, Management Information). This is updated annually.
- Adult Learning: Service target
- Youth: nationally set target: 25%
- Kent Adult Social Care: KASC Swift (management information system) Mid year population estimates, Office of National Statistics. These are updated annually.

Assessment of need example

Example is based on a housing development of 379 households which will be built out as follows:

Total Dwellings	Period 2013	Period 2014	Period 2015	Period 2016	Period 2017
379	82	252	45	0	0

To convert dwellings into households, the model applies District-specific vacancy and household sharing rates. These are currently sourced from the 2001 Census data. Using current Gravesham data, the number of households is calculated as:

- $82 - ((82 * 1.76\%) + (82 * 0.10\%)) = 80.47$ households
- $252 - ((252 * 1.76\%) + (252 * 0.10\%)) = 247.31$ households
- $45 - ((45 * 1.76\%) + (45 * 0.10\%)) = 44.16$ households

Going forward, vacancy rates will be updated annually in line with KCC’s new population forecasting model. Sharing rates will be updated once the 2011 Census data becomes available.

To assess client need from each developed, the following formula is applied:

$$\{[SAH * SR] + [NAH * (1 - SR)]\} * DR * Household\ count$$

Education

Service: Primary Education (4-10 Age Group)							
Period	((SAH *	SR) +	(NAH *	(1-SR))) *	DR *	Households	Need Assessment
2013	((0.20492 *	0.62) +	(0.22381 *	(1-0.62))) *	0.988 *	80.47	16.86
2014	((0.20955 *	0.62) +	(0.22381 *	(1-0.62))) *	0.988 *	247.31	52.52
2015	((0.21055 *	0.62) +	(0.22381 *	(1-0.62))) *	0.988 *	44.16	9.40
Total							78.78

Service: Secondary Education (11-15 Age Group)							
Period	((SAH *	SR) +	(NAH *	(1-SR))) *	DR *	Households	Need Assessment
2013	((0.19945 *	0.75) +	(0.16190 *	(1-0.75))) *	0.91 *	80.47	13.91
2014	((0.20364 *	0.75) +	(0.16190 *	(1-0.75))) *	0.91 *	247.31	43.48
2015	((0.20825 *	0.75) +	(0.16190 *	(1-0.75))) *	0.91 *	44.16	7.90
Total							65.29

Service: Sixth Form Education(16-17 Age Group)							
Period	((SAH *	SR) +	(NAH *	(1-SR))) *	DR *	Households	Need Assessment
2013	((0.14014 *	0.75) +	(0.07143 *	(1-0.75))) *	0.438 *	80.47	4.33
2014	((0.13466 *	0.75) +	(0.07143 *	(1-0.75))) *	0.438 *	247.31	12.87
2015	((0.13174 *	0.75) +	(0.07143 *	(1-0.75))) *	0.438 *	44.16	2.25
Total							19.45

Families and Social Care

Service: Learning Disability Capital Clients (18-64 Age Group)							
Period	((SAH *	SR) +	(NAH *	(1-SR))) *	DR *	Households	Need Assessment
2013	((1.45256 *	0.60952) +	(1.66667 *	(1-0.60952))) *	0.00187	80.47	0.23
2014	((1.44420 *	0.60952) +	(1.66667 *	(1-0.60952))) *	0.00187	247.31	0.70
2015	((1.43746 *	0.60952) +	(1.66667 *	(1-0.60952))) *	0.00187	44.16	0.12
Total							1.05

Service: Physical Disability Capital Clients (18-64 Age Group)							
Period	((SAH *	SR) +	(NAH *	(1-SR))) *	DR *	Households	Need Assessment
2013	((1.45256 *	0.60952) +	(1.66667 *	(1-0.60952))) *	0.001	80.47	0.12
2014	((1.44420 *	0.60952) +	(1.66667 *	(1-0.60952))) *	0.001	247.31	0.37
2015	((1.43746 *	0.60952) +	(1.66667 *	(1-0.60952))) *	0.001	44.16	0.06
Total							0.55

Service: Older People Capital Clients (65+ Age Group)							
Period	((SAH *	SR) +	(NAH *	(1-SR))) *	DR *	Households	Need Assessment
2013	((1.45256 *	0.60952) +	(1.66667 *	(1-0.60952))) *	0.04377	80.47	1.03
2014	((1.44420 *	0.60952) +	(1.66667 *	(1-0.60952))) *	0.04377	247.31	3.22
2015	((1.43746 *	0.60952) +	(1.66667 *	(1-0.60952))) *	0.04377	44.16	0.58
Total							4.83

Service: Assistive Technology Capital Clients (18+ Age Group)							
Period	((SAH *	SR) +	(NAH *	(1-SR))) *	DR *	Households	Need Assessment
2013	((1.89100 *	0.60952) +	(1.73333 *	(1-0.60952))) *	0.0081 *	80.47	1.19
2014	((1.88950 *	0.60952) +	(1.73333 *	(1-0.60952))) *	0.0081 *	247.31	3.66
2015	((1.88812 *	0.60952) +	(1.73333 *	(1-0.60952))) *	0.0081 *	44.16	0.65
Total							5.50

Customer and Communities

Service: Libraries and Archives: (All ages)							
Period	((SAH *	SR) +	(NAH *	(1-SR))) *	DR *	Households	Need Assessment
2013	((2.41907 *	0.60952) +	(2.34762 *	(1-0.60952))) *	1 *	80.47	192.42
2014	((2.41377 *	0.60952) +	(2.34762 *	(1-0.60952))) *	1 *	247.31	590.56
2015	((2.40845 *	0.60952) +	(2.34762 *	(1-0.60952))) *	1 *	44.16	105.31
Total							888.29

Service: Community Learning: (19+ Age Group)							
Period	((SAH *	SR) +	(NAH *	(1-SR))) *	DR *	Households	Need Assessment
2013	((1.85947 *	0.60952) +	(1.70476 *	(1-0.60952))) *	0.03757	80.47	5.43
2014	((1.85951 *	0.60952) +	(1.70476 *	(1-0.60952))) *	0.03757	247.31	16.71
2015	((1.85820 *	0.60952) +	(1.70476 *	(1-0.60952))) *	0.03757	44.16	2.98
Total							25.12

Service: Integrated Youth Service (13-19 Age Group)							
Period	((SAH *	SR) +	(NAH *	(1-SR))) *	DR *	Households	Need Assessment
2013	((0.06048 *	0.75) +	(0.24286	(1-0.75))) *	0.25	80.47	2.13
2014	((0.06068 *	0.75) +	(0.24286	(1-0.75))) *	0.25	247.31	6.56
2015	((0.06018 *	0.75) +	(0.24286	(1-0.75))) *	0.25	44.16	1.16
Total							9.85

The formula calculates the gross need for the site. This process is repeated for all forecast development in the period. Once this process is completed, Service Providers assess current and future capacity of existing facilities within a geographical area and across the time period of developments allocating any surplus capacity including future capacity arising from demographical changes in the existing population across each development site for each period. The amount of surplus is pro rata to the need arising from each development, capped to the total need from the development. This approach enables a fairer distribution of existing surpluses across all developments and removes unfairness that the last development coming forward for assessment bears the total of additional infrastructure requirements.

List of KCC Service Contacts

KCC Service	Contact Name	Email address	Telephone Number
Developer Contributions	Paul Campion	paul,campion@kent.gov.uk	01622 221346
Primary and Secondary Education	Bryan Fitzgerald	bryan.fitzgerald@kent.gov.uk	01622 694146
Families and Social Care: Ashford, Canterbury, Dover, Shepway, Swale and Thanet	Rocio Arias-Dumeige	rocio.arias-dumeige@kent.gov.uk	07789 750851
Families and Social Care: Dartford, Gravesham, Maidstone, Sevenoaks, Tonbridge and Malling and Tunbridge Wells	Nicola McLeish	nicola.mcleish@kent.gov.uk	07703 749586
Community Learning	Ian Forward	ian.forward@kent.gov.uk	01795 415901
Libraries and Archives	Lesley Spencer	lesley.spencer@kent.gov.uk	01622 696501
Integrated Youth Service	Mike Leppard	mike.leppard@kent.gov.uk	01622 694241
Highways and Transportation	Nasser Sarrafan Tim Read	nasser.sarrafan@kent.gov.uk tim.read@kent.gov.uk	08458 247 80001622 221606

Additional Information: Highways and Transportation

KCC is the Highway Authority for Kent. It is responsible for the management and maintenance of all adopted roads in the county other than motorways and trunk roads, which are the responsibility of the Highways Agency. KCC is also the Local Transport Authority for Kent and actively promotes alternatives to car-based travel to improve the accessibility, sustainability and efficiency of the highway network. The County Council plays a key role in improving road safety through training, media campaigns and physical measures.

New development can place pressure on both the transport system and the environment. It is therefore important to ensure that not only the land-use strategy set out in Local Plans, but also each individual development for which planning consent is granted, is as sustainable as possible. If development does not make a fair and proportionate contribution to the mitigation of its impact on the transport network, there could be safety and capacity consequences which could prejudice the delivery of subsequent developments identified as being necessary to meet adopted housing and employment targets.

Strategic transport infrastructure

In order for the Local Plans produced by Kent's District Councils to be considered 'sound' by the Planning Inspectorate, they must include full consideration of how the impact of planned development on the transport network will be mitigated. KCC works closely with the Districts and the Highways Agency to develop comprehensive transport strategies, underpinned where appropriate by multi-modal modelling, identifying the strategic transport infrastructure required to deliver housing and employment growth. Examples include improvements to motorway junctions and enhanced public transport facilities, which in future are likely to be funded primarily by the Community Infrastructure Levy.

Site-specific transport infrastructure

KCC requires that, even where there are no other planning or environmental issues, the transport impact of all but the smallest development proposals should be assessed at planning application stage, either through the submission of a Transport Statement or, if the transport impact is likely to be significant, a Transport Assessment. KCC's Guidance on Transport Assessments and Travel Plans is available to download at www.kent.gov.uk. Transport Assessments should consider accessibility by all modes of transport and quantify the overall impact of the development on the local transport network, to provide a basis for identifying and agreeing any required mitigation measures. These will then be conditioned on the development by the Local Planning Authority and delivered either directly by the developer through a Section 278 Agreement (Highways Act 1980) or by KCC through a Section 106 Agreement (Town and Country Planning Act 1990).

