



## AGENDA

## CABINET

**Wednesday, 22nd January, 2014, at 10.00  
am  
Darent Room, Sessions House, County  
Hall, Maidstone**

Ask for: **Louise Whitaker**  
Telephone: **(01622) 694433**

### **Cabinet Membership:**

Mr P Carter, CBE, Leader (Chairman), Mr J Simmonds, MBE, Deputy Leader Mr D Brazier, Mr G Cooke, Mr M Dance, Mr G Gibbens, Mr R Gough, Mr P M Hill OBE, Mr B J Sweetland and Mrs J Whittle

*Tea/Coffee will be available 15 minutes before the meeting.*

### **Webcasting Notice**

Please note: this meeting may be filmed for live or subsequent broadcast via the Council's internet site – at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed.

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### **UNRESTRICTED ITEMS**

*(During these items the meeting is likely to be open to the public)*

1. Introduction/Webcasting
2. Declaration of Interests by Member in Items on the Agenda for this meeting
3. Minutes of the Meeting held on 2 December 2013 (Pages 3 - 8)
4. Other items which the Chairman decides are relevant or urgent

5. Christmas / New Year Storms & Floods - Update Report (Pages 9 - 32)
6. Budget 2014/15 and Medium Term Financial Plan 2014 - 17 (Pages 33 - 58)

Members are requested to kindly bring along to the meeting the spiral-bound versions of the Budget Book and MTFP distributed separately.

7. Revenue and Capital Budget Monitoring 2013 / 14 - October (Pages 59 - 144)
8. Unlocking the Potential, Growing for Growth: The Kent and Medway Growth Plan (Pages 145 - 268)
9. Adult Transformation Programme for Older People and Physical Disabilities Division, Families and Social Care - Update (Pages 269 - 272)

**Peter Sass**  
**Head of Democratic Services**  
**Tuesday, 14 January 2014**

*Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.*

**KENT COUNTY COUNCIL**

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**CABINET**

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 2 December 2013.

PRESENT: Mr P B Carter, (Chairman), Mr D L Brazier, Mr G Cooke, Mr M C Dance, Mr G K Gibbens, Mr R W Gough, Mr P M Hill, OBE, Mr J D Simmonds, MBE, Mr B J Sweetland and Mrs J Whittle

IN ATTENDANCE: Mr M Austerberry (Corporate Director, Enterprise and Environment), Mr D Cockburn (Corporate Director of Business Strategy and Support), Ms A Honey (Corporate Director, Customer and Communities), Mr A Ireland (Corporate Director, Families and Social Care), Mr P Leeson (Corporate Director Education, Learning and Skills Directorate), Ms M Peachey (Kent Director Of Public Health), Mr A Wood (Corporate Director of Finance and Procurement), Mr G Wild (Director of Governance and Law) and Mrs L Whitaker (Principal Democratic Services Officer)

**UNRESTRICTED ITEMS****32. Apologies**

*(Item 1)*

Apologies were received from Amanda Beer, Corporate Director for Human Resources.

**33. Minutes of the Meeting held on 14 October 2013**

*(Item 3)*

The minutes of the meeting held on 14 October 2013 were agreed and signed by the Chairman as a true record.

**34. Other items which the Chairman decides are relevant or urgent**

*(Item 4)*

The Leader of the Council, Mr Carter, reported that no urgent reports would be received, however, in response to a small protest being conducted outside of County Hall regarding the recent review of Children's Centres in Kent he provided a brief update of the current position.

A report to the Social Care and Public Health Cabinet Committee had been published on the 27<sup>th</sup> November for consideration at the meeting scheduled for the 5<sup>th</sup> December. The report detailed the outcomes of the recent consultation and the proposals for the future of Children's Centres. He welcomed the thorough and genuine consultation and thanked the Cabinet Member for Specialist Children's Services for her hard work in engaging with those who may be impacted. He invited the Cabinet Member for Specialist Children's Services to comment on the paper. Mrs Whittle made the following statements:

- An extensive consultation lasting 3 months had taken place and was now concluded.

