

**NOTES** of a meeting of the Cabinet Scrutiny Committee's Informal Member Group on Budgetary Issues held on Thursday, 12 April 2007

**PRESENT:** Dr M R Eddy (substitute for Mr D Smyth – in the chair), and Mrs P A V Stockell (substitute for Mr C J Capon).

**OFFICERS:** Ms L McMullan, Director of Finance; Mrs C Head, Chief Accountant; Mr D Hall, County Transportation Manager (for item 2); Mr J Wale, Assistant to the Chief Executive; and Mr S C Ballard, Head of Democratic Services

**1. Notes of Previous Meeting**  
(Item 1)

Noted.

**2. "Freedom Pass" (Assisted Travel for 11-16 Year Olds) – Detailed Costings for Pilot Scheme**  
(Item 2)

(1) In answer to a question from Dr Eddy, Mr Hall explained that the scheme had been re-named "Freedom Pass" because officers were concerned that use of the term "Assisted Travel Pass", as suggested by the Cabinet Scrutiny Committee, could cause confusion with the existing statutory free school transport arrangements which were also known as assisted travel.

(2) Mr Hall updated the IMG on progress with the introduction of the pilot schemes in Tonbridge/Tunbridge Wells and Canterbury which were budgeted to cost £1m each. The pilot schemes would now be launched in June which would allow them to bed in during the quietest part of the school year so that any teething troubles could be resolved prior to the start of the new school year in September.

(3) All the bus operators in Tonbridge/Tunbridge Wells and Canterbury had volunteered to include all their registered stage carriage services in the pilot schemes and negotiations were currently taking place with them on reimbursement arrangements. Because the pilot schemes were being run under the Transport Act 1985 the scheme had to leave operators no better or worse off than before its introduction. As a result, operators were having to provide KCC with a great deal of commercially-sensitive information to allow reimbursement levels to be calculated. Mr Hall circulated a paper setting out the principles of the scheme and the reimbursement arrangements.

(4) Cost effective agreements had been reached with the principal operators in Tonbridge/Tunbridge Wells and Canterbury for the provision of additional capacity to cope with the extra demand expected to be generated in the morning peak. This additional demand, and where it was likely to occur, had been estimated by using postcode data. Part of the purpose of the pilots was to establish exactly where additional capacity was needed.

(5) Although rail services were not currently included in the pilot schemes, Mr Hall was pursuing the possibility of including them in the future.

(6) In answer to questions from Dr Eddy, Mr Hall said that not allowing children attending independent schools to participate in the Freedom Pass scheme would reduce the cost but the size of the reduction could not be quantified at present. However, the pilot

schemes would show the relative take-up, and thus the costs, of the scheme from children attending different types of school.

(7) Mr Hall offered to provide a detailed analysis on the operation of the pilot schemes to the IMG in 12 months time, in addition to the previously agreed half-yearly reports to Members of the Cabinet Scrutiny Committee on costs and take-up of the pilot schemes.

(8) In answer to a question from Mrs Stockell, Mr Hall said that, although the pilot schemes did not include Park and Ride services, the possibility of using Park and Ride sites as drop-off points where children could catch dedicated buses to take them on to their schools was being explored.

### **3. Revenue and Capital Budgets, Key Activity and Risk Monitoring** *(Item 3)*

(1) Members questions covered the following issues:-

#### Re-phasing of Capital Projects (paragraph 4.1.1)

(2) In answer to a question from Dr Eddy, Ms McMullan said that there was concern about the level of slippage on capital projects and an exercise was being undertaken to establish why this was occurring. It appeared likely that officers responsible for capital projects were being too optimistic about the speed at which their projects would proceed and, for example, allowing insufficient time for obtaining planning permission or achieving any necessary capital receipts. Pressure on the construction industry did not appear to be a significant factor in delaying schemes at present but could become a bigger problem as Olympic Games-related development took off.

(3) In answer to a question from Mrs Stockell, Ms McMullan said that section 106 agreements were not a delaying factor on capital projects. Although S106 agreements were ultimately a matter for Districts, as local planning authorities, it was hoped that the Development Contribution Guide agreed by Cabinet on 12 March would assist KCC in securing earlier agreement from developers to making realistic S106 contributions towards KCC infrastructure.

#### Schools PFI (Annex 1, paragraph 1.2.5)

(4) In answer to a question from Dr Eddy, Ms McMullan explained that unitary charges were the payments made to the PFI provider for the provision of the asset. The financial effect of any further slippage in the construction programme would be accommodated using the PFI reserve which had been established to smooth any time-lag between receipt of PFI credits and payment to PFI providers.

#### Elderly People in Nursing Care (Annex 2, paragraph 2.2)

(5) In answer to a question from Dr Eddy, Ms McMullan accepted that the number of elderly people in nursing care in 2006/07 had proved to be significantly higher than the target. The reasons for this had been taken into account in the preparation of the 2007/08 budget to try to ensure that the 2007/08 target was more realistic.

#### Kent Works (Annex 5, paragraph 1.1.4)

(6) In answer to a question from Dr Eddy, Ms McMullan said that approximately £200k of the higher than expected costs of establishing the ongoing operation would be met by the CFE Directorate. She added that costs had been higher than expected because Kent Works was doing more work than it was contracted to do, and take-up and income generation were both lower than anticipated.

### Other Issues

(7) In response to requests from Members, Mrs Head offered to provide further information about the following issues (**Action: CH**):-

- Details of which Communities Portfolio Capital Projects had been re-phased (para 4.1.1, item 2).
- Background to overspend on Fastrack (para 4.3.1).
- Reasons for lower than planned take-up of school transport (both SEN and mainstream) since September 2006 (Annex 1, para 2.1).
- Latest position on implementation of SWIFT (Annex 2, para 2.5).
- Detailed breakdown of costs for development of Manston Airport (Annex 3, para 1.1.3.1).
- Details of additional DCLG activity and nature of matching Government grant (Annex 3, para 1.1.3.2 – Regeneration and Projects Group).
- Latest position on staff vacancies in Planning and Development Group and resulting delay in progressing the Waste Local Development Framework (Annex 3, para 1.1.3.2 – Strategy).
- Extent of reduced drawdown from Kent Regeneration Fund (Annex 3, para 1.1.3.2).