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To: Environment and Regeneration Policy Overview Committee – 06 November 2008

**Subject: MEDIUM TERM PLAN 2009-10 TO 2011-12**

Classification: Unrestricted

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Summary:	<p>To update the committee on the Autumn Budget Statement report to Cabinet on 15 September 2008 and any later announcements by Government departments. To provide a strategic summary of the service enhancements and savings proposals for the next three years for the functions that the committee overviews.</p> <p>Members are invited to comment on the key issues for the services provided by the Environment and Regeneration Directorate.</p>
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## **1. Introduction**

- 1.1 The Autumn Budget Statement report by the Leader, Cabinet Member for Finance, Chief Executive and Director of Finance to Cabinet on 15 September 2008 set out the national and local context for KCC's medium term plan (MTP) for the period 2009-12 to 2011-12.
- 1.2 This report expands on that report, updates for the latest developments, looks in more detail at specific elements in the directorate medium term plan, and invites Members to comment on the key issues for the services provided by the Environment and Regeneration Directorate.

## **2. Background**

- 2.1 This paper summarises the current budget position for 2009-10 and is based on submissions to Corporate Finance as part of the Medium Term Plan process. Indicative cash limits for 2009-10 and 2010-11 were approved by County Council in February 2008 in the MTP for 2008-11. These figures are being updated for known changes such as transfers of activities or staff between portfolios and the forthcoming provisional local government finance settlement, expected in late November or early December.

### **3. Latest Developments: National Context**

- 3.1 There are a number of national factors to take into account.
- 3.2 The government's Comprehensive Spending Review 2007 which was published on 9 October 2007 set out national spending plans for the next three years, 2008-11. The overall position and direction of the UK and world economy has continued to clearly and significantly deteriorate since that point.
- 3.3 Inflation is running at 5.2% (CPI - September) and 5.0% (RPI – September), well above the levels assumed in the government's spending plans and well above the level of our indicative grant settlement increase.
- 3.4 The latest OECD forecast issued in September predicts growth of just 1.2% for 2008 in the UK and shrinkage in the economy for the latter two quarters of 2008-09, which meets the working definition of a recession, two quarters of negative growth. This is around half the medium term level assumed in the government's spending plans.
- 3.5 The "credit crunch" continues to provide instability in financial markets and credit markets. There are clear spill over effects on the ability of any one individual or organisation to lend and borrow, to know whom it is "safe to do so", at what is a "reasonable" rate of interest for the "risk" involved. These consequentially affect the ability of individuals and organisations to fund planned capital expenditure, thus limiting proven demand for assets, limiting the ability for counterparties to sell assets at a firm "market" price. KCC is less directly affected by the "credit crunch", but not exclusively insulated, from the wider effects that we are all experiencing in every day life.
- 3.6 There are no significant changes to our budget assumptions which were set out in the autumn Budget Statement in September. Key assumptions remain:
  - 3.2% formula grant increase for each of the next two years (although net of LABGI losses this is worth an effective 2.0% in 2009-10) given the pre-announced provisional local government finance settlement;
  - Approximately 1% reduction in cash terms each year for Area Based Grant on like for like basis as some initial start up grants cease (Area Based Grant will increase by approximately £32m in 2009-10 to allow for the transfer of Supporting People grant into ABG – but this is merely a transfer and not new money);
  - Specific grants (which are increasingly primarily targeted at education and children's services and of course ring-fenced) increase as set out in the three year local government finance settlement (e.g. DSG headline increases of 3.4% for 2009-10, 4.1% for 2010-11, Sure Start, Early years and Childcare headline increases of 10.6% for 2009-10 and 13.9% for 2010-11);

- 5% maximum increase in council tax per annum given the threat of capping but equally a desire to keep actual council tax increases as low as practicable;
- Council Tax base grows by 1% per annum;
- That there is no deterioration beyond that already provided for in the collection fund as the housing market stalls;
- A limit on pay having due regard to the Chancellor of the Exchequer's stipulation to all pay review bodies that public sector pay increases must be contained within a 2% limit;
- That specific grant changes and risks do not adversely move against us, but if they do and funding is directly reduced, we will have no option but to reduce services;
- That Dedicated Schools Grant is sufficient to meet all government promises on service extension and minimum funding guarantees;
- That costs of asylum seekers are fully met and reimbursed by government;
- That we have fully captured updated pressures on our services (pay, prices, demographics, demand, legislation, impact of the "credit crunch" etc.);
- That we deliver significant efficiencies and savings in specific services and through a series of cross cutting reviews of services.

#### 4. The current budget

4.1 The current budgets for portfolios under the oversight of this POC are as follows:

Portfolio	Gross spend £'000	Income £'000	Net spend* £'000
Environment, Highways and Waste	152,081	-12,595	139,486
Regeneration and Supporting Independence	11,004	-2,623	8,381
<b>Total for POC</b>	<b>163,085</b>	<b>-15,218</b>	<b>147,867</b>

\* Excludes Corporate overheads and capital recharges

Further detail is outlined in Appendix 1.

4.2 In very brief summary this budget provides for the following outcomes, outputs and/or service improvements:

- Managing, improving and maintaining 8,484km of highway, 12.6 million square metres of footways, 119,000 streetlights, 133,936 signs and 2,753 structures
- Supports socially necessary but uneconomic bus services
- Provides free bus travel for young people aged between 11 and 16 under the "Freedom Pass" pilot
- Manages the disposal of 812,000 tonnes of household waste

- Maintenance, enhancement and ensuring access to a healthy and diverse Kent environment
- Delivering high quality urban and environmental regeneration
- Stimulate new investment and support the business sector
- Consultation on and development of major planning strategies
- Process 350 planning applications per year

Further detail is outlined in Appendix 2.