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Decision: 12/01953

By: Mark Dance, Cabinet Member for Regeneration & Economic Development.
Bryan Sweetland, Cabinet Member for Environment, Highways & Waste.
John Simmonds, Cabinet Member for Finance & Procurement.

David Cockburn, Corporate Director Business Strategy & Support.
Mike Austerberry, Corporate Director Enterprise & Environment.
Andy Wood, Corporate Director Finance & Procurement.

To: Cabinet
15th October 2012

Subject: Kent Thameside Strategic Transport (Homes & Roads) Programme

Classification: Unrestricted

Summary

This report sets out the current conditions under which the Kent Thameside Strategic Transport (Homes & Roads) Programme is being developed and implemented covering in particular, the available funding, management of risk and the proposals for governance arrangements of the programme. This Key Decision is being sought in light of the considerable changes to the progress of development and the available funding that have taken place since a previous decision was taken on 21st February 2008 (Decision No. 07/01108).

Recommendations

Cabinet is asked to: -

- a.) Confirm that Kent County Council continues to act as the Accountable Body for the Kent Thameside Strategic Transport (Homes & Roads) Programme.
- b.) Entrust the setting up of the Governance arrangements for the Kent Thameside Strategic Transport (Homes & Roads) Programme to the Cabinet Member for Regeneration & Economic Development in consultation with Dartford and Gravesham Borough Councils.
- c.) Authorise the Corporate Director Business Strategy & Support, in consultation with the Corporate Director Enterprise & Environment and the Corporate Director Finance & Procurement, to negotiate and execute legal and/or partnership agreements pursuant to the delivery and management of the Kent Thameside Strategic Transport (Homes & Roads) Programme.

1. Introduction.

- (1) The Kent Thameside Strategic Transport (Homes & Roads) Programme is a package of improvements that respond to the complexities encountered in assessing the individual impacts and mitigation measures for significant development across the boroughs of Dartford and Gravesham. A Key Decision was taken on 21st February 2008 (Decision No. 07/01108) agreeing to the County Council acting as the Accountable Body for the programme.
- (2) The 20-year programme aims to provide key transport infrastructure improvements that would enable the planned level of development in Kent Thameside to be realised. Ultimately the development will result in some 22,600 new homes and around 1 million m² of commercial development with the potential for 60,000 jobs. The programme would be largely funded through a combination of public sector grant and private sector contributions.
- (3) Since the original decision was taken there have been considerable changes to the progress of development and the available funding. This report sets out the current conditions under which the programme is being developed and implemented covering the available and anticipated funding; the scope of the revised programme; the management of the risks involved with such a programme; and proposals for the programme's governance arrangements.

2. Financial Implications.

- (1) As the Accountable Body for the programme the County Council is responsible for the management of the programme and administration of the funding. A dedicated Programme Investment Fund has been set up for the programme within the County Councils corporate financial system. A cash flow model has also been developed to assist the financial management process.
- (2) The current estimated cost for the programme is £116.2m and anticipated funding is estimated at £84.0m leaving a funding gap of £32.2m (current prices). Further details of the sources of funding for the programme are shown in Table 1 below. Management of the financial risk associated with the funding gap is to implement schemes contained within the programme only within the level of available funding.

Table 1: Anticipated Income and Forecast Expenditure for the Kent Thameside Strategic Transport Programme.

<u>Income</u>		
HCA Funding		£13.0m
S.106/CIL	- Residential	£35.9m
	- Commercial	£5.3m
Eastern Quarry S.106 Contribution		£24.7m
New Homes Bonus		£5.1m
Total Income		£84.0m
Estimated Programme Costs		£116.2m
Current Funding Gap		£32.2m

- (3) In the course of the management of the programme the situation may arise where the County Council is required to use its Prudential borrowing powers to ensure that schemes are completed. The estimated cost to the County Council is £800,000 per annum for every £10m borrowed. Although it is not envisaged that the County Council would exercise these powers to cover the shortfall in funding it may be necessary to use such powers to overcome short-term cash flow issues when implementing individual schemes. In such circumstances the County Council's borrowing costs would be funded through the programme.
- (4) Discussions with Dartford and Gravesham Borough Councils have identified potential funding of around £5m from the New Homes Bonus initiative. This is based on an agreed 50% of the income from New Homes Bonus generated solely from the Eastern Quarry, Northfleet West Sub-Station and Springhead Park development sites. An estimated 1170 dwellings are expected from these sites between 2012/13 and 2015/16 based on information received from Land Securities and the Borough Councils. This would result in a cost to the County Council of around £1.0m with the Borough Councils bearing the remaining cost.

3. Bold Steps for Kent & Policy Framework.

- (1) The programme would deliver key improvements to the transport network enabling the planned level of development across the boroughs of Dartford and Gravesham to be realised. This would contribute to Ambition 1 of the Vision for Kent (To Grow the Economy) by delivering the critical infrastructure to create the conditions for economic growth.
- (2) The programme is in line with priorities 8, 9 and 10 of Bold Steps for Kent driving economic prosperity through unlocking key sites in the Thames Gateway Kent region, helping to deliver the Kent & Medway Housing Strategy and ensuring that new housing development is matched with the appropriate infrastructure.
- (3) The programme is identified within the Local Transport for Kent 2011-16 and would deliver a priority for the Thames Gateway Kent area set out in the integrated transport strategy Bold Steps for Transport "*Growth Without Gridlock*".

4. The Report

(1) Funding

- a.) Funding for the programme largely consists of public sector grants (principally through the Department for Communities & Local Government) and private sector developer contributions. A funding agreement was signed with the Homes & Communities Agency in March 2010 which secured a £13m grant towards the programme. Following the Government's Comprehensive Spending Review in October 2010 there has been uncertainty regarding further public sector funding commitment to the programme and discussions have been taking place with both DCLG and DfT. The discussions with Government have concluded that further funding for the programme from the HCA in the current

CSR period (2011/12 to 2013/14) is not available and is also unlikely in the next CSR period (2014/15 to 2016/17).

- b.) Neither of the Government departments regards themselves in a position to make funding commitments to the programme for future years (i.e. beyond 2016/17) as these would fall beyond the tenure of the current and potentially next Government. As a result of the discussions with Government a joint proposition has been agreed (see Appendix 1 for the full proposition). The key elements of this proposition are: -
- i.) The Department for Transport (DfT) and the Highways Agency (HA) will invest further work to refresh the business case/preliminary designs for the A2 Bean and Ebbsfleet junction improvements.
 - ii.) The DfT and the HA commit to joint working with Kent Partners on the development of appropriate transport interventions on the strategic road network necessary to mitigate the impacts of the planned development in Kent Thameside, and in assessing the case for such proposals, would give due weight to the wider economic benefits afforded by these improvements.
 - iii.) The Department for Communities & Local Government (DCLG), the DfT and the Homes & Communities Agency (HCA) will maintain a close dialogue with Kent Partners to provide advice and highlight opportunities arising from new Government policy and initiatives as these emerge or are clarified.
 - iv.) Dartford Borough Council, Gravesham Borough Council and KCC will each contribute a proportion of their New Homes Bonus income, from the specific sites identified in 2(4), towards the programme.
 - v.) KCC will act as the accountable body, accepting and managing the risks in the programme but only for solutions that total the amount forecast to be collected from S.106/CIL, i.e. £65.9m.
- c.) Whilst this proposal does not provide any funding commitment to the programme there is a key commitment on the part of the DfT/HA to invest in further work to refresh the business case/preliminary designs for the A2 Bean and A2 Ebbsfleet junction improvements. These two schemes alone constitute nearly 70% of the total cost of the programme and are currently scheduled to be implemented between 2021/22 and 2026/27. At present it is assumed that the A2 Ebbsfleet improvements would come first but one aspect of the business case/design work to be carried out for these junctions will be determining the timing of the improvements. Between the present and 2021/22 it is currently anticipated that across Kent Thameside some 13,800 additional dwellings and 590,000m² of commercial floorspace could be built. In terms of development sites that have a more direct impact on the A2 Bean and A2 Ebbsfleet junctions, some 4,100 additional dwellings could have an impact on the A2 Ebbsfleet junction by 2021/22 whilst some 1,600 additional dwellings could have an impact on the A2 Bean junction.

- d.) Since Autumn 2009, negotiations have taken place with Land Securities regarding a Deed of Variation to the existing S.106 Agreement for Eastern Quarry. The original agreement provided a £40m contribution to the programme paid over a 7-year period from the commencement of development regardless of the pace of development. In the current economic situation this condition has become onerous and an obstacle to Land Securities attempts to secure a development partner. The Deed of Variation, completed on 17th August, sees a reduction in the contribution to £24.7m, proportionate to the reduced scale of the programme, paid on a phased basis as a tariff per dwelling. The full £24.7m would be paid by completion of the 4,500th dwelling. The Deed of Variation only relates to the contribution towards the Kent Thameside Strategic Transport Programme. All other obligations contained within the original S.106 Agreement remain unchanged.
- e.) In addition to the contribution from Eastern Quarry a further £41.2m is anticipated from developers through either S.106 Agreements or the Community Infrastructure Levy. To date £1.16m of this funding has been received whilst a further £0.81m has been secured but not yet received. Further contributions of £3.77m are identified in permissions issued, but these may be subject to further negotiation, and some £1.86m is pending agreements. Altogether this amounts to around £7.6m of funding for the programme, around 18% of that anticipated.

(2) Review of Programme

- a.) The receipt of £13m funding from HCA signalled the start of the programme. The funding has been focused on Dartford Town Centre improvements and the Rathmore Road Link scheme in Gravesend. In the case of Dartford this supports major development sites in and adjacent to the town centre that are coming forward. The Rathmore Road Link scheme is a key element of the Gravesend Transport Quarter proposals that has already seen Phase 1 implemented by Gravesham BC.
- b.) The uncertainty over public sector funding for the programme and the continuing poor market conditions causing concern over the ability of development to fund major infrastructure improvements, instigated a review of the programme in the Autumn of last year. This review has looked at reducing the overall cost of the programme and investigating alternative sources of income. In terms of the overall cost of the programme this, in consultation with our Kent Thameside partners, has reduced from an initial estimate of £200.2m to a current budget estimate of £116.2m. This has been achieved through the removal of some schemes from the programme and revising the cost of other schemes based on more recent experience of the costs of major transport infrastructure. Further details on how the review has reduced the cost of the programme are contained in Appendix 2.
- c.) Investigation of alternative sources of funding for the programme looked at the following initiatives: -
- i.) **Growing Places Fund** – this initiative was not considered suitable for the programme as it is principally focused on generating economic activity in the short term and has to be used to establish revolving funds.

