

KENT COUNTY COUNCIL

SCRUTINY COMMITTEE

MINUTES of a meeting of the Scrutiny Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Friday, 24 January 2020.

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

ALSO PRESENT: Mr A R Hills and Mr P J Oakford

IN ATTENDANCE: Mr T Harwood (Resilience and Emergency Planning Manager), Mr M Tant (Flood and Water Manager), Ms Z Cooke (Corporate Director of Finance), Mr D Shipton (Head of Finance - Planning, Policy & Strategy), Mr S Pleace (Revenue and Tax Strategy Manager) and Mr J Cook (Scrutiny Research Officer)

UNRESTRICTED ITEMS

16. Election of Vice-Chairman

(Item A2)

1. The Chairman noted that Mr Ridgers had stepped down from his position of Vice-Chairman and offered thanks to him for his support and professionalism in that role. The Chairman then proposed Mr Wright for the position of Vice-Chairman, seconded by Mr Pugh. The Chairman invited any other nominations and Mr Farrell nominated Mr Bird seconded by Mrs Dean. There were no other nominations.

2. Mr Wright was elected by a majority vote.

RESOLVED that Mr Wright be elected Vice-Chair.

17. Apologies and Substitutes

(Item A3)

Apologies had been received from Mrs Beresford, Mrs Binks and Mr Ridgers. Mr Bowles substituted for Mrs Beresford and Mr Pugh substituted for Mrs Binks.

Apologies had also been received from the Parent Governor and Church Representatives.

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

(Item A4)

1. Mr Bird declared an interest as he was a resident of Yalding with experience of flooding in relation to item A8.

2. Dr Sullivan declared an interest, as her husband was employed by the County Council in the Early Help and Prevention Team, in relation to item A9.
3. Mr Bowles declared a non-pecuniary interest as he was a member of the Flood Risk Management Committee, in relation to item A8.
4. Mr Cooke declared an interest as he was a Trustee of the Fusion Healthy Living Centre in Maidstone that received grant money from KCC, in relation to item A9.

19. Minutes of the meeting held on 19 November 2019

(Item A5)

RESOLVED that the minutes of the meeting held on 19 November 2019 were a correct record and that they be signed by the Chairman.

In response to a query from Mr Bird the Chairman confirmed that he had not received the information requested previously in relation to the Pupil Premium Select Committee – this would be followed up outside of this meeting.

A Member referred to the comment about the non-attendance of the Church Representatives, the clerk clarified that apologies had been sent and in addition another member clarified that the Parent Governor Representatives and Church Representatives would have had an opportunity to review the education budget at the Children, Young People and Education Committee.

20. Affordable Housing Select Committee - Timetable

(Item A6)

The clerk explained that the Affordable Housing Select Committee timetable had been agreed between the Chairman and Spokespeople of the Scrutiny Committee outside of the formal committee (in accordance with the constitution).

Mrs Dean commented that the review started in November and was due to finish in July, with the hearings being held in February. There were concerns that holding all the hearings in February put undue pressure on the Select Committee.

RESOLVED that the Scrutiny Committee note the timetable for the Topic Review.

21. To note the 2020/2021 Scrutiny Committee meeting dates

(Item A7)

The clerk advised the Scrutiny Committee that the meeting dates had been circulated outside of the meeting and were provided for information and noting.

22. Kent Flood Risk Management Committee - Annual Report

(Item A8)

Mr Hills (Chairman, Flood Risk Management Committee), Tony Harwood (Resilience and Emergency Planning Manager) and Max Tant (Flood and Water Manager) were present for this item.

1. The Chairman welcomed Tony Harwood and Max Tant to the meeting. Mr Hills introduced the report which covered work between May 2018 to November 2019.

2. Mr Hills praised the officer support provided by Tony and Max and set out some of the highlights from the report. All the information discussed, and presentations received by the Flood Risk Management Committee were available online on the KCC webpage. Mr Hills gave a short overview of the work carried out at each meeting

3. Tony Harwood clarified that Officers provided technical advice and were pleased that there was such excellent support and understanding among the committee members on Kent Flood Risk Management Committee (KFRMC).

4. Members thanked Mr Hills for his excellent report and update, they praised the KFRMC officers and the regular external attendees, however there was disappointment at the low attendance from others.