4.3 As reported in the quarterly monitoring reports there are spending pressures/savings in the following areas:

- Highways inflation
- Energy costs
- Waste disposal inflation offset by savings in waste tonnage and disposal method
- Transport inflation
- Country Parks

Further detail is outlined in Appendix 3. Note: most pressures have been addressed through use of Directorate/Corporate roll forward from 2007-08

## 5. Environment and Regeneration Priorities for the Medium Term Plan

5.1 Enclosed with this report at Appendix 4 is a first draft paper of the Medium Term Service Priorities for Environment, Highways & Waste and Regeneration & Supporting Independence which will shape our contribution to Section 3 of the Medium Term Plan.

5.2 Members will appreciate, from the information in Section 3 above, that the financial framework for the medium term will be very tough for all Directorates and comes at a time when demand for services has never been higher, both because more people need services and because of greater public expectations.

5.3 Whilst the Directorate is implementing modernisation changes that will increase efficiency and effectiveness, this will not avoid altogether the need for some difficult decisions over the medium term.

5.4 Areas of spending priority for which significant additional funding is proposed are as follows:

**Pressure £9,359k** – this is the total of the price pressures across EH&W for 2009-10 and includes the catch-up on 2008-09. These price pressures result mainly from the increased cost of fuel, energy and aggregates.

**Pressure £2,155k** – this is a government/legislative pressure resulting from the landfill tax escalator, which will increase by £8 for every tonne of waste that is put into landfill.

**Pressure £3,800k** – this is to cover the roll-out of the Freedom Pass pilot so that all young people between the ages of 11 and 16 will be eligible for free bus travel.

**Pressure £1,484k** – this is to invest in our highway service to improve maintenance of roads, street lighting, drainage and structures etc.

**Pressure £500k** – this is to invest in our electronic congestion management and maintain message signs, controlled traffic lights etc and the hardware and software that support these.

5.5 The position can be summarised as follows:

	2009-10	2010-11	2011-12
	£'000	£'000	£'000

**Existing pressures in published MTP 2008- 2011**

Pay	508	518	
Prices	3,458	3,355	
Legislative	2,155	2,073	
Demand	175	0	
Towards 2010	4,000	0	
Service Improvements	270	159	
<b>New pressures</b>			
Prices	5,909	2,504	6,100
Legislative	0	0	2,073
Demand	45	0	0
Service Improvements	2,587	603	-74

More detail is set out in the attached draft Medium Term Plan Financial Appendix 5. For reference, the previous published MTP for 2008-11 is reproduced in Appendix 6.

5.6 The detailed proposals are still being iteratively developed and will be subject to consultation and deliberation over relative service priority. The POC is equally asked to prioritise the functions and budget that it has oversight of and indicate what types and areas of savings, broadly, might be achievable and acceptable, if there were a savings requirement of:

- 1%;
- 3%; or
- 5%;

of net revenue budgets. To assist and remind Members of the current position, the current budgets for the functions they have oversight of are attached as an appendix to this report.

## **6. Recommendation**

6.1 Members are asked to note and comment on the above proposals.

6.2 Members are invited to identify and express their relative priorities for services and to indicate, broadly, areas and types of savings and efficiencies that they consider could be realistically be achieved.

## Appendix 1 – Existing 2008-09 budgets

# ENVIRONMENT, HIGHWAYS & WASTE

## REVENUE SPENDING

2007-08		2008-09			
Spending Plans	Spending Plans	Total	Income	Net	
£'000	£'000	£'000	£'000	Cost	£'000
44,493	Kent Highway Services Group	57,142	-6,306	50,836	Managing, improving and maintaining 8,484km of highway & 2,753 structures. Seeking to ensure safety of the travelling public. Integration of travel needs, optimising maintenance spending, reducing road casualties, improving transport infrastructure.
6,506	Public Transport Contracts Group	14,224	-669	13,555	Support of socially necessary but uneconomic bus services and public transport & information projects. Freedom Pass.
57,318	Waste Management Group	65,735	-1,158	64,577	Managing the disposal of some 800,000 tonnes of household waste. Waste minimisation projects.
3,996	Environmental Group	8,112	-4,000	4,112	Maintenance, enhancement and ensuring access to a healthy & diverse Kent environment.

## Appendix 1 – Existing 2008-09 budgets

# ENVIRONMENT, HIGHWAYS & WASTE

## REVENUE SPENDING

3,992	Strategic Management, Finance, Performance and Information and Analysis Group (Also includes Change & Development Group - transferred from R&SI Portfolio)	6,401	-462	5,939	Provides key management processes; IS, Personnel, Finance, Property, Health and Safety, Analysis & Information Team, Communication, Marketing. Contains budgets for Director, Divisional Heads, pensions, training, service level agreements and office running costs.
459	Transport Strategy Group	467		467	Creation, Consultation and Promotion of the Local Transport Plan.

**116,764** Budget Controlled by this Portfolio      **152,081**    **-12,595**    **139,486**

### PLUS:

Budgets controlled by other portfolios:

2,537	♦ Central costs	527		527	
4,779	♦ Devolved budgets	6,185		6,185	
	♦ Service costs				
11,148	Charges for using capital assets	13,906		13,906	
<b>135,228</b>	<b>TOTAL SERVICE COSTS</b>	<b>172,699</b>	<b>-12,595</b>	<b>160,104</b>	