- ii.) **Business Rate Retention** – this has significant potential but at present there are too many uncertainties and issues regarding how this would operate.
- iii.) **New Homes Bonus** – a limited amount of potential funding has been identified for the programme through discussion with Dartford and Gravesham Borough Councils. There are concerns on how this would impact on revenue budgets and in the discussions with Government no guarantees have been given that this initiative will continue to be funded beyond 2015/16.

(3) Risks

- a.) A risk assessment was conducted on the programme as part of the economic appraisal that was submitted to secure the £13m funding from the HCA. This has been revised and updated using the County Council's Corporate Risk Management process and a copy of this is attached as Appendix 3.
- b.) The most significant risks are those that would result in a shortfall in the level of funding available for the programme. With each risk there are potential options to overcome any shortfall but ultimately if the funding shortfall is not overcome then implementation of the programme would need to be limited to the level of available funding. This would mean further prioritisation being applied to the programme, balancing the development need against acceptable levels of congestion. The key significant risks are: -
 - i.) Developer contributions are less than anticipated. In this instance further development could be identified and over the course of the programme there will be development coming forward that is not currently anticipated. Balanced against this, however, is the additional impact that this development would have on the transport network. There is a requirement for the Core Strategies produced by the Borough Councils to be regularly reviewed. This provides the opportunity to review the transport impacts and adjust development contributions. The Cash Flow Model developed for the programme is reviewed more regularly regardless of the review periods for the Core Strategy.
 - ii.) Competing priorities for CIL mean that less funding is available for the programme. A Partnership Agreement is proposed between KCC/DBC/GBC as part of the Governance arrangements for the programme that should mitigate this risk.
 - iii.) Further public sector funding is not secured. This is the current situation with the £32m shortfall. The DCLG/DfT proposal includes a commitment to work with Kent Partners to identify future Government initiatives that could provide funding for the programme. It is also anticipated that an agreement would be reached with DfT, as a result of its commitment to refresh the business case/design for the A2 Bean and A2 Ebbsfleet schemes that should see some additional public sector funding being provided for these schemes.

- iv.) Alternative sources of funding are not identified. Neither the DCLG nor the DfT consider themselves in a position to make funding commitments to the programme for future years. The timescale of the programme does mean that economic conditions are likely to change and the prospect of putting a case to Government for further public sector funding is not out of the question. Alternatively additional developer funding could be identified as mentioned in (3)(b)(i) above with the same consequences.
- c.) The higher level risks are those predominantly related to fluctuations in the anticipated income, changes affecting programme costs and circumstances where implementation could be delayed. These risks are generally more manageable, would not necessarily result in a shortfall of the overall funding for the programme and have alternative options that could be employed to mitigate the risk. The key high risks are: -
 - i.) Use of CIL to provide funding for the programme is successfully challenged. It is important that the programme is identified within both the Core Strategies and the CIL Charging Schedules produced by the Borough Councils with appropriate supporting evidence. The programme has been developed in close working partnership with both Dartford and Gravesham Borough Councils and there is a continued commitment by all parties to the programme. The proposed Partnership Agreement between KCC/DBC/GBC should also provide further mitigation of this risk.
 - ii.) Continued slow rate of development means that receipt of developer contributions is delayed. An advantage of the programme is that the implementation of individual schemes can be adjusted to match the progress of development. Monitoring of the progress of development and regular review of the Cash Flow Model developed for the programme should enable mitigation of this risk. A commitment to implement individual schemes would only be made if sufficient funding is forecast to come forward. Any short-term cash flow issues encountered with the implementation of individual schemes would be covered by use of KCC's Prudential borrowing powers with the cost of this covered by the programme.
 - iii.) Statutory procedures/land acquisition results in delays and increased costs to individual schemes. Mitigation of this risk would involve robust project management of individual schemes with early identification and regular review of the key risks to implementation. Good communication with key stakeholders and those directly affected by the schemes should also reduce the level of risk. Much of the land required for the schemes is either in the control of local authorities or developers who have a vested interest in the implementation of the schemes. Both KCC and the Highways Agency can, if necessary, issue Compulsory Purchase Orders to acquire the land necessary to implement the scheme.
 - iv.) Construction cost increases of individual schemes. Mitigation of this risk would involve robust project management of individual schemes with cost estimates that are regularly reviewed as the scheme is developed and include a risk based contingency. In the case of schemes on the local road network the local authorities are open to developers implementing

schemes as an “In-Kind” contribution, equivalent to their financial contribution towards the programme, taking on the risks associated with its construction. For schemes on the local road network, which fall under the responsibility of KCC to implement, any short-term cash flow issues could be covered by use of KCC’s Prudential borrowing powers with the cost of this covered by the programme. It is currently envisaged that the Highways Agency would be responsible for the implementation of the A2 Bean and A2 Ebbsfleet schemes. The agreement reached between KCC and the DfT covering the development and implementation of these two schemes will include appropriate clauses covering the level of shared risk between the parties.

(4) Governance Arrangements

- a.) The programme was conceived in 2007 under the auspices of the Kent Thameside Partnership. Since this partnership was dissolved the programme has continued under an informal arrangement between the key stakeholders, namely Dartford Borough Council, the Department for Transport, the Homes & Communities Agency, Gravesham Borough Council, the Highways Agency and Kent County Council. With funding now available and the programme starting to move into its implementation stage, it is appropriate that more formal Governance arrangements are established.
- b.) The suggested components of the Governance arrangements for the programme are set out in Appendix 4 attached to this report. The key component of these arrangements is the setting up of a Steering Group. It is proposed that the Cabinet Member for Regeneration & Economic Development is entrusted with the task of setting up this Steering Group in consultation with Dartford and Gravesham Borough Councils.
- c.) A Forward Delivery Programme would set out the forecast expenditure and implementation of the schemes and would be reviewed annually by the Steering Group. KCC approval of this Forward Delivery Programme would be by the Cabinet Member for Regeneration & Economic Development in consultation with the Cabinet Member for Environment, Highways & Waste and the Cabinet Member for Finance & Procurement.

5. Local Member & Cabinet Committee Comments.

- (1) Local Members within the boroughs of Dartford and Gravesham have been consulted regarding this report. Comments have been made by Mr Snelling (Gravesham Rural) acknowledging the risks involved and supporting the recommendations on the basis that much depends on the programme going forward. Mr Lees (Swanscombe & Greenhithe) spoke at the EHW Cabinet Committee raising concerns regarding the prioritisation of schemes within the programme and the danger that with the current funding gap schemes may not be built or significantly changed. With regards to the prioritisation of schemes this would be addressed by the proposed Steering Group through the annual review of the Forward Delivery Programme.

- (2) A report was submitted to the Environment, Highways & Waste Cabinet Committee at its meeting of 20th September. A number of Members on the Committee expressed their concerns regarding the risks associated with the programme and the potential financial liability that the County Council could incur as the Accountable Body. Members were reassured that robust programme management would be employed to mitigate the risks and that schemes would only be implemented within the available level of funding. The point was made to Members of the Committee that before any commitment was made to implement a scheme it would need to be fully designed, with a robust cost estimate and with the risks identified. The Committee agreed the recommendations of the report.
- (3) A report was also submitted to the Economic Development Cabinet Committee at its meeting of 21st September. Members of the Committee expressed a number of concerns including: -
- The County Council needs to co-ordinate the demands created by development as the programme focused only on highway impacts.
 - The programme was high risk especially in the current economic climate.
 - Land Securities and other developers would have difficulty in selling properties in the current economic circumstances. In the case of Eastern Quarry, Land Securities would need to have a sound marketing plan.
 - Whether the commitment by DCLG/DfT was binding on a change in Government.
- (4) In response Members were reassured that the Deed of Variation for Eastern Quarry only covered the contribution to the transport programme and that other obligations remain unchanged. In relation to the financial risks, KCC would only spend within the forecast level of funding. There would also be an agreement signed with Dartford and Gravesham Borough Councils regarding the collection of S.106/CIL contributions and an annual programme agreed between the key stakeholders. Land Securities has already invested £120m at Eastern Quarry, identified an accelerated building programme and was marketing development as individual villages. A guarantee could not be given that the DCLG/DfT commitments would be binding on any new government but there would be continued dialogue with Government.
- (5) It was suggested by Members of the Committee that, with a programme of this magnitude and level of risk, the Cabinet Member for Finance & Procurement should be included in the approval process. This will be included within the proposed Governance Arrangements (see 4(4)(c) of this report). With the response to comments and questions raised by Members noted the Committee agreed the recommendations of the report.

6. Conclusions.

- (1) Conditions have significantly changed since the programme was conceived. Efforts have been made to reduce the overall cost of the programme but with the uncertainty over future public sector funding and tough market conditions for development there is currently a £32m funding gap.

- (2) The justification for the programme and its objectives has largely remained unchanged. The proposed improvements to the transport network are still needed to enable the planned level of development to be achieved. Some public sector funding has already been secured along with developer contributions and implementation of the programme has started.
- (3) There are significant risks inherent in the programme and strong management will be required to ensure that these do not materialise. The establishment of formal Governance arrangements along with a robust monitoring and reporting structure will reinforce the management of the programme.
- (4) The programme will be delivered over a 15-20 year period and there is a long term commitment on the part of all of the key stakeholders to the growth agenda in Kent Thameside as witnessed by the DCLG/DfT proposition. Whilst there is currently a funding gap it is envisaged that opportunities will arise to secure additional funding for the programme. In the meantime, the expedient management of the risk presented by the shortfall in funding is to implement schemes only within the available level of funding.

7. Recommendations

- (1) Cabinet is asked to:
 - a.) Confirm that Kent County Council continues to act as the Accountable Body for the Kent Thameside Strategic Transport (Homes & Roads) Programme.
 - b.) Entrust the setting up of the Governance arrangements for the Kent Thameside Strategic Transport (Homes & Roads) Programme to the Cabinet Member for Regeneration & Economic Development in consultation with Dartford and Gravesham Borough Councils.
 - c.) Authorise the Corporate Director Business Strategy & Support, in consultation with the Corporate Director Enterprise & Environment and the Corporate Director Finance & Procurement, to negotiate and execute legal and/or partnership agreements pursuant to the delivery and management of the Kent Thameside Strategic Transport (Homes & Roads) Programme.

