

## KENT COUNTY COUNCIL

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### ENVIRONMENT & TRANSPORT CABINET COMMITTEE

MINUTES of a meeting of the Environment & Transport Cabinet Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Wednesday, 18 January 2017.

PRESENT: Mr M J Harrison (Chairman), Mr C R Pearman (Vice-Chairman), Mr C W Caller, Mr I S Chittenden, Dr M R Eddy, Mr P M Harman (Substitute for Mr M E Whybrow), Mr P J Homewood, Mr B E MacDowall, Mr R A Marsh (Substitute for Mr C Simkins), Mr J M Ozog, Mr A Terry (Substitute for Mr M Baldock), Mrs C J Waters and Mr M A Wickham

ALSO PRESENT: Mr M A C Balfour and Mr P M Hill, OBE

IN ATTENDANCE: Mrs B Cooper (Corporate Director of Growth, Environment and Transport) and Mrs A Hunter (Principal Democratic Services Officer)

#### UNRESTRICTED ITEMS

##### **247. Apologies and Substitutes**

*(Item A2)*

Apologies for absence were received from Mr Baldock, Mr Simkins and Mr Whybrow. Mr Terry, Mr Marsh and Mr Harman attended as substitutes for Mr Baldock, Mr Simkins and Mr Whybrow respectively.

##### **248. Declarations of Interest by Members in items on the Agenda**

*(Item A3)*

There were no declarations of interest

##### **249. Draft 2017-18 Budget and Medium Term Financial Plan**

*(Item D1)*

*Katie Stewart (Director of Environment, Planning and Enforcement), Kevin Tilson (Finance Business Partner – Growth, Environment and Transport) and Roger Wilkin (Director of Highways, Transportation and Waste) were in attendance for this item*

- (1) Mr Tilson introduced the report which set out the key assumptions underpinning the 2017/18 budget proposals and savings relevant to the remit of the Environment and Transport Cabinet Committee, information from KCC's budget consultation, the Chancellor's Autumn Budget Statement and the provisional local government finance settlement. He drew particular attention to: paragraph 2.6 of the report which set out a summary of changes to the 2017/18 budget equation since the Autumn Budget Statement was published for County Council on 20 October 2016; and to paragraph 2.8 which set out the most significant movements between the Autumn Budget Statement and the Final Draft Budget as well as the appendices.

- (2) Mr Tilson said that local government spending over the medium term was intended to remain at “flat cash”, which meant that reductions in government funding would need to be offset by growth in council tax and business rates. There would be no additional funding for rising costs or demand pressures and any increases would have to be met by savings or spending reductions elsewhere in the budget.
- (3) Mr Tilson said that about 75% - 80% of the gross budget for the Growth, Environment and Transport Directorate (GET) related to contracts and there was a significant pressure from contractual price increases. These were set out in the Medium Term Financial Plan (MTFP) and summarised in Appendix 1 of the report. The net budget for the GET Directorate was £163m and £5.2m worth of spending demands had been included in the budget for 2017/18.
- (4) In response to questions officers gave the following information.
- (i) The authority had a duty to monitor and control pollution from closed landfill sites to ensure public safety and environmental protection.
  - (ii) Pressures of £4.5m had been identified in the budget for 2016/17 and this had increased to approximately £5.2m for 2017/18.
  - (iii) The reduction in budget proposed for traffic management services would not damage the service and reflected good commissioning and service management.
  - (iv) The replacement and improvement of pedestrian signals was funded from the capital budget.
  - (v) Further detailed information about the data used for calculating inflationary increases could be provided outside the meeting. However the MTFP listed inflationary pressures of £239,000 for energy costs, £394,000 for highway contracts, £1.1million for waste contracts and £477,000 for public transport, all of which were based on recommendations from the Council’s energy and transport consultants and/or based on RPI/CPI/contractual inflationary uplifts
  - (vi) Income projected from development planning and planning applications reflected both an inflationary increase, an analysis of demand and income generated over the previous four years and the number of planning applications known to be in the “pipeline”.
  - (vii) The budget for Subsidised Bus Services reflected an inflationary increase and there were no plans to reduce particular services, with the only saving being the full year effect of the saving agreed in the prior year
  - (viii) Information about the amount KCC paid to meet claims for damage arising from potholes could be provided outside the meeting. As a result of a rigorous highway maintenance programme, KCC had among the

lowest rates of successful claims when compared with councils of a similar size.

- (ix) “Hotboxes” were used in Kent and were included in the highways maintenance contract.
  - (x) In addition to the provision for potholes in the 2016/17 budget a further £2.77m had been spent with the possibility of a further £300,000 by the end of the year. A further £2.2m Pothole Fund had recently been announced by government to be spent in 2017/18. The proposed budget for dealing with potholes in the 2017/18 budget showed a modest reduction in spending, however, this could change if further ad hoc sources of funding became available.
  - (xi) The relatively mild winters in the last four years had resulted in underspends in the Adverse Weather Budget and were used for additional soft landscaping. In September 2016 it had been agreed that future underspends in the Adverse Winter Budget would be ring-fenced for soft landscaping works, however, it was not yet clear whether current year’s budget would be underspent.
  - (xii) Improvements to the A299 (Thanet Way) were funded from the Council’s Capital Programme.
  - (xiii) The budget for the Young Persons Travel Pass was based on the projections for school rolls and the percentage of those on the roll who currently used a travel pass. The budget had also been aligned to reflect current year activity, as well as the number of school days the pass would be used in 2017/18. The number of days the pass is used changes each year, with fewer days in 2017/18 because of the timing of the Easter holidays.
  - (xiv) Members’ community grants appeared within the Strategic and Corporate Services Budget and any Highways’ related spend would be subject to in-year transfers between budgets depending on how Members chose to spend them.
  - (xv) Grants to district and borough councils for Public Rights of Way came from the Capital Programme and included some money from the Regional Growth Fund.
  - (xvi) The small increase in budget for Adverse Weather was only to take account of inflation.
  - (xvii) The small increase proposed in the draft budget for Public Rights of Way recognised a new statutory duty in relation to planning searches. It was however anticipated that for subsequent years this additional service would be cost neutral and generate a small income stream.
- (5) Comments were also made about: the value of including information about the exchange rates used when calculating inflationary increases in energy and other costs (which would be fed back to Finance as it related to the entirety of

the budget papers); the need to use a large font in reports and their appendices to enable robust scrutiny; and the need to consider changing the name of the Eurokent Road.

- (6) Mr Hill (Cabinet Member for Community Services) said the success of the Turner Contemporary in Margate was well-recognised and it was hoped that the level of funding from KCC would be reduced over time.
- (7) Resolved that the draft budget and Medium Term Financial Plan (including responses to consultation and government announcements) be noted.