## Appendix 1 – Existing 2008-09 budgets

# ENVIRONMENT, HIGHWAYS & WASTE

## REVENUE SPENDING ❖ HOW THE MONEY IS SPENT

2007-08 Spending Plans £'000		2008-09 Spending Plans £'000
	<b>Employee Costs</b>	
22,570	Salaries and Wages	24,129
635	Pension and Severance Payments	658
272	Training Expenses	272
54	Other Employee Costs	57
<b>23,531</b>	<b>Total Employee Costs</b>	<b>25,116</b>
	<b>Premises Costs</b>	
264	Repairs, Alterations and Maintenance	514
37	Energy Costs	36
379	Rent	392
225	Rates	233
7	Other Premises Costs	8
<b>912</b>	<b>Total Premises Costs</b>	<b>1,183</b>
	<b>Transport Costs</b>	
38	Vehicle Expenses	37
16	Hire and Pool Car Charges	17
109	Public Transport	113
9,126	Public Transport Revenue Support	13,569
810	Car Allowances	806
<b>10,099</b>	<b>Total Transport Costs</b>	<b>14,542</b>
	<b>Supplies and Services</b>	
3,149	Equipment and Services	2,689
43,560	Highways Contracts	48,271
1,243	Communications and Computing	2,039
113	Expenses and Allowances	113
2,261	Grants and Subscriptions	2,261
70	Levies and Other Expenses	70
<b>50,396</b>	<b>Total Supplies and Services</b>	<b>55,443</b>

## Appendix 1 – Existing 2008-09 budgets

# ENVIRONMENT, HIGHWAYS & WASTE

## REVENUE SPENDING ❖ HOW THE MONEY IS SPENT

2007-08 Spending Plans £'000		2008-09 Spending Plans £'000
47,337	Third Party Payments	52,296
1,177	Coast Protection	1,177
7,316	Central Support Costs	6,712
1,934	Internal Recharges	1,934
11,148	Capital Financing Costs	13,906
255	Capital Expenditure Financed by Revenue	255
135	Contribution to Reserves	135
<b>154,240</b>	<b>GROSS EXPENDITURE</b>	<b>172,699</b>
-	Central Support Cost Allocations	-
<b>154,240</b>	<b>GROSS EXPENDITURE after Central Support Cost Allocations</b>	<b>172,699</b>
	<b>Income</b>	
4,469	Contributions	4,377
580	Sales	430
3,030	Fees and Charges	3,733
1,091	Other Income	958
<b>9,170</b>	<b>Total External Income</b>	<b>9,498</b>
9,842	Specific and Supplementary Grants	3,097
<b>19,012</b>	<b>TOTAL INCOME</b>	<b>12,595</b>
<b>135,228</b>	<b>NET EXPENDITURE</b>	<b>160,104</b>

## Appendix 1 – Existing 2008-09 budgets

# REGENERATION & SUPPORTING INDEPENDENCE

## REVENUE SPENDING

2007-08		2008-09			
Spending Plans	Spending Plans	Total	Income	Net Cost	
£'000	£'000	£'000	£'000	£'000	
3,023	Regeneration Projects Group (including Supporting Independence vired from Corporate Support and External Affairs)	5,720	-1,118	4,602	Working to deliver high quality urban and rural regeneration. Supporting Independence.
1,983	Economic Development Group	3,147	-991	2,156	Stimulation of new investment & supporting the business sector.
1,017	Planning & Development Group	930	-46	884	Consultation on & development of major strategies.
699	Planning Applications Group	1,207	-468	739	Dealing with some 350 applications per year.
285	Change & Development Division (transferred to E, H & W Portfolio)				
<b>7,007</b>	<b>Budget Controlled by this Portfolio</b>	<b>11,004</b>	<b>-2,623</b>	<b>8,381</b>	
	<b>PLUS:</b>				
	Budgets controlled by other portfolios:				
162	♦ Central costs	34		34	
303	♦ Devolved budgets	393		393	
	♦ Service costs				
	Charges for using capital assets				
29,851	(mainly roads)	30,309		30,309	
<b>37,323</b>	<b>TOTAL SERVICE COSTS</b>	<b>41,740</b>	<b>-2,623</b>	<b>39,117</b>	

## Appendix 1 – Existing 2008-09 budgets

# REGENERATION & SUPPORTING INDEPENDENCE

## REVENUE SPENDING ❖ HOW THE MONEY IS SPENT

2007-08 Spending Plans £'000		2008-09 Spending Plans £'000
	<b>Employee Costs</b>	
4,994	Salaries and Wages	4,991
287	Pension and Severance Payments	293
33	Other Employee Costs	34
<b>5,314</b>	<b>Total Employee Costs</b>	<b>5,318</b>
	<b>Premises Costs</b>	
16	Repairs, Alterations and Maintenance	16
22	Rent	23
1	Other Premises Costs	1
<b>39</b>	<b>Total Premises Costs</b>	<b>40</b>
	<b>Transport Costs</b>	
39	Public Transport	41
147	Car Allowances	147
<b>186</b>	<b>Total Transport Costs</b>	<b>188</b>
	<b>Supplies and Services</b>	
241	Equipment and Services	280
97	Communications and Computing	99
18	Expenses and Allowances	18
1,999	Grants and Subscriptions	1,888
86	Levies and Other Expenses	86
<b>2,441</b>	<b>Total Supplies and Services</b>	<b>2,371</b>
2,452	Third Party Payments	3,037
465	Central Support Costs	427
50	Internal Recharges	50
29,851	Capital Financing Costs	30,309
<b>40,798</b>	<b>GROSS EXPENDITURE</b>	<b>41,740</b>
-	Central Support Cost Allocations	-
<b>40,798</b>	<b>GROSS EXPENDITURE after Central Support Cost Allocations</b>	<b>41,740</b>

Appendix 1 – Existing 2008-09 budgets

**REGENERATION & SUPPORTING INDEPENDENCE**

**REVENUE SPENDING ❖ HOW THE MONEY IS SPENT**

2007-08 Spending Plans £'000		2008-09 Spending Plans £'000
	<b>Income</b>	
921	Contributions	74
3	Sales	3
468	Fees and Charges	468
193	Other Income	193
<b>1,585</b>	<b>Total External Income</b>	<b>738</b>
1,890	<b>Specific and Supplementary Grants</b>	1,885
<b>3,475</b>	<b>TOTAL INCOME</b>	<b>2,623</b>
<b>37,323</b>	<b>NET EXPENDITURE</b>	<b>39,117</b>