8. Background Documents

Key Decision No. 07/01108

9. Contact Details

Stephen Dukes, Economic Development Officer
Economic & Spatial Development Unit
Business Strategy & Support

01622 – 221962
stephen.dukes@kent.gov.uk

Attachments

- Appendix 1: Letter from Mike Penning, Parliamentary Under-Secretary of State for Transport, DfT and Grant Shapps, Minister for Housing & Local Government, DCLG dated 17th July 2012.
- Appendix 2: Review of Kent Thameside Strategic Transport Programme.
- Appendix 3: Risk Assessment for Kent Thameside Strategic Transport Programme.
- Appendix 4: Proposed Governance Arrangements for Kent Thameside Strategic Transport Programme.

DCLG/DfT Ministerial Letter



*Department for
Transport*

Cllr Paul Carter
Leader of Kent County Council
County Hall
MAIDSTONE
Kent
ME14 1XQ

The Rt Hon Grant Shapps MP
Minister for Housing and Local Government

*Department for Communities and Local
Government*
Eland House
Bressenden Place
London SW1E 5DU

Tel: 0303 444 3460
Fax: 020 7828 4903
E-Mail: grant.shapps@communities.gsi.gov.uk

www.communities.gov.uk

17 July 2012

Dear Councillor Carter

KENT THAMESIDE DEVELOPMENT - UNLOCKING EASTERN QUARRY

We are writing to set out our Department's proposals to unlock the proposed development at the Eastern Quarry site in Kent Thameside.

Our officials have been working closely together both to get a clear understanding of the issues and barriers to progress with this development site, and to try and reach agreement on a way forward that unlocks delivery of new housing in the short term and provide a continuing commitment to the longer term delivery of the development proposals.

We understand that the Dartford Borough Council Development Control Committee is to shortly consider agreement to the varied section 106 planning agreement for the Eastern Quarry site with Land Securities, and want to set our proposals for Government support in progressing and managing the provision of the necessary transport infrastructure improvements to support the development proposals.

This Government has recognised the importance of infrastructure in supporting housing provision and that infrastructure support and prioritisation is a key concern for communities, local authorities and the private sector. Investment in infrastructure that unlocks growth is essential to winning the confidence of communities and the private sector for large-scale, long-term projects.

In terms of the specific transport proposals in the Homes and Roads Programme, which underpins the Kent Thameside development plans, two major improvements to the junctions on the A2 at Ebbsfleet and Bean are necessary to mitigate the overall cumulative traffic impacts of the Kent Thameside development.

However, the identified delivery timing of these proposals in 2021-22 to 2023-24 and 2024-25 to 2026-27 respectively, are such that they fall within future spending review periods, and we cannot take such delivery funding decisions within this spending review period.

Both our Departments however recognise the need to unlock the housing development at Eastern Quarry and are, in these circumstances, proposing to invest further in the necessary development work on the two major junction improvements, and continue to provide support, help and guidance to the local authorities on both the further development of the proposals, and the on-going management of the supporting transport investment programme.

In doing so, our Departments clearly recognise the importance of economic and housing growth in Kent Thameside and recognises that approval of the varied section 106 planning agreement for the Eastern Quarry development will unlock around 4,500 new homes and around 95,000 m² of commercial development.

We also understand that you seek assurances from Government on its continuing support for the development in Kent Thameside. We have therefore set out in an attachment to this letter our detailed proposals for both investment now in the development of the major infrastructure projects but also the continuing involvement and support in the management and delivery of the supporting transport infrastructure programme.

I hope these proposals demonstrate our clear commitment to working closely with you and your partners towards the successful delivery of housing and economic growth. In return for these commitments, we look to agreement to the variation to the existing planning agreements for Eastern Quarry that will allow the planned development to take place.

It is important that we can reach agreement on the way forward, and I would be grateful if you could consider the details of this proposition, and let us or our officials know of decisions in this matter.

If it is possible to reach agreement we would look to make a public announcement that would confirm that a way forward has been found, and that delivery of the new housing will take place as planned. We are more than willing to discuss if necessary, any concerns you may still have in order to reach a final resolution to these long-standing issues.

Yours sincerely,

Mike Penning
MP

Grant Shapps

MIKE PENNING

GRANT SHAPPS

Department for Transport and Department for Communities and Local Government Proposal

- **The Department for Communities and Local Government**, and the **Department for Transport** issues a statement that supports and welcomes economic growth and housing delivery in Kent Thameside. The **Departments** also accept that by approving the Deed of Variation for Eastern Quarry that in effect 4,500 homes and around 95,000m² of commercial development are unlocked in Kent Thameside.
- The **Department for Transport** and the **Highways Agency** commit to close joint-working with the Kent Partners to determine and agree the details of the scope and timing of the work necessary to refresh the business cases/preliminary designs of the proposed major project improvements to the junctions on the A2 at Bean and at Ebbsfleet.
- The **Department for Transport** and the **Highways Agency** will invest in further work to refresh the business case/preliminary designs of the A2 Bean and Ebbsfleet junction improvements, as part of the development necessary for future delivery of the proposals.
- The **Department for Transport** and the **Highways Agency** commit to joint-working with the Kent Partners on the development of the appropriate transport interventions on the strategic road network necessary to mitigate the impacts of the planned development in Kent Thameside, and in assessing the case for such proposals, would give due weight to the wider economic benefits afforded by these improvements.
- The **Department for Transport** commit to joint-working with the Kent Partners to provide assistance and guidance where necessary on the development of transport interventions on the local road network, and guidance on the necessary appraisal requirements for such proposals.
- **The Department for Transport** and the **Highways Agency** will discuss and agree with Kent Partners their role and participation in the future governance and management arrangements for the Homes and Roads programme.
- In terms of future Kent Thameside related planning applications, the **Highways Agency** commits to continue to carry out its development planning function in accordance with Government planning policy and guidance current at the time.
- The **Department for Communities and Local Government**, the **Department for Transport** and the **Homes and Communities Agency** will maintain a close dialogue with Kent and Partners to provide advice and input on progressing specific transport schemes and highlighting the opportunities arising from new Government policy and incentives (such as business rates retention) as these emerge or are clarified.
- The **Homes and Communities Agency** will remain a member of the Homes and Roads Steering Group.
- The **Homes and Communities Agency** will explore future funding opportunities to support later phases of the Kent Thameside development.

- The **Homes and Communities Agency** has already invested £13m in the Homes and Roads Programme and is committed to work with all parties to identify what appropriate funding initiatives are available from time to time, and give guidance and act in its enabling role as a broker.

In return for these commitments, the Departments' expect that:

- **Dartford & Gravesham Borough Councils** will ensure developer contributions are provided towards the Homes and Roads Programme through s106 agreement, and in due course Community Infrastructure Levy (CIL) mechanisms;
- **Dartford Borough Council, Gravesham Borough Council and Kent County Council** will each contribute a proportion of their New Homes Bonus income towards the Homes and Roads Programme for as long as New Homes Bonus can be legally collected and used in this manner;
- **Land Securities** and its partners commit to a timescale for delivering their first homes by 2013 with a total of 1,500 homes by 2020; and to contribute £24.7m towards the Homes and Roads Programme through the completion in total of 4,500 homes at Eastern Quarry.
- **Kent County Council, Dartford Borough Council, Land Securities Eastern Quarry Limited and Coutts and Co** will sign the Deed of Variation to the S106 Agreement for Eastern Quarry which would change the terms of the original S106 Agreement in the following respects:
 - i) Transport contribution reduced from £40m to £24.7m;
 - ii) Payment schedule changed from 7 year plan commencing when development starts, to payment spread over the first 4,500 homes, pro rata with completions;
 - iii) First five years payments at a discount rate, with the discount recovered through the remaining payments.
- Regarding the management and delivery of the Homes and Roads Programme **Kent County Council** will act as accountable body, accepting and managing significant risk in the Programme, including scheme cost inflation and project over-runs but only for solutions that total the amount forecast to be collected from S106 and CIL i.e. £65.9m (£94.5m at inflated prices).
- The programme covering improvements to the local road network would be agreed between **Kent County Council, Dartford Borough Council and Gravesham Borough Council**. Details of the improvements to the Strategic Road Network included in the Homes and Roads programme would be additionally agreed by the **Department for Transport** and the **Highways Agency**, and their delivery would be subject to the development of a robust business case and consideration of delivery funding availability. If further monies are required **Kent partners** and the **Department for Transport** are committed to identifying possible alternative funding streams.

Review of Kent Thameside Strategic Transport Programme

Scheme	Estimated Costs (including contingency)		Comments
	Initial	Current	
A2 Ebbsfleet Junction	£34.0m	£30.0m	The scheme provides for the enlargement and signalisation of the roundabouts forming this junction along with the widening of slip-roads and link-roads. Discussions have been held with the DfT/HA regarding the scale and timing of these improvements to reach the revised target cost for the overall scheme. Transport modelling work still shows this interchange to be one of the priority locations for improvement.
A2 Bean Junction	£54.9m	£50.0m	The scheme provides for the enlargement and signalisation of the roundabouts forming this junction, improvements to slip-roads and improvements to the bridge across the A2. Discussions have been held with the DfT/HA regarding the scale and timing of these improvements to reach the revised target cost for the overall scheme. Transport modelling work still shows this interchange to be one of the priority locations for improvement.
A2 Demand Management	£34.5m	Suspended from Programme	Little work has been done to define this scheme and its initial inclusion was on the basis that no further capacity improvements would be made to the A2 and, therefore, future traffic growth would need to be managed. The scheme will also be influenced by a number of factors external to Kent Thameside including: - <ul style="list-style-type: none"> - Planned development in the Medway Towns - Strategic routing of traffic to/from Dover - Dartford Crossing "Free-Flow" charging - The location of a future Lower Thames Crossing.
B262 Hall Road Junction	£3.4m	Removed from Programme	Works to be implemented as part of a planning application for the expansion of an adjacent retail store are expected to improve this junction. The scheme has been removed from the programme with the works being provided by the developer regarded as an "In-Kind" contribution to the programme.