5. A Member referred to paragraph 7.2 of the report – flash (or surface water) flooding. The report set out preparations made for coastal and river flooding but flash flooding did not seem to have any obvious preparatory element. Max Tant explained that flash flooding was very difficult to predict, these events were very localised and typically due to summer storms. During winter flooding there was often more notice due to available information. There was a question about mitigation there were some places that now flooded more often from rainfall events and it might be necessary to look at how this was mitigated. However, this was very expensive and there needed to be a good benefit-cost ratio. Tony Harwood referred to the emergency planning element to flash flooding response. Highways drainage and surface water flooding will become more of a priority as climate change impacts grow, and there was a need to look at a range of adaptation measures.

6. A Member commented that the report covered coastal and highways drainage, it was correct that transparency was vital and the public should be kept aware of the key issues and risks. The Member queried the reference to 'Map 16' in the report and Max Tant explained that this was the name of a piece of software used by the Highways department to help collect asset data.

7. Regarding flooding on the River Medway, there was concern about planning permission given for mobile home accommodation which was not meant to be occupied all year round. The Member asked what was the position regarding the occupants of premises when they were not meant to be occupying them? Did the local authority have responsibility to protect people occupying in such a way? Tony Harwood explained that protection of life and property was paramount and that all of the protection for mobile homes at Little Venice Country Park worked and all of the evacuated residents were back in their homes in time for Christmas.

9. Paragraph 5.4 referred to winter readiness and increased resources into asset management leading to reduced incidents of highways flooding. 5 or 6 years ago, Members were asked to suggest drainage hotspots in their divisions where flooding was frequent to inform the drainage management timetable. Was this still in place?

10. Paragraph 5.8 referred to the water aquifer levels, despite all extra rain, the aquifer was still within normal ranges, what level was this on currently? Max Tant explained that aquifers were now normal in the West of Kent and above normal in the East.

11. Tony Harwood confirmed that KCC worked with the Environment Agency and linked with National Planning Policy Framework to work on the points raised by Members. Referring to groundwater, in November the levels were still diminished but the wet December had changed this situation. Tony Harwood confirmed that he would speak to Highways to get further information regarding prioritisation for highways drainage for Members.

12. A Member referred to Southern Water. District Councils were under pressure to provide new housing developments. Lack of wastewater infrastructure was a key limiting factor. Was there anything that KCC could do to speed up the process with Southern Water? In relation to surface water, new estates had SuDS (sustainable drainage systems). There were concerns that they were not being maintained. Who was responsible for checking and maintaining them? Max Tant explained that there was no public body responsible for maintaining SuDS and that this was discussed regularly at the Flood Risk Management Committee. In current planning applications, conditions were requested to include a maintenance schedule and plan, however, it was not possible to ask the planning authority to enforce maintenance. This also relied on the maintenance company remaining in place. KCC worked with Southern Water but sewage was outside the remit of KCC.

13. Referring to Highways Drainage the Member praised the team but was frustrated that it was not possible to report highways drainage issues online. This problem needed to be addressed.

14. Mr. Hills reminded Members that the next meeting of the KFRMC was 9 March and that all Members were welcome to attend.

15. A Member asked whether officers were in discussion with Natural England regarding schemes that affected coastal areas. It was considered that this was a great idea but the practicalities were difficult, each area needed to be looked at on its merits.

16. It was considered that Environment Agency thinking was evolving, referring to the regional committee KCC was the most active of all the involved counties and money given to the regional committee unlocked more money for KCC.

17. The Scrutiny Chairman thanked the KFRMC Committee Chairman and Officers for their enthusiasm and encouraged attendance at the KFRMC meetings. Mr Hills offered high praise for Andrew Tait who was the clerk to the KFRMC.

RESOLVED that the Scrutiny Committee note the contents of the report.

23. Draft 2020/21 Budget and the Medium Term Financial Plan. Please can Members bring their copy of the MTFP 2020-21, Budget Information 2020-21 to the meeting.

(Item A9)

Committee consideration based on the draft budget issued on 6 January 2020.

Peter Oakford (Deputy Leader), Dave Shipton (Head of Finance – Policy, Planning and Strategy), Zena Cooke (Corporate Director Finance) and Simon Pleace (Revenue and Tax Strategy Manager) were present for this item.

1. Mr Oakford introduced this item, highlighting that it had been a challenging decade, with over £600million being taken out of the budget over that period. So the increase, of about 6%, in the Government's settlement this year was very welcomed. The £100million of pressures in this years' budget had been addressed by the increase in grant from the Government, the Council Tax increase and Adult Social Care increase and from further savings (£34million) this year. The increased settlement would result in the most generous staff pay settlement for a decade. In addition, following reductions in Member grants these had been returned to previous level. The Capital budget was still concerning, 10% of the budget was financing the current debt. It was clear that highways were a priority and were deteriorating, however while it was easy to borrow now to pay for the necessary works, this would still be challenging to pay for as debt later. Finance were looking at alternative funding options to help manage the capital budget as the current approach was not sustainable.

