

KENT COUNTY COUNCIL

SCRUTINY COMMITTEE

MINUTES of a meeting of the Scrutiny Committee held Online on Friday, 22 January 2021.

PRESENT: Mr A Booth (Chairman), Mr J Wright (Vice-Chairman), Mr M A C Balfour, Mr P V Barrington-King, Mrs P M Beresford, Mrs R Binks, Mr R H Bird, Mr G Cooke, Mrs T Dean, MBE, Mr D Farrell, Mr R C Love, OBE, Dr L Sullivan and Mr B J Sweetland

ALSO PRESENT: Mr P J Oakford (Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services), Mrs C Bell (Cabinet Member for Adult Social Care and Public Health) and Miss D Morton (Deputy Cabinet Member for Adult Social Care and Public Health)

IN ATTENDANCE: Ms Z Cooke (Corporate Director of Finance), Mr A Scott-Clark (Director of Public Health), Mr B Watts (General Counsel), Mr D Shipton (Head of Finance Policy, Planning and Strategy), Mr M Rolfe (Head of Kent Scientific Services/Interim Head of Kent Resilience Team), Mr J Whiddett (Trading Standards Operations Manager), Mr G Romagnuolo (Research Officer - Overview and Scrutiny) and Mrs A Taylor (Scrutiny Research Officer)

UNRESTRICTED ITEMS

22. Introduction

(Item A1)

The Chairman stated his disappointment at the non-attendance of the Church Representative and Parent Governor co-opted members.

23. Declarations of Interests by Members in items on the Agenda for this Meeting

(Item A3)

Dr Sullivan declared an interest in Item A6 and informed the Committee that her husband was employed in the Children, Young People and Education directorate.

24. Minutes of the meeting held on 27 November 2020

(Item A4)

RESOLVED that the minutes of the meeting held on 27 November 2020 were a correct record and that they be signed by the Chairman.

25. Minutes of the meeting held on 10 December 2020

(Item A5)

RESOLVED that the minutes of the meeting held on 10 December 2020 were a correct record and that they be signed by the Chairman.

26. Draft 2021/2022 Budget and Medium Term Financial Plan *(Item A6)*

Committee consideration based on the draft budget issued 7 January 2021.

Mr P Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services; Mrs Z Cooke, Corporate Director of Finance and Mr D Shipton, Head of Finance Policy, Planning and Strategy were in attendance for this item.

1. Mr Oakford provided a verbal overview of the budget and noted its progression through the Cabinet Committees. He stressed the fiscal significance of the past 10 months on County Council finances and noted the high level of uncertainty. Mr Oakford added that a possible adjustment of services and risks may be required, especially related to children's services expenditure, when considering a future return of pupils to school as an example.
2. Mr Shipton gave a presentation which provided a detailed overview of consultation feedback, the revenue budget and capital programme, schools budgets, financial risks, resilience, and medium-term planning. He noted that the provisional 2021-22 Local Government Finance Settlement (LGFS) had been greater than expected. Council Tax increases were outlined as a 1.99% general precept increase and a 3% Adult Social Care precept increase. Mr Shipton added that confirmation of Kent's ringfenced Public Health grant was still pending. Net spending increases were cited at £98m, £80.7m for business-as-usual operations and £17.3m directly related to Covid-19 operations, savings of £23.2m were delineated. Budget risks were addressed, Members were informed that financial risks had been considerably greater during the 2020-21 financial year as a result of the pandemic and that the trend would continue into 2021-22, assurances were given that reserves were to be bolstered to mitigate risks associated with in-year service demands. Kent's financial resilience was compared with other upper tier authorities, it was noted that the authority had comparatively low levels of reserves and relatively high levels of debt than other county councils.
3. The Chairman commended Mr Oakford, Mrs Cooke, Mr Shipton and all Officers within the Finance division for their efforts in producing a resilient budget given the challenges presented by the Covid-19 pandemic.
4. A Member appealed to the Monitoring Officer with a request for additional information concerning the County Council's revenue variation statements. Sections 4(a), 4(h), 7.1(b), 8.10(b), 17.68, 21.9 and 21.10 of the Constitution were cited by the Member. POST MEETING NOTE: A written response, from the Monitoring Officer, to the requests made by the Member was circulated to the Committee on 3 February 2021.
5. The Committee scrutinised the Draft 2021/2022 Budget and Medium Term Financial Plan on a page-by-page basis, the following questions were asked:
 - a. In relation to the national fiscal and economic context, a Member asked to what extent above inflation Council Tax increases were sustainable

for Kent's taxpayers. Mr Oakford reassured Members that KCC had continued to lobby central government, directly and through the LGA and CCN for greater and longer-term financial settlements. Mr Shipton added that central government had published the 2021-22 Core Spending Power index, which analysed the resources available to local authorities to fund service delivery and set out its assumptions of Council Tax increases. It was confirmed that Kent's proposed increase was in line with the Government's assessment.