- The original proposal consulted upon had been to close 23 Centres but had been amended following the consultation to 12.
- Thanks were extended to KCC Members and Kent's MP's for their involvement in the process, as well as to Children Centre staff, professionals and parents who had responded.
- That should a centre be closed in a particular locality, services would be continued in nearby local alternative community venues.
- The current proposals to be discussed by the Cabinet Committee and eventually to be considered for adoption by herself, would help to protect services in the future and would be able to survive and respond to continued difficult economic times.

### **35. Revenue and Capital Budget Monitoring for 2013-14 - Quarter 2**

*(Item 5 – Report of the Deputy Leader and Cabinet Member for Finance and Procurement and Andy Wood, Corporate Director for Finance and Procurement)*

Cabinet received a report providing the second full financial monitoring report of the 2013 -14 financial year. Mr Simmonds introduced the report to cabinet and in particular referred to the following details contained within it, pertaining to the revenue budget:

- That the report was positive and the Council remained on target to deliver an underspend.
- An underspend of £5.179million was currently reported before any management action had been taken, which would be reduced to £2.647million by the rephasing of projects/programmes including Social Fund monies and Kent Youth Employment. Following scheduled management action it was expected that the underspend would increase to £4.049million
- Since the last report, the increase in the underspend before management action and roll forward requirements could be largely attributed to three factors, the rephasing of the Kent Youth Employment Programme, an underspend related to waste management and savings in the customer and communities portfolio. This had been offset by increased pressure on the property budget and a shortfall in the Educational service grant relating to schools converting to academies.
- That £4.506 million grant funding received from central government at the beginning of the year had been helpful in achieving the satisfactory 6 month position.
- The Children's Services budget continued to experience considerable pressure, and currently showed an overspend of £3.916million which it was hoped would be reduced by management action taken in relation to recruitment, amongst other things. Asylum seeking children who had exhausted all rights of appeal continued to create financial pressure for the portfolio and although invoices totalling £3.8million continued to be sent to UKBA in an attempt to recover costs, the future receipt of all monies owed was not certain.
- A £1.567m underspend was reported within the mainstream home to school transport budget and £3m within the waste budget as a result of lower than budgeted waste tonnage. This was offset by other pressures within the waste service , leaving a £1.3million overall surplus on the waste budgets.
- Overall the position was satisfactory and it was crucial that the good work continued.

In relation to the Capital Budget he reported that:

- The working budget was currently reported as £320.3million but the actual spend was likely to be approximately £277.5million, a variation of £42.8million. The majority of this variation, £35.8million was accounted for by rephrasing of capital projects.
- The overall position was satisfactory.

Andy Wood, Corporate Director of Finance and Procurement welcomed the report and also expressed satisfaction that pressures identified were a small percentage of the budget of almost one billion.

The Cabinet Member concluded by reminding members that the recommendations before them contained a £1.5million of virement that would enable funding of the initial costs of Facing the Challenge, the Council's transformation programme.

The Leader referred to the rise in outstanding debt to KCC and suggested that this might be considered in more depth in the future.

It was **RESOLVED**:

| <b>Cabinet<br/>Revenue and Capital Budget Monitoring for 2013-14 – Quarter 2<br/>14 October 2013</b> |  |
|--|--|
| <b>1.</b>  | That the latest monitoring position on both the revenue and capital budgets be noted   |
| <b>2.</b>  | That a virement of £1.5m from the Modernisation of the Council budget within the Finance & Business Support portfolio to a new budget line "Business Strategy - Facing the Challenge" to be held in the Democracy & Partnerships portfolio (in the pre-election portfolio structure), to fund the initial costs of Facing the Challenge be agreed. |
| <b>3.</b>  | That the changes to the capital programme as detailed in the actions column in table 2 of the annex reports be agreed.   |
| <b>4.</b>  | That the latest Financial Health Indicators and Prudential Indicators as reported in appendix 1 and appendix 2 respectively be noted   |
| <b>5</b>   | That the directorate staffing levels as at the end of September 2013 as provided in section 7 be noted.  |
| <b>REASON</b>  |  |
| <b>1, 4 &amp; 5</b>  | In order that the Cabinet conducts its monitoring activities effectively.  |
| <b>2.</b>  | In order that the 'facing the challenge' programme is not delayed by accounting requirements.  |
| <b>3.</b>  | In order that the capital budget reflects the actuality of the council's capital programme.  |

|                                       |      |
|---------------------------------------|------|
| <b>ALTERNATIVE OPTIONS CONSIDERED</b> | None |
| <b>CONFLICTS OF INTEREST</b>          | None |
| <b>DISPENSATIONS GRANTED</b>          | None |

### **36. Quarterly Performance Report - Quarter 2 2013/14**

*(Item 6 – Report of the Leader and Cabinet Member for Business Strategy, Audit and Performance, Mr Paul Carter and Corporate Director for Business Strategy and Support, David Cockburn)*

Cabinet received a report detailing performance in key areas during the first quarter of the financial year.