Scheme	Estimated Costs (including contingency)		Comments
	Initial	Current	
A226 London Road/St Clements Way Junction	£8.5m	£8.5m	There is currently a conceptual design for the improvement of this junction that involves enlargement of the existing roundabout and the provision of an underpass for north-south traffic. However, there are concerns about the feasibility of this scheme and its cost which could impact on its viability. Transport modelling work still shows this junction to be one of the priority locations for improvement. It is proposed to test the feasibility/viability of the current scheme and investigate alternative options for the improvement of this junction. Potential alternative options could include enlargement of the existing roundabout with the provision of traffic signals or replacement of the existing roundabout with a signal controlled junction.
A226 Thames Way (STDR4) Dualling	£14.3m	£8.9m	The A226 Thames Way (formerly South Thameside Development Route – Stage 4) has been constructed as a single carriageway but land has been safeguarded and the structures built to accommodate future widening to a dual-carriageway. The proposal to widen a 1.6km section of the A226 and modify the existing junctions to accommodate this remains the same. A revised cost estimate has been produced based on more recent evidence and experience from East Kent Access Phase 2.
Urban Traffic Management & Control (UTMC)	£8.0m	£4.5m	The requirements for area-wide UTMC across have changed since this scheme was originally conceived. The scheme was to be co-ordinated with the A2 Demand Management measures but with this suspended from the programme the UTMC has been reconsidered. Part of the UTMC scheme has been incorporated within Dartford Town Centre Improvements. The extent of the remaining UTMC measures have been revised to meet more local needs.
Dartford Town Centre Improvements	£11.4m	£4.5m	Negotiations have resulted in a number of improvements within Dartford town centre being provided directly by developers as “In-Kind” contributions, thereby reducing the overall costs of this scheme. The transport network constituting Dartford Town Centre has been defined and within this network locations requiring improvement identified. The estimated cost for further improvements has been broadly based on the costs put forward by the developer’s.

Scheme	Estimated Costs (including contingency)		Comments
	Initial	Current	
Rathmore Road Link, Gravesend	£11.4m	£8.0m	This scheme is currently being designed and a detailed planning application was submitted in April 2012. A detailed costs estimate for the scheme was produced in February 2012 and includes a contingency for inherent risks. This cost estimate will be reviewed on a regular basis. Start of construction is currently estimated for late Autumn 2013 subject to statutory procedures.
A206 Marsh Street Junction	£3.4m	Removed from Programme	Traffic modelling of the latest development pattern in North Dartford has revealed that there is no longer a need to improve this junction.
Fastrack – Northfleet to Garrick Street	£14.3m	Suspended from Programme	A concept design was produced for this scheme providing bus priority for Fastrack (including sections of dedicated carriageway) through Imperial Business/Retail Park and along Clifton Road/Bath Street to the Garrick Street Interchange. Potential changes to the development pattern at Northfleet Embankment, being considered within Gravesham BC's Core Strategy, are likely to have an impact on the provision of a Fastrack route between Greenhithe and Gravesend town centre. With the possibility that the scheme currently designed could become redundant it has been suspended from the programme subject to further review pending the impact of the revised development pattern for Northfleet Embankment.
M25 (A282) Junction 1A	Not Initially Included	Consideration for Inclusion in Programme Suspended	In the course of reviewing the programme consideration was given to the inclusion of a scheme to improve congestion at this junction after concerns regarding its future capacity were raised by the Highways Agency in relation to proposed development in North Dartford. A study was completed in November 2010 that identified a number of options to reduce the anticipated congestion. In further discussions with the DfT/HA it has been recognised that the problems encountered are predominantly related to congestion at the Dartford Crossing and it would be better to co-ordinate any planned improvement with the Dartford Crossing "Free-Flow" Charging Regime. This is not due to be implemented before December 2013.
Admin Costs	£2.1m	£1.8m	
Total Cost of Programme	£200.2m	£116.2m	

Risk Assessment for the Kent Thameside Strategic Transport Programme

Risk No.	Category	Risk	Probability of Occurrence (P)	Impact			Overall Impact (I) = (C+T+Q)/3	Risk Assessment	Mitigation/Management
				Cost (C)	Time (T)	Quality (Q)			
1.	Partnership	The Governance arrangements for the programme established between the key stakeholders breaks down.	2	2	3	1	2.0	Moderate (2.2)	Regular liaison between the key stakeholders involved in the delivery of the programme will ensure that any issues are identified, discussed and resolved before they can escalate. Procedures will be adopted within the Governance arrangements to deal with any conflicts/unresolved issues.
2.	Partnership	There is a breach of one or more of the funding agreements.	3	3	3	1	2.3	Moderate (3.2)	Monitoring of the milestones and outputs of the programme to meet the requirements of the funding agreements. Regular liaison with the signatories of the funding agreements will ensure that any issues are identified, discussed and resolved. Procedures will be adopted within the funding agreements to deal with any conflicts/unresolved issues.
3.	Demand	A reduction in anticipated demand leads to a fall in the level of development reducing the demand for transport improvements.	4	5	3	4	4.0	High (4.4)	Development is planned to take place over a 20-year period during which there is expected to be fluctuations in market conditions that would balance out. Regular monitoring of development and assessment of its impact on transport demand will enable a co-ordinated response and timely adjustment of when schemes are implemented. Ultimately if the planned level of development is not realised then demand for transport would be reduced and the programme would be reduced in scale.

4.	Demand	Development occurs at a rate faster than expected requiring transport improvements earlier than anticipated.	1	5	5	2	4.0	Moderate (1.4)	Development is planned to take place over a 20-year period during which there is expected to be fluctuations in market conditions that would balance out. Regular monitoring of development and assessment of its impact on transport demand will enable a co-ordinated response and timely adjustment of when schemes are implemented. Flexibility is built within the programme and investment fund to allow schemes to be brought forward to meet demand. A Cash Flow Model will be used to determine whether sufficient funds are available to commit to implementation of schemes.
5.	Funding	Deed of Variation to S.106 Agreement for Eastern Quarry is not agreed with Land Securities.	1	5	5	4	4.7	Moderate (1.5)	Negotiations with Land Securities to resolve issues regarding contribution to programme contained in existing S.106 Agreement has resulted in agreement on "Heads of Terms" for Deed of Variation. Continued liaison to ensure Deed of variation is signed. Ultimately failure to agreed Deed of Variation would lead to appeal of the S.106 which if successful would need to be renegotiated.
6.	Funding	Developer contributions from Eastern Quarry are not forthcoming due to cessation of development.	3	5	3	4	4.0	High (3.4)	Suitable clauses are included within the deed of Variation to the S.106 Agreement for Eastern Quarry to cover such an event. Ultimately if development in Eastern Quarry ceases then demand on transport network would be reduced. The programme has the flexibility to allow alternative schemes to be implemented. Monitoring the progress of development will ensure that any commitment to implement a scheme matches available funding.
7.	Funding	Developer	4	5	5	4	4.7	Significant	The programme approach to strategic transport

		contributions from S.106 Agreements/CIL do not produce the level of funding anticipated.						(4.5)	infrastructure improvements allows flexibility to react to changing circumstances. Alternative sources of funding would be explored to cover any shortfall from development this could include further public sector funding if available. CIL charging for the programme could be extended beyond the current timescale of 2030/31. Ultimately the programme could be reduced in its scope to match the available funding.
8.	Funding	Developer contributions from S.106 Agreements/CIL produce a level of funding in excess of that anticipated.	1	2	2	1	1.7	Low (1.2)	Flexibility within the programme would enable schemes to be brought forward to take advantage of any additional funding. Governance arrangements will allow key stakeholders to determine if any additional schemes should be added to the programme.
9.	Funding	Use of CIL to secure developer contributions towards the programme is successfully challenged.	2	5	2	2	3.0	High (2.3)	Programme established in Infrastructure Delivery Plan of the Core Strategies for Dartford and Gravesham and in the CIL Charging Schedules. Sufficient evidence provided to justify need for infrastructure, costs and charge to development. Use of more limited negotiations under traditional S.106 Agreements.
10.	Funding	Competing priorities for funding raised by CIL results in a reduced level of funding from developer contributions.	4	5	5	4	4.7	Significant (4.5)	CIL is reviewed at 5-year intervals. Flexibility in programme to delay implementation of schemes if necessary. Governance arrangements would include a Partnership Agreement between the local authorities. Programme could be reduced to match available funding. CIL funding for programme could be extended beyond 2030/31.
11.	Funding	Continued slow-down in the rate of development leads	3	4	5	2	3.7	High (3.4)	Any delay in development would delay the need for transport intervention. Flexibility within the programme to delay schemes. Developer

		to a delay in the receipt of developer contributions.							contributions would also be index linked using the Road Construction Tender Price Index so that delayed contributions would match potential increases in construction costs. CIL funding could also be extended beyond the current assumed limit of 2030/31.
12.	Funding	Further public sector funding contributions are not secured.	5	5	5	4	4.7	Significant (5.5)	Alternative sources of funding explored to cover shortfall. CIL funding could also be extended beyond the current assumed limit of 2030/31 or, if feasible, the level of CIL funding could be increased assuming the programme has priority over other community infrastructure. Programme would be reduced in scale to match available funding.
13.	Funding	Alternative sources of funding are not identified to overcome the potential shortfall in funding.	5	5	5	4	4.7	Significant (5.5)	Approach to Government to provide additional public sector funding. CIL funding could also be extended beyond the current assumed limit of 2030/31 or, if feasible, the level of CIL funding could be increased assuming the programme has priority over other community infrastructure. Programme would be reduced in scale to match available funding.
14.	Planning	Designs for the implementation of individual schemes contained in the programme fail to gain planning permission.	3	4	4	3	3.7	High (3.4)	Dartford and Gravesham Borough Councils have a prominent role in development and governance of programme. A risk based contingency will be included in costs for each scheme. Strong communication of the progress of schemes with key stakeholders and public. Alternative options considered for schemes.
15.	Planning	The purchase of third party land required to deliver individual schemes	3	3	4	1	2.7	High (3.3)	A large proportion of the schemes require land that is either in the control of the local authorities or developers who have an interest in the programme being implemented to facilitate

		contained in the programme is not achieved.							their own development. Consultation with developers to reach agreement on safeguarding of land for schemes. Both KCC and the Highways Agency can use powers of Compulsory Purchase Orders to acquire the land necessary to implement schemes.
16.	Construction	Construction costs increase.	4	4	2	4	3.3	High (4.3)	Estimated scheme costs derived to level of design of scheme and through experience and comparison with similar projects. Risk based contingency will be included in the scheme costs. Costs regularly reviewed and refined as the schemes progress. Developer contributions linked to Road Construction Tender Price Index. Flexibility within the programme to adopt alternative options.
17.	Construction	Scheme costs turn out to be less than initially estimated.	1	3	1	1	1.7	Low (1.2)	Costs regularly reviewed and refined as the schemes progress. Risk based contingency will be included in the scheme costs. Flexibility within the programme to transfer cost savings to other schemes. Governance arrangements will allow key stakeholders to determine if any additional schemes should be added to the programme.
18.	Construction	Unforeseen ground conditions and/or utilities apparatus results in increased costs and/or delays to the construction of schemes.	4	4	3	4	3.7	High (4.4)	Thorough assessment of conditions and site surveys at an early stage of the scheme design to identify potential problems. Risk based contingency will be included in the scheme costs. Alternative options considered where a risk has been identified as having an impact on the scheme costs or its viability.