## Appendix 2 – Activity and output data – what the current budget “buys”

### Kent Highway Services Group

- Maintaining the 8,484km network of county roads, and 12.6million square metres of footways
- Maintaining 2,750 bridges and structures (plus inspection of 1300 other bridges and structures), 119,000 street lights, 134,000 traffic signs and bollards, 168,000 drainage gullies, 4.8 million metres of piping, 500,000 trees, 2,800km of road markings, 238km of safety barriers, 6,800 soakaways and 11 million square metres of grass.
- Statutory safety inspections by Technical Services staff
- Reduce road casualties by altering and improving roads, and driver behaviour
- Improving road safety through carefully targeted promotional campaigns and road safety education
- Improving roadworks co-ordination and publishing information about roadworks concerning location, duration and alternative routes
- Monitoring and managing traffic through the Traffic Management Centre and providing up to date information on congestion hot spots
- Carrying out routine inspections, and effective & efficient maintenance to 635 no. traffic signal locations (15,000 traffic lights)
- Undertake the detail design and delivery of Local Integrated Transport, Crash Reduction and maintenance schemes within KHS.

### Public Transport Contracts Group

- Improving public transport quality and information by working with bus operators
- Financially supporting around 200 socially necessary but uneconomic bus routes
- Working with bus and rail industries to better integrate bus and train travel
- Working with developers to ensure there is an appropriate transport infrastructure to new developments
- Working with schools and business to develop travel plans.
- Working with District Councils to ensure that transport solutions support local development
- Provide free bus travel for young people aged between 11 and 16 under the Freedom Pass scheme – current pilot which will be rolled out to approximately 80,000 young people with expected take-up of around 24,000 passes

Waste  
Management  
Group

- Management and supervision of contracts for the recycling, treatment, and disposal of Kent's municipal solid waste – budgeted tonnage for 2008/09 - 812,000 tonnes.
- Management and supervision of contracts for the operation of Kent's 18 Household Waste Recycling Centres and associated waste haulage, composting, and recycling services; sites open 362 days per year, 4 million visits per year.
- Disposal of clinical waste collected by 12 districts from private dwellings and residential nursing homes.
- Direction, management and supervision of pollution monitoring services, remedial works and ongoing maintenance/restoration of 19 closed landfill sites.
- Provision, management and supervision of contracts for the removal and disposal of abandoned vehicles (ABV) in Kent.
- The continuous improvement of co-operation between KCC, districts and the Environment Agency via the Kent Waste Partnership and Forum
- Promotion of waste reduction, recycling and composting initiatives
- Implementation of the Joint Municipal Waste Management Strategy and input to the Waste and Minerals Development Framework
- Enforcement, campaigning and community engagement to make Kent a cleaner county

Environmental  
Group

To maintain, protect, enhance and promote the natural and historic environment including:

- Strategic management, promotion, improvement, enforcement and maintenance of 6,700 km of the Public Rights of Way network.
- Management of Common Land and Village Green Service (CLVG): processing on average 5 Commons and Village Green Applications each year and c.6,500 searches per year.
- Management of the County Council's Country Parks, picnic sites and woodland, attracting c.2 million visitors each year
- Maintenance of 9 Sites of Special Scientific Interest (SSSI) in "favourable status" and

Environmental Group contd.	<p>management of 3 Scheduled Ancient Monuments</p> <ul style="list-style-type: none"> <li>• Delivering a programme of environmental education through 3 main centres</li> <li>• Delivering archaeological, historic buildings and historic landscape planning advice</li> <li>• Raising awareness and understanding of biodiversity, wildlife recording and the coast and providing ecological planning advice.</li> <li>• Promoting and delivering best practice in coastal zone management through the Kent Coastal Network and Coastal and Estuary Partnerships.</li> <li>• Providing advice and support to the development of the climate change action plan and biodiversity and coastal issues.</li> <li>• Promoting and delivering sustainable management of the countryside</li> <li>• Co-ordinating the implementation of KCC's commitments under the new corporate Environment Policy</li> <li>• Managing and promoting the Eco-schools programme</li> <li>• Promoting sustainability in KCC's business management</li> <li>• Co-ordinating the delivery of project and initiatives to fulfil KCC's community leadership role and commitments under key environmental policies and strategies, such as the Kent Environment Strategy, the Kent Local Area Agreement and the Kent Climate Change Action Plan.</li> <li>• Leading on the co-ordination of the delivery of Kent Agreement 2 Environmental Excellence indicators</li> </ul>
Strategic Management, Finance, Performance and Information and Analysis Group	<ul style="list-style-type: none"> <li>• Develop and monitor the Directorate's £288 million revenue and capital budget</li> <li>• Act as the Directorate's focal point for CPA, CAA and VFM and lead for the Directorate on business management processes</li> <li>• Provide a co-ordinated approach to risk and performance management</li> <li>• Provide executive support and advice to E&amp;R Cabinet/Lead Members and Director.</li> <li>• Provide specialist advice and expertise for the Directorate in Health &amp; Safety, Data Protection, Freedom of Information and Environmental Information regulations</li> <li>• Contribute to engagement of E&amp;R with local communities via the KCC Local Boards</li> <li>• Manage and direct the Directorate's performance management framework, including the publication</li> </ul>