The Leader and Cabinet Member for Business Strategy, Audit & Transformation, Mr Paul Carter, introduced the report for members, he commented on the need to manage demand led services and the importance of preventative services in managing a reduction in those areas. He requested that Richard Fitzgerald, Performance Manager BSS, spoke to draw attention to any areas of particular relevance or variation. Mr Fitzgerald drew attention to the following information:

- That there had been a small reduction in the number of Looked After Children
- That for a number of performance targets showing as amber performance was close to or better than the national average with the amber rating reflecting challenging local targets which had been set.
- That the three 'reds' reported where as at the last Quarter. Namely, Social worker posts filled, NHS health checks and Schools in category.
- NHS Health Checks showed a positive direction of travel.
- 14 Indicators had improved while 14 reported lower than at the last quarter which was a balanced position.

The Leader commented that the current levels of schools in category and temporary social workers employed were big issues, and assured members that the administration continued to work towards positive solutions to these issues.

In response to the report the Cabinet Member for Education and Health Reform made the following remarks:

- That the direction of travel for education remained positive and that improvements had been made in terms of attainment for children in Kent.
- Ofsted inspection results also continued to improve.
- The Education Directorate would continue to focus on minimising the attainment gap between children from different socio-economic backgrounds.
- There is on-going monitoring of schools at risk of going into category and expectations were that numbers moving into category would reduce in the year ahead. Finally he highlighted for members, figures included within the report which illustrated the rising number of reception pupils for whom KCC had a statutory responsibility to ensure a school place. It was not, he

reported, unexpected but explained the current programme of school expansion being undertaken.

The Leader added that the success of the Capital receipt programme had been and would continue to be crucial in funding capital projects such as the expansion programme to which Mr Gough had referred.

The Cabinet Member for Economic Development, Mr Dance, commented on the reported improvement in the number of jobs created. For the TIGER fund performance was ahead of target for the first seven months and the direction of travel remained positive. TIGER was a public/private partnership and he credited a large part of the success to date to that innovative partnership working. In the future the Escalate project would invest £5.5million in West Kent and in addition private sector partners were being sought to help deliver the smaller Marsh Million fund.

The Cabinet Member for Specialist Children’s Services, Mrs Whittle reported in relation to recruitment of permanent social workers. She informed Members that there had been a significant increase in the number of permanent social workers with 48 additional newly qualified social workers recruited in September, but that they would not become case holders until the relevant professional training had been completed. .

The Leader expressed concern regarding the performance target which measured the number of placements that Children in Care experienced. He suggested that in the future the Social Care and Public health Cabinet Committee may wish to investigate this data further.

The Cabinet Member for Adult Social Care and Public Health, reported against the ‘red’ indicator on NHS Health Checks. He explained that concerns had been addressed with the provider and the majority of GP’s in Kent were now fully signed up to the scheme. The service was improving and would continue to improve, but that the 5 year trajectory of the work meant that reporting of success would not be immediate.

It was RESOLVED:

|   |   |
|---|---|
| <b>Cabinet<br/>Quarterly Performance Report – Quarter 2 2013/14<br/>2 December 2013</b> |   |
| <b>1.</b>   | That the Quarter 2, 2013/14 Quarterly Performance Report be noted.        |
| <b>REASON</b>   |   |
| <b>1.</b>   | In order that the Cabinet conducts its monitoring activities effectively. |
| <b>ALTERNATIVE OPTIONS CONSIDERED</b>   | None  |
| <b>CONFLICTS OF INTEREST</b>  | None  |
| <b>DISPENSATIONS</b>  | None  |

|                |  |
|----------------|--|
| <b>GRANTED</b> |  |
|----------------|--|

**37. Corporate Risk Register - Refresh**

*(Item 7 – Report of the Leader and Cabinet Member for Business Strategy, Audit and Performance, Mr Paul Carter and Corporate Director for Business Strategy and Support, David Cockburn)*

Cabinet received a report presenting the latest version of the Kent County Council Corporate Risk Register.