Risk Assessment Scoring

Probability	5 Very Likely	Low (5.1)	Moderate (5.2)	High (5.3)	Significant (5.4)	Significant (5.5)
	4 Likely	Low (4.1)	Moderate (4.2)	High (4.3)	High (4.4)	Significant (4.5)
	3 Possible	Low (3.1)	Moderate (3.2)	High (3.3)	High (3.4)	High (3.5)
	2 Unlikely	Low (2.1)	Moderate (2.2)	High (2.3)	High (2.4)	High (2.5)
	1 Very Unlikely	Insignificant (1.1)	Low (1.2)	Moderate (1.3)	Moderate (1.4)	Moderate (1.5)
	1 Minor	2 Moderate	3 Significant	4 Serious	5 Major	
	Impact					

Proposed Governance Arrangements for the Kent Thameside Strategic Transport Programme

- (1) The following components are proposed for the Governance arrangements for the programme to be established through consultation and agreement with the key stakeholders. Currently the key stakeholders include Dartford Borough Council, the Department for Transport, the Homes & Communities Agency, Gravesham Borough Council, the Highways Agency and Kent County Council.
- (2) **Accountable Body**

Kent County Council currently acts as the Accountable Body for the programme through a decision taken on 21st February 2008 (Decision No.07/01108). In this role the County Council will enter into agreements necessary to secure funding for the programme and will manage the programme ensuring that delivery is achieved within an acceptable level of risk. It will set-up and administer a dedicated fund for the programme and use its borrowing powers when necessary to ensure the delivery of the programme.
- (3) **Funding Agreements**

Separate but inter-related funding agreements will be entered into by the County Council as the Accountable Body to secure both the public and private sector funding needed to deliver the programme. Where required this will include agreements under Section 106 of the Town & County Planning Act 1990 or Section 278 of the Highways Act 1980 or other such agreements that would secure contributions from development.

A funding agreement has already been signed with the HCA that has secured a £13m contribution towards the programme. At present further agreements are anticipated between the County Council and: -

 - a.) Dartford and Gravesham Borough Councils
 - b.) Department for Transport
- (4) **Programme Investment Fund**

A dedicated account has been established within the County Council's corporate financial system to hold both the public and private sector funding contributions. This account is solely for the use of the programme and will be subject to an independent audit.
- (5) **Steering Group**

It is proposed to establish a Steering Group initially with representatives from each of the key partners involved in the delivery of the programme. This Steering Group will meet at regular intervals to discuss matters related to the programme such as the progress of the schemes, milestones and outputs, ongoing costs and expenditure, availability of funding, the suitability of schemes in the programme, any proposed changes to the programme and any other matters as agreed by the Steering Group. The Steering Group will agree the Forward Delivery Programme.

(6) Forward Delivery Programme

A Forward Delivery Programme will be produced, in consultation with the key stakeholders, and will set out the planned expenditure and timescale for the delivery of individual schemes contained within the programme. The Forward Delivery Programme will be reviewed on an annual basis.

(7) Annual Progress Report

An Annual Progress Report will be produced which will cover: -

- a.) Expenditure on the programme to date;
- b.) Progress of the schemes contained in the programme;
- c.) Status of the Programme Investment Fund and any income that has been received;
- d.) Progress in meeting outputs and milestones;
- e.) An explanation of any delays and/or mitigating actions;
- f.) Any variations that are needed to the programme as a result of changed circumstances;
- g.) The planned expenditure for forthcoming years and the timescales for bringing forward implementation of the schemes; and
- h.) Any other matters as agreed by the Steering Group.

(8) Programme Manager

It is proposed to appoint a dedicated Programme Manager for the programme who will be responsible for its day-to-day management with the post funded from the programme. The Programme Manager would report to the Steering Group but direct line management would rest with the County Council. The Programme Manager will act as the “*Client’s Representative*” for the commissioning of schemes within the programme.

(9) Delivery Agents

The programme contains schemes that would improve both the Strategic Road Network and the Local Road Network. Delivery agents would be responsible for the implementation of individual schemes. At present this role would fall to the Highways Agency for those schemes that are part of the Strategic Road Network and to Kent Highway Services for those schemes that are part of the Local Road Network.

(10) Monitoring

Suitable data will be collected over the duration of the programme to ensure that: -

- a.) any reporting requirements set out in the funding agreements are fulfilled;
- b.) outputs and milestones of the programme are recorded; and
- c.) the programme achieves its intended aims and objectives.

**KENT COUNTY COUNCIL
LEGAL AND DEMOCRATIC SERVICES**

PREPARATION SHEET FOR A REPORT SEEKING AN EXECUTIVE DECISION

1. Whose Name will the Report be in

Mark Dance
Cabinet Member for Regeneration & Economic Development
Bryan Sweetland
Cabinet Member for Environment, Highways & Waste
John Simmonds
Cabinet Member for Finance & Procurement

2. Decision Number - if known

12/01953

3. Contact Officer and Contact Details)

Stephen Dukes, Economic Development Officer, Economic & Spatial Development Unit, BSS

E-mail address: stephen.dukes@kent.gov.uk

Telephone No: 01622 – 221962

4. TOPIC OF DECISION

(This should include the subject matter of the proposed decision (the location if appropriate) and a brief summary of the proposal)

(NB: If the decision or report are likely to disclose exempt information please specify the relevant paragraph(s) of Part 1 of Schedule 12A of the Local Government Act 1972.)

Kent Thameside Strategic Transport (Homes & Roads) Programme

1. The Kent Thameside Strategic Transport (Homes & Roads) Programme is a package of transport infrastructure improvements that respond to the complexities encountered from the impacts and mitigation measures for significant development across the boroughs of Dartford and Gravesham. The 20-year programme aims to enable development of some 22,600 new homes and around 1 million m² of commercial development with the potential for 60,000 jobs. A Key Decision was taken on 21st February 2008 (Decision No. 07/01108) agreeing to the County Council acting as the Accountable Body for the programme. Since that decision was taken there have been considerable changes to the progress of development and the level of available funding.
2. Funding for the programme largely consists of public sector grant and private sector contributions. The current estimated cost for the programme is £116.2m and the anticipated funding is estimated at £84.0m leaving a funding gap of £32.2m (current prices). Management of the financial risk associated with the current funding gap is to implement schemes only within the level of available funding. Discussions with Dartford and Gravesham Borough Councils have identified potential funding of around £5m from the New Homes Bonus initiative. This is based on an agreed 50% of the income generated by NHB related solely to the Eastern Quarry, Northfleet West Sub-Station and Springhead Park development sites up to 2015/16, the current limit of Government support for this initiative. This would result in a cost to the County Council of around £1.0m with the Borough Councils bearing the remaining cost.
3. The programme would deliver key improvements to the transport network enabling development across the boroughs of Dartford and Gravesham to proceed. In doing so the programme would contribute to Ambition 1 of the Vision for Kent and would be in line with priorities 8, 9 and 10 of Bold Steps for Kent. The programme is identified in the Local Transport Plan for Kent 2011-16 and the integrated transport strategy Bold Steps for Transport "Growth Without Gridlock".
4. A funding agreement was signed with the Homes & Communities Agency in March 2010 which has secured a £13m grant towards the programme. Following the Government's Comprehensive Spending Review in October 2010 there has been uncertainty regarding further public sector funding commitments. Discussions have taken place with both DCLG and DfT regarding the Government's continued commitment to the programme. Neither of these Government departments regards themselves in a position to make funding commitments for future years (i.e. beyond 2016/17) as these would fall beyond the tenure of the current and potentially next Government. As a result of the discussions a joint proposition has been agreed with DCLG/DfT. Whilst this proposal does not provide any further public sector funding commitment to the programme it does include a commitment by the DfT/HA to invest in further work to refresh the business case/preliminary design of the A2 Bean and A2 Ebbsfleet schemes. A commitment is also made by the DCLG/DfT to work with its Kent partners to identify funding opportunities from new Government policy and initiatives as these emerge or are clarified.
5. Negotiations have also been taking place with Land Securities regarding a Deed of Variation to the S.106 Agreement for Eastern Quarry. The original agreement required a £40m contribution paid over a 7-year period from the commencement of development and was regarded by Land Securities as an obstacle to securing a development partner. The Deed of Variation, completed on 17th August, sees a reduction in the contribution to £24.7m, proportionate to the reduced scale of the programme, and on a phased basis as a tariff per dwelling. The full £24.7m

5. Is the Proposed Decision *If the proposed decision is a key decision not on the Forward Plan please seek the advice of your Democratic Services contact.*
 (please tick one box only)

A Key Decision on the Forward Plan

Other

6. Who will make the Decision?

(please tick one box only: if the Decision is to be taken by the Cabinet Member, he or she will need to address the interest question. This section needs to be completed before the Decision route is endorsed by the Leader)

Leader

Cabinet

Cabinet Member (name)

Has the Cabinet Member declared any interest pecuniary or otherwise in the Proposed Decision?

Pecuniary		Non Pecuniary	
*YES	NO	*YES	NO

**If YES, please give details*

7. Has the proposed Decision route been endorsed by the Leader?

YES NO

8. Is the proposed decision contrary to or inconsistent with a policy within the Policy Framework?

YES NO

Is the proposed Decision within the agreed Budget?

YES NO

If you have any doubts, please consult Stuart Ballard or Geoff Mills in Democratic Services or the Director of Finance.