Strategic Management, Finance, Performance and Information and Analysis Group contd	<p>of the Directorate's Quarterly Performance Monitoring Report</p> <ul style="list-style-type: none"> <li>• Provide the core expert advice and support to the County Council in socio-demographic and economic analysis</li> <li>• Collect and monitor statutory planning data</li> <li>• Direct and manage the provision of GIS electronic mapping systems and spatial analysis for all KCC directorates</li> <li>• Improving Directorate internal/external communications and developing quality standards across communications channels</li> <li>• Establish a Directorate-wide skills base and lead and co-ordinate the introduction and implementation of talent management and succession planning.</li> <li>• Through the Directorate Learning &amp; Development Board develop and implement a wide range of training, qualification and other development initiatives</li> </ul>
Transport Strategy Group	<ul style="list-style-type: none"> <li>• Ensure all new staff have appropriate induction</li> <li>• Lead the work on Equalities and Diversity</li> <li>• Implementation of Local Transport Plan (LTP) policies and strategies and monitoring delivery through the LTP process reporting mechanism.</li> <li>• Influence European, national and regional transport policy (CTRL, rail services, freight, trunk road schemes, ports and airports) in Kent's interests</li> <li>• Monitor traffic flow and travel trend data in the County to inform Kent's transport policies and to ensure that the LTP best meets the needs of Kent residents and users of the county's transport systems.</li> <li>• Represent Kent's interests at public inquiries relating to transport planning policies and major transport proposals</li> </ul>
Regeneration Projects Group (including Supporting Independence)	<ul style="list-style-type: none"> <li>• Through specialist partnership mechanisms drive the physical regeneration of key coastal towns through masterplanning, site assembly and development and attracting external resources</li> <li>• Lead KCC input to masterplanning and delivery of action plans in key growth areas (Ashford, Dartford, Gravesend, Dover, Sheerness and Sittingbourne)</li> <li>• Lead and support delivery of major strategic regeneration projects</li> <li>• Secure external support and funding for transport</li> </ul>

Regeneration  
Projects Group  
(including  
Supporting  
Independence)  
contd

- infrastructure improvements
- Influence directly or support colleagues in respect of planning policy, legislative proposals etc. and any other related documents including the South East Plan, LDFs, SPG, SPD, Area Action Plans, Masterplans, Government Papers etc.
- Make and or support representations to planning inquiries/appeals including those relating to planning policy and site specific planning applications.
- Secure and maximise development contributions (financial and physical) on behalf of all Directorates for community infrastructure
- Influence regeneration on major development sites and secure funding/provision of adequate community infrastructure including transportation (currently over 25 cases countywide)
- Lead KCC's rural regeneration activity through strategy development, core and project activity
- Support Produced in Kent Company to establish local, national and international recognition for Kentish produce of highest quality. Promote local producers to local markets
- Develop international links to develop Kent's rural economy particularly food produce, non food crops and equestrian sector development
- Through Kent Tourism Alliance, promote Kent to visitors, including targeted campaigns to increase overnight stays in the county and in low season and develop a Kent wide booking and sales mechanism to make it easy for customers to buy Kent
- Drive up the standards of design quality through Kent Design Guide, Design Awards, Design Champions and Beacon projects.
- Deliver in partnership higher quality new homes, work to upgrade the existing stock and return empty properties back into meaningful use
- Through growth area Delivery Boards, implement multi-million pound regeneration projects
- Represent and secure support for Kent's interests on key strategic partnerships
- 2010 Target 9: Through our Kent Supporting Independence Programme, work towards reducing the number of people dependent on welfare benefits.
- 2010 Target 18: Introduce a Kent Apprenticeship scheme offering at least 1,000 apprenticeship opportunities across the private and public

sectors.

- 2010 Target 19: Introduce the Kent Community Programme, building teams of apprentices to participate in community projects.
- Economic Development Group
- Support small and medium sized businesses, including targeted sector development.
  - Establish and maintain successful operation of enterprise hubs, gateways and business incubators.
  - Create a network of community enterprise hubs and satellites.
  - Work to increase business access to broadband.
  - Work with key agencies to develop a culture of entrepreneurship in Kent and particularly among students
  - Act as accountable body for the EU URBAN2 programme
  - Through Locate in Kent, promote and market Kent as a business destination to domestic and overseas markets.
  - Support business liaison through Business Awards scheme and networking events: Business Expo, Business Lunches, BME support.
  - Work with regeneration teams to promote appropriate business space development.
  - Identify and seek to harness business opportunities arising out of London 2012 Olympics
  - Work with key partners to strengthen links between business and education
- Planning & Development Group
- Formulation of planning policy including influencing national and regional planning policy and specifically the SouthEast Plan in Kent's interests.
  - Undertake preparation, implementation and monitoring of Minerals Development Documents and produce Annual Monitoring Report (AMR)
  - Deliver Strategic Environmental Appraisal (SEA) and Sustainability Appraisals (SA) on all major strategies.
  - Influence Development Plan Documents and policies prepared by the 12 District Planning Authorities
  - In conjunction with Analysis Information Team, monitor progress and impact of Kent and Medway Structure Plan.
  - Represent Kent's interests at public inquires relating to planning policies.

Planning  
Applications  
Group

- Represent the County Council on regional partnerships and specialist working groups relating to the group's activities.
- Consultation on & development of major strategies.
- Determine c 350 planning applications for minerals, waste and County Council developments each year
- Undertake pre-application discussions with applicant as required and where necessary carry out screening and scoping processes in accordance with Environmental Impact Assessment legislation.
- Monitor compliance with planning permissions and take appropriate enforcement action where breaches of planning control have taken place in accordance with the Council's approved Enforcement Protocol.
- Comment on behalf of County Council on draft waste management licences and IPPC permits and variations to existing waste management licences issued by the Environment Agency.