- b. A Member requested a statement of confidence from the Deputy Leader regarding the figures outlined for Capital Receipts. Mr Oakford stated his confidence in the Capital Receipt figures and his expectation that the projected figures would be achieved despite the associated risks.
- c. Mr Oakford was asked whether the future use and possible sale of KCC owned properties to provide additional capital had been considered. He noted that properties had been sold to fund capital projects over past 10 years and that the current focus of Infrastructure had been on analysing building use, especially when leasehold properties were considered. A Member requested that future capital demands and the use of KCC's estate be added to the Work Programme, this would be added to the agenda for a future Scrutiny Committee meeting.
- d. A Member requested clarification on future Member remuneration. Mr Oakford confirmed that the independent Member Remuneration Panel would make a recommendation on the appropriate level of Member remuneration for decision by County Council in May and that a 2% rise in allowances had been budgeted to reflect the existing scheme.
- e. A Member asked whether the capitalisation of mobile classrooms on school sites was possible or had been considered whilst schools were closed. Mr Oakford noted that the grounds for using mobile classrooms had been short term and to permit the continuation of construction projects. Mr Shipton confirmed that mobile classrooms could not be capitalised as they do not meet the requirement of enhancing an asset. When asked to confirm whether mobile classrooms were rented by the authority and to disclose the total spent by KCC on mobile classrooms, Mr Shipton agreed to circulate the relevant information to the Committee following the meeting.
- f. In relation to the contribution to reserves outlined in the 2021-22 Revenue Growth Proposals, a Member asked whether when the impact of Council Tax increases on economically vulnerable taxpayers was considered, what the rationale for reserve contributions had been. Mr Oakford confirmed that the increase in reserves were to mitigate the risks associated with increased service demands during the financial year, he cited the future easing of social restrictions and return to

school as an example of key drivers of demand, in particular for children's social care and home to school transport.

- g. A Member asked whether the Community Warden service would be evenly distributed across the county given the proposal to maintain the current number of staff posts. Mr Oakford reassured the Committee that he had worked with the Cabinet Member for Community and Regulatory Services and the Corporate Director of Growth, Environment and Transport to ensure that the service had the appropriate level of resources to provide coverage across the county.

6. The draft capital and revenue budgets were not noted by Dr Sullivan.

RESOLVED that the Scrutiny Committee note the draft capital and revenue budgets including the responses to the budget consultation.

27. Local Lockdown Directions - Broadstairs Christmas Market (20/00125) and Pantiles Market (20/00131)

(Item A7)

Mrs C Bell, Cabinet Member for Adult Social Care and Public Health; Miss D Morton, Deputy Cabinet Member for Adult Social Care and Public Health; Mr A Scott-Clark, Director of Public Health; Mr B Watts, General Counsel; Mr M Rolfe, Head of Kent Scientific Services and Mr J Whiddett, Trading Standards Operations Manager were in attendance for this item.

1. The Chairman introduced the Cabinet Member for Adult Social Care and Public Health, Director of Public Health and Monitoring Officer and invited them each to provide an overview of the decisions taken, timeline and multi-agency operations.
2. Mrs Bell gave a verbal overview of the Local Lockdown Directions decision making processes and confirmed that Public Health had contacted both event organisers and the respective District and Borough Councils with their concerns prior to the decisions. She added that the decisions had been taken in the public interest.
3. Mr Binks noted that, as the local Member, she had responded to the notification of the Broadstairs Christmas Market urgent decision, despite the report citing that she had made no comment. Mrs Binks confirmed her supported for the Broadstairs Christmas Market decision.
4. Mr Watts drew to the Committee's attention the improvement in information reporting related to both Local Lockdown Directions, following the Committee's request that reporting be provided at a greater depth and with the inclusion of the lessons learnt during the decision process.
5. A Member asked under what circumstances Public Health were made aware and involved in the actions to respond to events. Mr Scott-Clark confirmed that Public Health were informed through the information cell of the Kent

Resilience Forum, which collected intelligence on events, developments and included cooperation with KCC Trading Standards.