Mark Scrivener, Corporate Risk Manager was in attendance to talk to the item. He introduced the report to Cabinet explaining that the Corporate Risk register was a living document and as such risks were deleted, escalated or adapted according to various factors. The report detailed such changes for consideration, and any actions being taken to mitigate risks reported.

No further comments were received.

It was RESOLVED:

|  |  |
|--|--|
| <b>Cabinet<br/>Corporate Risk register - Refresh<br/>2 December 2013</b> |  |
| <b>1.</b>  | That the refreshed Corporate Risk Register, be noted.                          |
| <b>REASON</b>  |  |
| <b>1.</b>  | In order that the Cabinet conducts its risk monitoring activities effectively. |
| <b>ALTERNATIVE<br/>OPTIONS<br/>CONSIDERED</b>                            | None   |
| <b>CONFLICTS OF<br/>INTEREST</b>   | None   |
| <b>DISPENSATIONS<br/>GRANTED</b>   | None   |



From: **Michael Hill, Cabinet Member, Customer and Communities**  
 To: **Cabinet**  
 Subject: **Christmas / New Year Storms & Floods - Update Report**  
 Classification: **Unrestricted**  
 Past Pathway of Paper: **Kent Flood Risk Management Committee, Informal Meeting – 15<sup>th</sup> January 2013**  
 Future Pathway of Paper: **N/A**  
 Electoral Division: **N/A**

**Summary:** This report provides Cabinet with an early update on the response by KCC and partners to the storms and flooding experienced over the Christmas and New Year period.

**Recommendation(s):** Cabinet is asked to note the contents of the report, including the proposal to provide a full report in the spring.

## 1. Introduction

1.1 This report covers the following:

- Background to flood risk management, emergency planning & response in Kent;
- Overview of events, from lead-up to Christmas storm and floods to the present day;
- Emerging key issues; and
- Next steps.

1.2 Importantly, whilst this report will reference lessons learned and broader flood risk management issues (e.g. spatial planning, planning management, drainage etc.) these matters will be addressed through the appropriate formal channels (including single and multi-agency debriefs and Kent Flood Risk Management Committee) in due course.

## 2. Background

2.1 Following the 2000-2001 wide-area flooding in Kent, the KCC Policy & Resources and Strategic Planning Scrutiny Committees undertook a detailed review of all aspects of the planning, preparations & response, the outcomes of which were published in April 2001.<sup>1</sup>

2.2 The 2000-2001 flooding events made national, and indeed international, news headlines and was one of the '4 Fs' (flooding, fuel protests, foot and mouth and fire strikes) that led directly to the creation of the Civil Contingencies Act (CCA, 2004)<sup>2</sup>. Under the CCA, KCC is classified as a 'Category 1 Responder' (along with the Emergency Services, District / Borough Councils, NHS, EA and others) and has statutory responsibilities for the preparation plans that detail how emergency responders respond to emergencies in Kent, including flooding.

2.3 Following widespread flooding in various parts of the UK in 2007, further fundamental reviews were undertaken by Government ('The Pitt Review'<sup>3</sup>) and KCC<sup>4&5</sup>, which led to significant changes to the way we plan for and manage flood risk and flood emergencies.

<sup>1</sup> <https://democracy.kent.gov.uk/documents/s14894/Final%20Report.doc.pdf>

<sup>2</sup> [www.legislation.gov.uk/ukpga/2004/36/contents](http://www.legislation.gov.uk/ukpga/2004/36/contents)

<sup>3</sup> <https://democracy.kent.gov.uk/mgConvert2PDF.aspx?ID=2880>

<sup>4</sup> <https://democracy.kent.gov.uk/mgConvert2PDF.aspx?ID=2878>

<sup>5</sup> <https://shareweb.kent.gov.uk/Documents/Council-and-democracy/select%20committees/flood-risk-report-nov07.pdf>