## Appendix 3 – Current budget monitoring details

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
<b>Environment, Highways &amp; Waste portfolio</b>							
Kent Highways Services	59,540	-6,306	53,234	2,300	0	2,300	Invest to save for MTFP
Public Transport Contracts	14,524	-669	13,855	0	0	0	
Waste Management	66,760	-1,158	65,602	-2,500	0	-2,500	73,000 tonnes put into landfill while Allington not operational plus reduced overall tonnage
Environmental Group	8,140	-4,000	4,140	200	0	200	Country parks
Transport Strategy	617		617	0	0	0	
Strategic Management, Finance, Performance & Information & Analysis	6,801	-462	6,339			0	
<b>Total E, H &amp; W</b>	<b>156,382</b>	<b>-12,595</b>	<b>143,787</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Regeneration &amp; Supporting Independence portfolio</b>							
Regeneration & Projects	6,540	-1,118	5,422	0	0	0	
Economic Development	3,147	-991	2,156	0	0	0	
Planning & Development	1,100	-46	1,054	0	0	0	
Planning Applications	1,477	-468	1,009	0	0	0	
<b>Total Regen &amp; SI</b>	<b>12,264</b>	<b>-2,623</b>	<b>9,641</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Directorate Controllable</b>	<b>168,646</b>	<b>-15,218</b>	<b>153,428</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Assumed Management Action:</b>							
- EH&W portfolio						0	
- R&SI portfolio						0	
<b>Forecast after Mgmt Action</b>				<b>0</b>	<b>0</b>	<b>0</b>	

## **ENVIRONMENT, HIGHWAYS AND WASTE**

### **Overall Objectives of the Portfolio**

The overarching aim of making Kent a better place to live, work and visit will continue to be the reference point for all of our activities. We will strive to look after the built and natural environment, maintain and improve transport, reduce congestion, and manage Kent's waste in an effective and efficient manner.

### **Medium Term Service Priorities**

Many of these will remain as set out in the current Medium Term Plan:

- Maintaining essential quality of life services
- Managing real-terms costs pressures that affect our services
- Further developing and improving the Kent Highway Services Alliance
- Implementing road schemes
- Reducing KCC's environmental impact
- Progressing Kent's LAA, 'The Kent Agreement'
- Progressing LPSA2 targets
- Progressing Towards 2010 Objectives

New priorities will emerge from the current work on an overall Kent Regeneration Strategy.

### **Risk Assessment**

As with the medium term priorities, many of these remain as in the current plan:

- Health & Safety
- Budget overspend (e.g. fuel, energy and aggregate inflation, extreme weather, waste tonnage volatility)
- Managing a large capital programme and potential budget overruns on the major capital schemes
- Securing sufficient developer contributions and government funding to deliver the required transport infrastructure for the growth areas

## **Appendix 4 – Draft Submission for Section 3 of the Medium Term Plan – Regeneration and Supporting Independence portfolio - 6 November 2008**

### **REGENERATION AND SUPPORTING INDEPENDENCE**

#### **Overall Objectives of the Portfolio**

The overarching objective of the portfolio is to make Kent a better place to live, work and enjoy leisure time. Our core aim is to set a vision and strategy to support and maintain a dynamic and sustainable local economy, to attract growth and investment for the benefit of Kent's residential and business communities and maintain a high quality environment. Fundamental to achieving success will be the fostering of good relations with our partners including the district councils and wider public, private and voluntary sectors.

#### **3.11.2 Medium Term Service Priorities**

There are a number of significant external influences which will be impacting on the portfolio over the medium term. These include:

- Developing responsive approaches to manage the impact of the financial crisis and expected economic down turn on the Kent economy, its businesses and the development sector in the County;
- Working with partners to lead the delivery of economic development and planning activities in Kent in response to the challenges and opportunities of the Sub National Review, particularly the statutory economic duty on upper tier local authorities and the restructuring of the planning system;
- Leading the development of KCC's corporate Regeneration Strategy and an associate Integrated Transport Strategy, putting in place mechanisms to ensure a robust approach to implementation, monitoring and review;
- Leading the delivery of specific targets under the Kent Agreement 2 and Towards 2010;
- Meeting the challenges of changes to the welfare system proposed by the Government and their impact on the activities of the Supporting Independence Programme;
- Positioning Kent to respond quickly to the eventual upturn in financial and property markets and the consequent availability of increased investment.

#### **3.11.3 Risk Assessment**

- Reduced ability to secure Government and private sector funding (including S.106 contributions) to deliver infrastructure and other projects due to the property and financial market downturns. Consequent inability to deliver essential infrastructure to support growth when it occurs;

- Reduced ability of private sector to generate finance to deliver on key regeneration projects in Kent;
- Failure to generate sufficient funding to deliver the infrastructure projects and other mechanisms necessary to influence personal travel choices which will be key to success of the Integrated Transport Strategy;
- Failure / delay of key legislative proposals causing further uncertainties in the planning and delivery of economic development and regeneration;
- Challenge of delivering job creation targets due to weak financial markets and uncertainty deterring inward investment and indigenous growth of Kent businesses;
- Reduced tourism spend in Kent due to general economic climate and lower levels of personal discretionary spend;
- Delivering complex programmes involving many partners each experiencing financial pressures.