2. Simon Pleace gave a presentation to the Committee. This was available online via this link. The presentation focussed on the changes since the initial draft budget book was published and there were no significant changes to the assumptions made in the draft budget.

3. The following questions were asked:

- There was not as much concern about the revenue budget compared to the capital budget which was pleasing. There was concern about the underfunding of Highways. As the Member had specific enquiries it was suggested that this be followed up outside of the Committee meeting. Mr Oakford spoke about the extra money for highways, through the capital programme of £105million over the next 3 years.
- A Member asked about the link between the payroll budget increase of 3.6% with average earnings – did this uplift including the pressures arising from the living wage increase?
- What was the prudent thing for members to do with regards to managing the debt/spend issue and reserve management? Considering an additional £121million borrowing over the next few years, this was an annual cost of 8%. Why was this such a high level of interest/cost?
- KCC needed to be mindful of the sustainability around borrowing and it would be preferable for KCC to be further away from the worse debt/reserve ratio. There was also a concern about the income received from the Council's Trading Companies.
- Members thanked Simon Pleace for an excellent presentation and officers were thanks for the briefings they gave the groups.
- Caution was urged in a transitional year; it was considered that there were some very fundamental issues that central government needed to resolve. One of the biggest pressures was adult social care – KCC could not keep waiting on the Government to develop a new formula for financing this.

- There was a question about the anticipated unallocated savings, was it possible to see a schedule of these savings along with any more details of where these savings would be made.

4. The following answers were provided:

- On borrowing – Local Government borrowing was very different to the commercial market. 8% was not the interest rate – the interest rates for borrowing were much lower, around half of total borrowing costs are to pay interest on accumulated debt (at varying rates of interest depending when loans were taken out) and other half was set aside provision to repay loans over the lifetime of the assets (known as minimum revenue provision). New loans could currently be secured at much lower interest but KCC still needed to budget for the interest costs for entire loan portfolio
- On national living wage increase - Dave Shipton explained no KCC staff were affected by this increase as all KCC staff were already paid more than the current level. This was because it had been previously agreed that KCC would pay the equivalent of the living wage foundation's real living wage of £9 per hour.
- High needs funding was currently the biggest risk to KCC. KCC was monitoring this closely and all other upper tier authorities were facing the same challenge.
- Comments on the Social Care green paper had not been forgotten by KCC's Executive.
- Referring to the Trading Companies, the £3.9m increase in income, was mostly from the existing charging policy. £6.5million was budgeted to be received next year from Traded Companies, including the additional £340k anticipated increase.
- More and more spending pressures and savings were unallocated because the details had not been fully assessed in time for the February budget process but this would be covered in the County Council report.

5. A Member asked what the difference was between the S151 officer view and Executive opinion around the use of council reserves. Zena Cooke confirmed that both the original figures and the updated figures met the County Council's requirements in terms of being prudent. There was always a debate about what should be in reserves vs what must be spent but the executive was clear that prudence was a priority. It was hoped that the right outcome from the fair funding review would help. The challenge going forward was how to manage the capital budget particularly with statutory obligations for spend around health and safety etc.

6. Zena Cooke confirmed that all accounting was in line with local government regulations. She offered to provide a written explanation to the Committee in due course.

7. A Member commented that historically budget amendments at County Council often failed because of there was not sufficient explanation of how the money would be spent, therefore could a timeframe be provided setting out how the £1million set aside for the environment, and £3.5m for the Strategic Statement would be spent. Mr Oakford explained that the final decision on the £3.5million put aside for the Strategic Statement would not be made until the results of the consultation were known. However, one priority was Community Wardens.

8. The Chairman invited Ms Carey to respond to the money allocated for the environment. She stressed that it was not just £1million being spent on the environment, a commitment had been made to report on the £1million in May with longer term plans as part of the Kent Environment Strategy group (cross party group).

RESOLVED that;

- a) the draft budget and associated reports be noted;
- b) the ongoing lobbying of government for fairer funding be welcomed and noted;
and
- c) the Executive be recommended to continue to make particular efforts in lobbying for sufficient Higher Needs funding.

24. Exempt minute of the meeting held on 19 November 2019

(Item A10)

RESOLVED that the exempt minute of the meeting held on 19 November 2019 was a correct record and that it be signed by the Chairman.