6. Mr Scott-Clark was asked why the decision to close Broadstairs Christmas Market had taken place with such short notice. He confirmed that the event had opened later than had been anticipated due to initial decisions taken by the District Council, which delayed Public Health's response as a result.
7. Mr Watts offered to provide a legal briefing to Members outlining the authority's powers relating to Covid-19 social restriction enforcement, he noted the speed of regulation changes and policy developments. A Member recommended that a standing item concerning the new regulations and powers affecting the authority be added to the Committee's Work Programme and that it include how Kent was set to respond to the changes, this would be included on the agenda for future Scrutiny Committee meetings.

RESOLVED that the Scrutiny Committee note the report.

28. Short Focused Inquiry - Farming Economy

(Item A8)

Mr G Romagnuolo, Research Officer, Overview and Scrutiny was in attendance for this item.

1. The Chairman provided a verbal overview of the Short Focused Inquiry (SFI) and outlined the timeline. He noted the contributions made by Members across the Council. The comments of David Smith, Director of Economic Development, in response to the draft SFI recommendations were highlighted.
2. Members thanked Mr Romagnuolo for his work on the report and for reflecting the contributions and recommendations of Members. The contributions of the individuals and organisations who gave their experiences, expertise, and views to the Inquiry during its hearings were acknowledged.
3. Mr Romagnuolo outlined the Inquiry's information gathering process and highlighted the report's key findings which included: that British agriculture provided half of the nation's food supply and employed half a million people; Kent had a high concentration of rural businesses; capital investment in the rural economy had reduced; a reduction in rural tourism and a restriction of labour movement had constricted rural industries and that local farmers welcomed further advisory support, especially on diversification.
4. In reference to trade and perishable goods, a Member reminded the Committee that the report had been drafted prior to the EU-UK Trade and Cooperation Agreement, affective as of 1 January 2021. Mr Romagnuolo agreed to factor any alterations resulting from the Trade and Cooperation Agreement into the final report.
5. A Member noted the impact Covid-19 social and business restrictions had on the hospitality industry directly and food supply industry indirectly. A need to

ensure that decision makers were made aware of the impact and consequences restrictions had on the food supply chain was stressed.

6. It was said by a Member that KCC needed to increase its rural stewardship and involvement with the rural economy, when the impact rural industries had on the lives of people across Kent was considered. The Member recognised a Kent Rural Board as a possible means of engaging with rural industries to a greater extent, as was outlined in Recommendation 5 of the draft report.
7. The monitoring of soil, including soil depletion and the loss of farmland were raised by a Member as areas which KCC should expand data collection on. It was noted that Kent possessed a significant proportion of the UK's most fertile agricultural land.
8. In reference to Recommendation 5 of the draft report, a Member noted the need to consider the unintended consequences of EU Exit on the rural economy and identify possible environmental improvements. The need to improve data sharing with rural businesses was stressed. Recommendation 11 was praised for raising awareness of the impact fly-tipping had on rural landowners.
9. A Member noted the significant impact the pandemic had on the dairy industry and stressed the importance of building strong relationships with major supermarkets.
10. In reference to Recommendation 6 of the draft report, a Member stated that further support for the rural economy was required, gave their support for a rural board and emphasised the need for a Cabinet Member to act as Kent's rural champion.
11. The Chairman agreed to endorse a commitment to protect potentially productive land in his covering letter to the Leader and relevant Cabinet Members.
12. Mr Love moved and Mr Farrell seconded an additional recommendation to the Short Focused Inquiry Report that **“KCC’s Cabinet Member for Economic Development should draw the attention of the Secretary of State for Environment, Food and Rural Affairs to the devastating impact felt throughout the food Rural Affairs to the devastating impact felt throughout the food production and supply chain in Kent of the Covid restrictions imposed on the hospitality industry, and should urge that this impact is fully taken into account during future consideration of current or further restrictions.”**
13. Members voted on the motion. The motion was won.

RESOLVED that the Scrutiny Committee approve the Short Focused Inquiry Report into the farming economy, and that it be submitted to the Leader and relevant Cabinet Members along with a request for a formal response to the recommendations within two months.

POST MEETING NOTE: The recommendation that “KCC’s Cabinet Member for Economic Development should draw the attention of the Secretary of State for Environment, Food and Rural Affairs to the devastating impact felt throughout the food Rural Affairs to the devastating impact felt throughout the food production and supply chain in Kent of the Covid restrictions imposed on the hospitality industry, and should urge that this impact is fully taken into account during future consideration of current or further restrictions” was included in the published Short Focused Inquiry Report.

The Farming Economy SFI report was submitted to the Leader and Cabinet Member on 9 February 2021 for a response within two months.

29. To note 2021/2022 Scrutiny Committee meeting dates
(Item A9)

RESOLVED that the future meeting dates be noted.