## Appendix 5 – Draft of MTP financial appendices for the Environment, Highways and Waste portfolio

Environment, Highways and Waste Portfolio Revenue Budget					
		Staffing FTE	2009-10 £'000	2010-11 £'000	2011-12 £'000
Base Budget			<b>139,486</b>	<b>151,854</b>	<b>155,498</b>
Base Budget Adjustments:					
KHS	Prudential Borrowing Costs for KHS Co-Location Project		173	0	0
KHS	Lower Thames Crossing feasibility study		-50	0	0
Directorate	Share of Kent Reward top-slice		-1	0	0
Directorate	Prices Uplift for Legal Services		15	16	17
Directorate	Folkestone Triennial Contribution to Communities		-50	50	0
?	Transfer of LINKS		472	0	0
All	Area Based Grant (Gross)		-101	33	2
			<b>458</b>	<b>99</b>	<b>19</b>
<b>Revised base budget after corporate adjustments</b>			<b>139,944</b>	<b>151,953</b>	<b>155,517</b>
Pay:					
All	Cost of Living		403	411	419
			<b>403</b>	<b>411</b>	<b>419</b>
Prices:					
WMG	Waste contracts		1,591	1,373	2,205
WMG	Waste contracts		1,117	951	0
KHS	Buses		268	295	551
KHS	Buses		403	225	0
KHS	Freedom Pass		536	598	634
Various	Highways maintenance		1,549	1,632	2,139
Various	Highways maintenance		1,287	358	138
KHS	Electricity Contract		2,496	365	365
Various	Other		42	46	50
ENV	Contract Prices		70	7	8
			<b>9,359</b>	<b>5,850</b>	<b>6,090</b>
Government/Legislative Pressures:					
Waste	Landfill Tax Escalator - (+£8 per tonne)		2,155	2,073	2,073
			<b>2,155</b>	<b>2,073</b>	<b>2,073</b>
Demand/Demographic Led:					
Resources	Ex DLO Pension Fund Liabilities		175	0	0
ENV	Vegetation Control on PROW Network		45	0	0
			<b>220</b>	<b>0</b>	<b>0</b>
Delivery of Towards 2010 Targets:					
KHS	Free transport for all 11 to 16 year olds		3,800	0	0
			<b>3,800</b>	<b>0</b>	<b>0</b>
Choice:					
KHS	Open Golf Championship - Roads Impact		0	400	-400
KHS	Service Standards		1,484	0	0
KHS	Concessionary Fares		150	15	16
KHS	Traffic Management Centre		150	50	50
KHS	Electronic Congestion Management		500	0	0
KHS	Streetlighting (financing costs of Prudential Borrowing)		63	163	0
KHS	Highway Maintenance (costs of Prudential Borrowing)		100	360	260
ENV	Shorne Country Park - Replace Heritage Lottery Funding		0	30	0
ENV	10-Yearly Update of Land Use & Development Survey		250	-100	0
			<b>2,697</b>	<b>918</b>	<b>-74</b>
Income generation:					
ENV	Invest to Save - Income Generation		-55	0	0
Waste	Additional income from sales of recyclable waste		-150	-100	0
			<b>-205</b>	<b>-100</b>	<b>0</b>
<b>Portfolio budget requirement before savings</b>			<b>158,373</b>	<b>161,105</b>	<b>164,025</b>

## Appendix 5 – Draft of MTP financial appendices for the Regeneration and Supporting Independence portfolio

Regeneration and Supporting Independence Portfolio Revenue Budget					
		Staffing FTE	2009-10 £'000	2010-11 £'000	2011-12 £'000
Base Budget			<b>8,381</b>	<b>7,775</b>	<b>7,322</b>
Base Budget Adjustments:			0	0	0
<b>Revised base budget after corporate adjustments</b>			<b>8,381</b>	<b>7,775</b>	<b>7,322</b>
Pay:					
All	Cost of Living		105	107	109
			<b>105</b>	<b>107</b>	<b>109</b>
Prices:					
All	Prices		8	9	10
			<b>8</b>	<b>9</b>	<b>10</b>
Delivery of Towards 2010 Targets:					
S&P	Kent Apprenticeship		100	0	0
S&P	Kent Community Programme Renewal		100	0	0
			<b>200</b>	<b>0</b>	<b>0</b>
Choice:					
Planning	Integrated transport strategy		140	0	0
All	Portfolio activity funded by PRG		20	-156	0
			<b>160</b>	<b>-156</b>	<b>0</b>
<b>Portfolio budget requirement before savings</b>			<b>8,854</b>	<b>7,735</b>	<b>7,441</b>

## Appendix 6 – Existing 2008-11 MTP

Environment, Highways and Waste Portfolio Revenue Budget					
		Staffing FTE	2008-09 £000s	2009-10 £000s	2010-11 £000s
Base Budget			<b>116,764</b>	<b>139,486</b>	<b>151,432</b>
Base Budget Adjustments:					
ENV	Lullingstone Country Park - Operations (temporary only uplift)		-60	0	0
ENV	Biofuels/biomass agenda (transfer to R&SI Portfolio)		-100	0	0
ENV	Withdrawal from property SLA (as agreed with Corporate)		11	0	0
KHS	Highways maintenance (one-off uplift)		-1,505	0	0
KHS	Transfer of ISG funding back to Chief Executive's Department		-232	0	0
KHS	Prudential Borrowing Costs for Kent Highways Services Co-Location Project		0	173	0
KHS	Lower Thames Crossing feasibility study from R&SI Portfolio		50	-50	0
Resources	Contribution to Airwave Emergency Communication System		-10	0	0
Resources	Re-alignment of cost for Shared Management Post		22	0	0
Resources	Transfer of Change & Development Division from R&SI Portfolio		285	0	0
Directorate	E-recruitment Savings		-72	0	0
Directorate	Share of Kent Reward top-slice		-3	-1	0
Directorate	Prices Uplift for Legal Services		15	15	16
WMG	Formula Grant - Waste Performance & Efficiency Grant		812	0	0
All	Area Based Grant (Gross)		5,387	-101	33
			<b>4,600</b>	<b>36</b>	<b>49</b>
<b>Revised base budget after corporate adjustments</b>			<b>121,364</b>	<b>139,522</b>	<b>151,481</b>
Pay:					
All	Pay & Reward		411	333	340
			<b>411</b>	<b>333</b>	<b>340</b>
Prices:					
Various	Waste contracts		1,907	1,591	1,373
Various	Buses (including 2007-08 correction)		450	268	295
Various	Highways maintenance (2009-10 & 2010-11 reflect £5m injection)		1,208	1,549	1,632
Various	Other		25	25	25
			<b>3,590</b>	<b>3,433</b>	<b>3,325</b>
Government/Legislative Pressures:					
WMG	Landfill Tax Escalator - Growth Adjustment (+£8 per tonne)		2,177	2,126	2,044
WMG	Waste Performance & Efficiency Grant from Government (Capital Element Adjustment)		812	0	0
			<b>2,989</b>	<b>2,126</b>	<b>2,044</b>
Demand/Demographic Led:					
WMG	Waste Growth +1% for 2008-09, +0% for 2009-10 onwards		412	0	0
			<b>412</b>	<b>0</b>	<b>0</b>
Delivery of Towards 2010 Targets:					
KHS	Free transport for all 11 to 16 year olds (extension of 2007-08 pilot)		4,000	5,900	0
KHS	Congestion Reduction initiatives		150	0	0
			<b>4,150</b>	<b>5,900</b>	<b>0</b>