Please specify which document(s) in the Policy Framework the proposed Decision stems from (if none, write 'none')

Vision for Kent 2011-22
 Bold Steps for Kent
 Local Transport Plan for Kent 2011-16
 Bold Steps for Transport "Growth Without Gridlock"

9. MANDATORY CHECKS

Is Corporate Finance satisfied with the financial implications of the proposed Decision?

YES *NO

**Comment (mandatory where response is 'NO')*

The following where relevant	YES	NO	N/A
Personnel:			<input checked="" type="checkbox"/>
Property:			<input checked="" type="checkbox"/>
Strategic Procurement Adviser/Corp Procurement	<input checked="" type="checkbox"/>		
Information Systems:			<input checked="" type="checkbox"/>
Legal:	<input checked="" type="checkbox"/>		

10. OTHER CHECKS*(a) Local Member(s); (b) other Cabinet Portfolio holders affected by the proposed Decision*

	YES	*NO	N/A	Where YES, give names	*Comment (mandatory where response is 'NO')
Local Member(s)	√			Anne Allen (Wilmington) Penny Cole (Dartford East) Jeremy Kite MBE (Dartford Rural) Richard Lees (Swanscombe & Greenhithe) Jan Ozog (Dartford West) Avtar Sandhu MBE (Dartford North East) Leslie Christie (Northfleet & Gravesend West) Harold Craske (Northfleet & Gravesend West) John Cubitt (Gravesham East) Michael Snelling (Gravesham Rural) Bryan Sweetland (Gravesham East)	
Cabinet Member(s)	√			Mark Dance, Cabinet Member for Regeneration & Economic Development. Bryan Sweetland, Cabinet Member for Environment, Highways & Waste. John Simmonds, Cabinet Member for Finance & Procurement.	

**WHEN COMPLETED SEND THIS PREPARATION SHEET TOGETHER
WITH YOUR REPORT TO DEMOCRATIC SERVICES**

Our ref:
Your ref:

Kent County Council

By email

John Henderson
NDD SE Assistant Asset Manager
1A
Federated House
London Road
Dorking RH4 1SZ

Direct Line: 01306 878486

3 October 2012

For the attention of Stephen Dukes

Dear Stephen

**THE KENT THAMESIDE STRATEGIC TRANSPORT (HOMES & ROADS)
PROGRAMME
DRAFT ANNUAL PROGRESS REPORT - SEPTEMBER 2012**

Thank you for your email dated 14 September seeking our views on the annual report and the report to your cabinet concerning future governance arrangements.

The Highways Agency is still of the view that the concept of delivering a programme of strategic transport improvements is still the most appropriate approach for addressing the strategic traffic impacts arising from the development aspirations within the boroughs of Dartford and Gravesham.

They are still many matters which require wider discussion to ensure that the programme is robust and deliverable. These include discussions regarding updated modelling, costing, funding and delivery schedules as the major issues.

We welcome the proposals to establish formal governance arrangements to provide a forum for these discussions.

The Highways Agency would like to continue to remain engaged in all matters regarding Kent Thameside Strategic Transport Programme and participate in any future stakeholder meetings in respect of infrastructure schemes against which the Highways Agency is a named delivery agent or partner

Yours sincerely



John Henderson
NDD SE Asset Development Team
Email: john.henderson@highways.gsi.gov.uk
KT Response.doc

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By: Roger Gough
Cabinet Member for Business Strategy, Performance and Health Reform

David Cockburn
Corporate Director of Business Strategy and Support

To: Cabinet – 15th October 2012

Subject: Kent and Medway Broadband Delivery UK (BDUK) Project - Update

Classification: Unrestricted

Summary: Kent County Council is leading a £43 million project to transform Kent and Medway's Broadband infrastructure. This project, which is being delivered in partnership with the Government's Broadband Agency, BDUK, will ensure that at least 90% of properties can access superfast broadband by 2015 and that the remaining 10% have access of at least 2Mbits/s.

Kent County Council has managed to secure an early slot on the Government's procurement pipeline and considerable preparatory work has been undertaken to ensure that the project is ready to procure at the end of this month.

1. Introduction

- 1.1 Kent County Council is working in partnership with the Government's Broadband Agency, Broadband Delivery UK (BDUK), to deliver a major project to transform Kent and Medway's rural broadband infrastructure.
- 1.2 The project seeks to ensure that at least 90% of Kent's properties will have access to superfast broadband services by 2015 and that the remaining 10% have access of at least 2Mbits/s. This is in line with the Government's national broadband targets.
- 1.3 Without this project many rural businesses and communities would continue to have either no or very slow broadband services as there are no market-led plans to upgrade infrastructure in many rural parts of the County.
- 1.4 Kent County Council is investing over £10 million to enable this upgrade, which has been matched by £9.87 million from the Government. It is expected that the network operator who wins the right to build the network will contribute the remaining funding required for the project.

1.5 Transforming Kent and Medway's broadband infrastructure will be critical for delivering Kent's strategic ambitions as this project seeks to:

- Deliver economic growth by removing a significant barrier to development (especially for the 40% of Kent's businesses based in rural areas).
- Support KCC's ambition to put the citizen in control by providing the infrastructure to support the transformation of public services especially channel-shift agendas and next generation assisted living technologies.
- Tackle disadvantage by increasing access to services and improving educational outcomes.

1.6 Furthermore through helping to reduce the need to travel by enabling greater home-working, this project will also contribute towards the delivery of a number of environmental outcomes around carbon reduction.

2. Progress to date

2.1 Considerable progress has been made, at a local level, in taking forward the Kent and Medway BDUK Project. This work includes:

- **Implementation of a successful, demand registration campaign** – the 'Make Kent Quicker Campaign' was launched on the 15th February 2012 to provide a robust evidence for suppliers of the demand across Kent for better and faster broadband services. To date there have been over 16,000 registrations from businesses and communities across the County, with many Districts partnering the initiative and running local campaigns. Feedback from BDUK has indicated that this is an excellent response rate.
- **Securing an early slot on the Government's broadband procurement pipeline** – the Government has made it very clear that it will not be possible for all local authorities to undertake their procurements at the same time due to capacity constraints within the market. By getting early sign off of our local broadband plan, Kent County Council has managed to secure a very early slot in the Government's procurement pipeline. We are in the final process of confirming timelines with BDUK and we expect to launch our Invitation to Tender at the end of October.
- **Undertaking an Open Market Review with Suppliers** to ascertain the extent of current market deployment plans. This work is essential for meeting state aid requirements and confirming where there is market failure to finalise the intervention area for the project.
- **Completing BDUK audits on readiness to procure** – Kent County Council has already passed two BDUK audits inspecting our 'readiness to procure'. These have assessed our Invitation to

Tender documentation, the quality of our demand registration data, open market review processes and pre-application state aid work. BDUK are currently reviewing their Checkpoint process and may undertake further audit work before the ITT launch.

- **Working with BDUK on the Kent and Medway State Aid Notification** – the national BDUK rural programme constitutes State Aid under EU law. The Government is currently working with the European Commission on a UK State Aid Notification which will agree the parameters for all local authority schemes. Kent County Council has been working on the supporting information that will be required to accompany our state aid application to the Department of Culture, Media and Sport following the completion of the procurement process.
- **Ensuring that all the procurement documentation and supporting information is in place** – KCC has been working closely with BDUK on the development of the Kent and Medway Invitation to Tender. This has also involved ‘supplier warming’, meeting with the suppliers on the BDUK procurement framework – BT and Fujitsu.
- **Supporting District Councils and communities submitting bids to the Defra Rural Community Broadband Fund.** This scheme has made an additional £20 million available nationally to provide superfast broadband solutions to those ‘final 10%’ areas that would only benefit from a basic 2mb service under the BDUK programmes. Kent has performed well to date with five ‘Expressions of Interest’ being approved in the first and second rounds.

3. Issues

3.1 Although good progress has been made at a Kent level, a number of issues have arisen at a BDUK level which has delayed the national programme. These are:

- **Delays in approving the UK state aid notification with the EU**, which was originally intended to be in place by April 2012. BDUK are confident that the outstanding issues have now been resolved and that agreement will now quickly be reached with the EU.
- **Delays in finalising the BDUK procurement framework** – BDUK have established a procurement framework for local authorities to use which will prevent them having to undertake a more extensive and costly competitive dialogue process (which could take up to 12 months to complete). Delays in approving the UK State Aid notification have meant that the framework, which was due to be ready by April 2012, was not finalised until July 2012.

- **Delays in undertaking the Open Market Review process (OMR)** - due to the above delays, some suppliers have been reluctant to engage in the OMR process before the finalisation of the UK State Aid Notification. Fortunately in Kent, this work has now been completed.

4. Timescales

- 4.1 Subject to no further, externally-generated delays, we intend to launch the Kent and Medway Invitation to Tender at the end of October and have a supplier in place by early April. These timescales assume that the UK State Aid notification will be in place to support the Kent State Aid application to DCMS in February.
- 4.2 It should also be noted that it will not be possible to confirm the geographical phasing of the rollout until after the procurement has been completed.

5. Next Steps

- 5.1 The key tasks for the project team over the next six months are:
- Finalisation of the State Aid Maps for the project to set the intervention area for the project – including evaluating the extent of coverage by wireless operators across Kent and Medway.
 - Submission of State Aid Part 1 application to DCMS (early October 2012)
 - Launch of the Invitation to Tender Documents (end of October 2012)
 - Evaluation and clarification of Tender Submissions (January 2013)
 - Submission of StateAid Part 2 application to DCMS (February 2013)
 - Completion of DCMS Checkpoint C ‘readiness to contract’ (February 2013)
 - Contract award – and completion of local and national governance processes around this (early April 2013).
 - Supporting Defra Rural Community Broadband Fund Applicants in the development of their full applications to secure further funding to address ‘final 10% areas’.
 - Achieving further registrations on the ‘Make Kent Quicker’ campaign and developing new demand stimulation workstreams with partners.

6. Conclusions

- 6.1 Whilst the national BDUK programme has slipped due to delays in approving the UK state aid notification and finalising the national procurement framework, a considerable amount of work has been undertaken at a local level to prepare the ground and ensure that the Kent BDUK project is ready to go.
- 6.2 This preparatory work has meant that Kent has been given an early slot on the Government’s procurement pipeline – compared to other areas. Under current timescales issued by BDUK, we anticipate that we will

launch our procurement at the end of October and the project will commence in early April.

- 6.3 A further report will be brought to Cabinet in January 2013 to provide an update on the outcome of the procurement process and to seek authority to enter into contract.

7. Recommendation

- 7.1 That Cabinet agree the next steps detailed at 5.1

That Cabinet agree to receive a further report in January 2013 seeking authority for an award of contract.

Author Contact Details: Liz Harrison

Directorate: Economic and Spatial Development

Email: liz.harrison@kent.gov.uk

Tel: 01622 221381

Background Documents:

None

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Minutes of the Children's Services Improvement Panel
Meeting held: 2 August 2012, 09:30, Swale 1, Sessions House

Present:

Mrs Whittle (Chair)
Mr K Smith
Mr Christie
Mr Koowaree (for Trudy Dean)
Mrs Allen
Mr Wells
Mrs Waters

Officers:

Andrew Ireland
Mairead MacNeil
Jennifer Maiden-Brooks
Karen Ray
MIU Officer
Michelle Pennellier (clerk)

Apologies:

Mr Lake, Mr Ferrin, Mr Cubitt

1. Previous Minutes

1.1 The minutes were approved as an accurate record of the last meeting and agreed for distribution to Cabinet.

2. Phase 3 Improvement Plan

2.1 Mr Ireland presented this item and outlined how the report showed focus on qualitative performances, including recruitment of staff, improving quality and assessment of care planning, improving preventative services, improving outcomes for children in care and robust performance monitoring.

2.2 Mr Ireland confirmed that good progress has been made from the previous plan and that the DfE are happy with the direction. We now need to be more consistently delivering the required progress. The green ratings show where some districts are already starting to make that leap.

2.3 Mr Christie questioned whether we are currently in a 'pampered position' because of the extra budget allocation and how this will be sustainable moving forward. Mr Christie also questioned what service user feedback we currently had in place and at what level. Mr Ireland confirmed that part of the Improvement Plan is to make sure that progress is sustainable and to look at how the financial side of this is working. In terms of user feedback there are currently ongoing varying models for capturing information from cohorts of staff. It can be difficult with service user feedback as you are dealing with clients that don't necessarily want to be in the position of having our involvement. However, a feedback form is currently available and it is important that we look at the context of process and whether service users are happy with this and the time in which things have happened.

2.4 Mr Ireland indicated that we may possibly be inspected by Ofsted around the turn of the year. It is important that we have a constant sense of where we are on the improvement journey and measuring ourselves against where we want to be rather than against Ofsted criteria solely. We need to deal with the difference between the Ofsted judgement and our sense of improvements, for example, if you were to speak to social workers directly it is likely that they would still highlight issues with supervision, trackers,

performance management and quality. Mr Ireland spoke about a recent Deep Dive session completed with staff and that the focus is now far more on getting it right than getting it done quickly. Managers need to leave the Deep Dive sessions with this message to trickle down to their teams, although there is still rather a mixed picture among the districts. One or two districts are already where they need to be, others are not. Managers do have a very good grasp of the task ahead and all are on the right road, but consistency does need to be addressed and this is an immediate task that Mairead MacNeil (the new Director of Specialist Children's Services) will be focusing on. The average case loads in districts is now well below 20 which is a very good achievement.

2.5 Mrs Waters raised the lack of detail around adoption in the action plan. More enquiries are being received and more people are being interviewed but we are still not meeting the targets for the number of children adopted. Mrs Waters suggested that a 'Member Champion' is needed. Mrs Whittle advised Members that Harrow are currently placing adopted children within 4 months and that we need to aim for a similar target. Mrs Whittle has already spoken to Coram regarding writing to Members in September to ask them to act as 'pushy' corporate parents and to take an interest in specific cases of individual children and push for them to be progressed. We need to be utilising our resource of 84 Members. Mrs Allen suggested that this is something which could be incorporated into the corporate parent training.

2.6 Mr Smith suggested that the word 'theme' should be changed to 'priorities' and that adoption needed to be included as a priority. Mr Smith commented that there were 23 outcomes but that none of them had any degree of SMARTness and that of 88 targets and measures only 12-15% have any reference to SMART. Mr Smith felt that for an action plan this was more of a wish list document for managers and that we were forgetting about the children and families this is for. The document is not worded on a Social Worker level. Mr Andrew responded by stating that this is a document that has to satisfy many audiences. There are district level plans that fill the gap for targets on a ground level and it was suggested that an example of a district plan could be brought to a future meeting for Members information.

2.7 There are plans to push the Shadow a Social Worker Scheme again in September and look at the opportunity to include this in the Member induction process for June/July 2013.

3. Fostering and Adoption Marketing Campaign Presentation

Mrs Whittle confirmed that the Kent Fostering and Adoption websites were successfully launched at the County Show on 13 July.

A draft report had been received from Ofsted following the Fostering Inspection and the final judgement will be due in 20 days. Ofsted have made some encouraging comments ahead of the final judgement.

3.1 Mrs Waters questioned why we do not have feedback from adopters and carers. There could be the opportunity to provide the CSIP

meetings with a snapshot of child cases and what the outcomes have been for them.

3.2 Mr Christie asked where we are with recruitment targets. Mrs Whittle agreed to come back on the actual figures to date.

3.3 Mr Ireland commented that the campaign to get more adopters through panels and approved more speedily is a critical aspect of bringing the flow of adopters in line with the needs of children so that the matching process could be more effectively delivered. Different tactics are needed for fostering and adoption and recognition that some are now looking upon fostering as a profession. We have upped the ante on recruiting a wider range of adopters and targeting the BME market.

3.4 Mrs Whittle confirmed that we are currently looking to fast track applications of people wishing to adopt siblings, older children (those over 2 years) where the need is greatest and second time adopters

4. Recruitment Campaign Report

4.1 Karen Ray distributed and presented a paper intended to update the board on progress with recruitment of Social Workers.

4.2 Karen Ray highlighted the need to look at the difference between the number of applications and the number of applicants meeting the shortlisting requirements and the actions needed to address the large gap between the two.

4.3 Six appointments of existing social work students have been made.

4.4 Mrs Whittle spoke about the need to reduce our dependency on agency workers. Vacancy rates for permanently qualified staff, which are filled by agency staff, are still high, although it is difficult to calculate the vacancy rate for management posts as the restructure is still under way. Karen Ray confirmed that we are talking to agency workers about the specific benefits of becoming substantive members of staff.

4.5 Considerable problems have been identified with the recruitment micro-site, including no clear list of benefits of working for Kent. A Google search for Social Work jobs in Kent also brings up a number of other sites before Kent and therefore our search ranking needs to be addressed. Our main website indicated that applications closed on 1 August 2012 which is incredibly misleading as we should be operating a rolling programme of recruitment to Social Work posts. Information about Principal Social Workers also needs to be revised as these positions no longer exist under the new structure. Mrs Whittle instructed that this be resolved with immediate effect.

4.6 Karen Ray spoke about the work being undertaken to develop a new Recruitment Strategy with an Action Plan. This is still at draft stage at the moment but it includes strong links with the Communication team. Karen offered to bring this document, coupled with analysis of staff retention to a future meeting for Members attention.

4.7 Mr Smith highlighted the fact that 100 permanent social workers were still required. Karen Ray confirmed that the action plan was in place to monitor how we achieve this.

4.8 Mrs Allen asked where we are with recruitment of overseas workers compared with around two years ago and whether this is looked at as part of the retention analysis. Mr Ireland commented that language and cultural differences of workers from overseas is an issue and many of them do return home in time and this may actually be a current contributory factor in our vacancy rates.

4.9 Mr Christie asked how we compare with our statistical neighbours in terms of recruiting experienced social workers. Are wages and the public sector pay freeze a problem? Karen Ray confirmed that this is part of the research conducted around pay and reward and that Essex currently have a vacancy rate of around 20%. Recruitment in two of our districts has gone down – Sevenoaks and Gravesend and therefore information is needed for the micro-site on what is good about working in specific districts so that our marketing can be more targeted. Word of mouth messages could also be used.

4.10 Mr Wells questioned whether we are now at the stage where we recognise we are not necessarily going to get to where we want to, and do we need a radical way of thinking or a plan b as to how we provide front-line services to children. Mr Ireland commented that this linked closely with our development of Early Intervention Services, where clearly a fully qualified social worker workforce is not required. Work is also underway to set up a specific Contact Service to free up the time and capacity of Social Work Assistants currently undertaking this work. Mr Wells suggested that we needed to be performing 'spot checks' to drive the service forward and that case studies for recruitment such as 'why I moved to Kent' and 'Why I love Kent' could be useful.

5. KCC Progress Report

5.1 Mr Ireland presented this report which was a copy of the one that went to the Kent Improvement Board on 30 July.

5.2 Mr Ireland commented on the inspection feedback which stated that the work of the Virtual School Kent was exceptional.

5.3 Mr Christie requested that updated structure charts for Children's Services following the start of restructuring would be helpful. Mr Ireland stated he would bring an update from that the Adoption sub-group of the Improvement Board, chaired by Jonathan Pearce (former Chief Executive of Adoption UK and new Chief Executive of the Cabrini Children's Society) to a future panel meeting.

6. Data Reports

6.1 An officer from the Management Information Unit attended the meeting to assist in answering any questions from Members in relation to the scorecard and data reports.

6.2 The Kent scorecard followed by the district reports were discussed by Members.

7. Any Other Business

7.1 Nothing to discuss.

Dates of future meetings

Agenda Setting*	Time	Meeting	Time	Venue
12 April	4 pm	26 April 2011	12.30	Waterton Lee
3 May	11 am	17 May	4 pm	Swale 3
7 June	4 pm	22 June	9 am	Medway
6 July	3.30 pm	13 July	3 pm	Swale 3
27 July	10 am	25 August	11 am	Swale 3
31 August	2 pm	20 September	2 pm	Medway
12 October	10.30am	24 October	2.30 pm	Cabinet Room
15 November	11am	7 December	3pm	Cabinet Room
4 January 2012	3pm	17 January 2012	2pm	Cabinet Room
14 February	10am	7 March	3pm	3rd Floor, Brenchley Hse
19 March	3:30pm	11 April	3pm	Cabinet Room
29 May	10am	7 June	9.30am	Cabinet Room
11 July	2pm	2 August	9.30am	Swale 1
18 September	10.30am	3 October	2pm	Cabinet Room
15 November	10.30am	29 November	9.30am	Cabinet Room
17 January 2013	11am	31 January	9.30am	Cabinet Room

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