Environment, Highways and Waste Portfolio Revenue Budget					
Service Strategies and Improvements:					
KHS	Works Contract Savings recycled into Maintenance	500	0	0	
KHS	Highways Maintenance Works	5,000	0	0	
KHS	Open Golf Championship - Roads Impact	0	0	400	
WMG	Lease at Dartford Heath site	13	0	0	
WMG	Blaise Farm (Green Waste) Contract	434	0	0	
WMG	Waste to Energy Plant (Allington) - Gate Fees	297	0	0	
WMG	Pepperhill Site Development (Gate Fee)	839	0	0	
WMG	Materials Recycling and Processing Facility - East Kent	0	1,053	656	
WMG	Waste Transfer Station at Ashford	0	0	769	
WMG	One-off Reduction from 06-07 minimisation and composting	200	0	0	
ENV	Shorne CP - Facilities Running Costs Adjustment	-10	0	30	
ENV	Other Environmental Developments (including a Coastal Officer)	1.0	131	250	
ENV	Biodiversity - Extra Post	1.0	34	0	
ENV	Heritage - Extra Post	1.0	35	0	
ENV	Addressing Fly tipping Action on the Highway	10	0	0	
ENV	Country Park Base Operations Uplift	30	0	0	
Resources	One-off Actions in 2007-08 - Base Correction Required	587	0	0	
Resources	Maintenance of replacement of MIDAS system	0	25	0	
Resources	MOSAIC & adjustment for other licences	81	0	0	
Resources	EDRMS - Document Management	70	0	0	
Resources	Kent View Development	80	0	0	
Resources	OS Mapping	40	0	0	
Resources	Annual Funding Required to meet ex Direct Labour Organisation Pension Fund Liabilities	0	175	0	
Dir-wide	IT Transformation for E&R	500	-350	-50	
Resources	Contribution towards 2009-10 budget	202	-202	0	
		<b>9,073</b>	<b>951</b>	<b>1,705</b>	
Income generation:					
ENV	Invest to Save - Income Generation	-12	-55	0	
KHS	Uplift to Income Budget across all headings	-500	0	0	
KHS	Traffic Management Act FPN Income	-100	-100	0	
		<b>-612</b>	<b>-155</b>	<b>0</b>	
Savings:					
WMG	Waste to Energy Plant (Allington) - Reduction in Landfill Tax & Tipping Away Payments	-200	0	0	
WMG	Pepperhill Site Development Gains (reduced Tipping Away Payments)	-220	0	0	
WMG	Blaise Farm (Green Waste) Contract	-200	0	0	
KHS	Lit Signs Energy Savings	-100	0	0	
KHS	New Contracts - Savings for recycling into Highway Maintenance	-500	0	0	
KHS	Amend Divisional Structure from 3 Locations to 2, gain benefits from IT and put more resources into front-line, from	-4.0	-300	0	
KHS	Convert to Lamp-expired Change Methodology for Street Lighting	-150	0	0	
KHS	Revised Process for Advertising Traffic Regulation Orders	-180	0	0	
All	Corporate Services - Cross-cutting Review Savings	-41	0	0	
All	Targeted reduction in net spend	0	-678	-3,869	
		<b>-1,891</b>	<b>-678</b>	<b>-3,869</b>	
<b>Budget controlled by this portfolio</b>		<b>-1.0</b>	<b>139,486</b>	<b>151,432</b>	<b>155,026</b>

## Regeneration and Supporting Independence Portfolio Revenue Budget

	Staffing FTE	2008-09 £000s	2009-10 £000s	2010-11 £000s
<b>Base Budget</b>		<b>7,007</b>	<b>8,381</b>	<b>7,775</b>
<b>Base Budget Adjustments:</b>				
R&E		100	0	0
R&E		-22	0	0
All		39	0	0
R&E		-13	0	0
C&D		-285	0	0
S&P		-50	0	0
All		704	0	0
		<b>473</b>	<b>0</b>	<b>0</b>
<b>Revised base budget after corporate adjustments</b>		<b>7,480</b>	<b>8,381</b>	<b>7,775</b>
<b>Pay:</b>				
All		131	105	107
		<b>131</b>	<b>105</b>	<b>107</b>
<b>Prices:</b>				
All		7	8	8
		<b>7</b>	<b>8</b>	<b>8</b>
<b>Government/Legislative Pressures:</b>				
S&P		-170	0	0
		<b>-170</b>	<b>0</b>	<b>0</b>
<b>Delivery of Towards 2010 Targets:</b>				
S&P		200	100	0
S&P		100	100	0
		<b>300</b>	<b>200</b>	<b>0</b>
<b>Service Strategies and Improvements:</b>				
All		136	20	-156
R&E		120	0	0
R&E		130	0	0
R&E		40	0	0
R&E	1.0	50	0	0
All		239	0	0
R&E		20	0	0
		<b>735</b>	<b>20</b>	<b>-156</b>
<b>Income generation:</b>				
		<b>0</b>	<b>0</b>	<b>0</b>
<b>Savings:</b>				
R&E		-100	0	0
R&E		-2	0	0
All		0	-939	-412
		<b>-102</b>	<b>-939</b>	<b>-412</b>
<b>Budget controlled by this portfolio</b>	<b>0.0</b>	<b>8,381</b>	<b>7,775</b>	<b>7,322</b>