- 2.4 The Flood & Water Management Act (2010)<sup>6</sup> placed further statutory obligations on KCC and partner organisations, including giving KCC responsibility for developing, maintaining and applying a strategy for local flood risk management in their area as the named 'Lead Local Flood Authority'.
- 2.5 KCC has enacted several changes in response to this new obligation, the most significant change is the development of an overarching flood response plan for Kent, supplemented by 'Local Multi-Agency Flood Plans' for each District / Borough in Kent, which provide detail down to individual community level. In addition, arrangements have been developed to tackle specific issues such as east coast tidal surge or reservoir failure, and a Rapid Response Catchment Emergency Plan has been developed for the Pent Stream. These plans have been supported by a programme of regular multi-agency awareness-raising, training & exercising, with some 25 such events conducted since 2010.
- 2.6 Further information can be found in **Appendix 1** which outlines a) the relationship between flood risk management, emergency planning and response; and b) roles and responsibilities for key partners and **Appendix 2** provides a summary of progress against the recommendations made in the 2007 KCC Select Committee Report.

### 3. Overview of Situation

- 3.1 Storm damage & surface water flooding: From the evening of Monday 23<sup>rd</sup> December, multiple reports of surface water flooding, downed trees and power lines etc. were received from across the county. These were not clearly defined geographical areas, but were spread across Kent, primarily in the west of the county. In addition 28,500 properties across Kent lost power; the majority in west Kent but smaller numbers across Dover, Shepway Thanet and Canterbury Districts. A large power outage affected some 1,000 properties in Vigo, Gravesham. By the end of Boxing Day there remained in excess of 14,000 properties without power across Kent.
- 3.2 River flooding: The EA reported 45 individual areas of flooding, 29 of which experienced residential property flooding, including those below. These figures may include properties where water did not necessarily enter the building, but entered the boundaries of properties.
- **Yalding**: 205 residential properties (including Little Venice Caravan Park)
  - **Hildenborough**: 157 residential properties
  - **Tonbridge**: 102 residential / 19 commercial properties
  - **Collier Street**: 40 residential / 1 commercial properties
  - **Edenbridge**: 30 residential properties
  - **East Peckham**: 20 residential / 3 commercial properties
  - **Maidstone**: 6 residential / 20 commercial properties
  - **East Farleigh**: 9 residential / 2 commercial properties
  - **Dartford**: 10 residential properties
  - **Westerham**: – 6 residential properties
- 3.3 In total 597 households and 51<sup>7</sup> commercial properties were reported as flooded by the EA. The combined total for the 2000-2001 floods in Kent was approximately 1000 properties.
- 3.4 In addition, Ashford town centre and Grove Ferry experienced flooding without property incursion and Aylesford, Canterbury and Fordwich were also identified as at high risk. For all of these, evacuation arrangements were put in place.
- 3.5 Key facts & figures include:
- **33**: Flood Alerts issued for Kent rivers, between 18<sup>th</sup> December & 6<sup>th</sup> January.

<sup>6</sup> [www.legislation.gov.uk/ukpga/2010/29/contents](http://www.legislation.gov.uk/ukpga/2010/29/contents)

<sup>7</sup> Including Bishop's Terrace and Yalding Library

- **28:** Flood Warnings issued for Kent rivers, between 21<sup>st</sup> December & 6<sup>th</sup> January.
- **647:** Confirmed residential & commercial properties flooded.<sup>8</sup>
- **28,500:** Properties without power in Kent.
- **18,941:** Calls to Contact Point over the Christmas period, majority due to flooding.
- **1,500:** Calls to KCC Highways & Transportation about fallen trees.
- **331:** Weather-related incidents attended by KFRS, 78% between 23<sup>rd</sup> & 25<sup>th</sup> December.
- **134:** Rescues by KFRS, 127 on Christmas Eve or Christmas Day.
- **57:** Individuals supported by Kent Support & Assistance Service (KSAS)
- **50:** Approximate number of residents evacuated to rest centres on Christmas Eve<sup>9</sup>
- **25:** Multi-agency flood awareness, training & exercise events run in Kent since 2010.
- **995:** Hours worked by EP staff between 22<sup>nd</sup> Dec & 5<sup>th</sup> Jan.

#### 4. The Multi-Agency Response

- 4.1 The following is a brief summary of the KCC and multi-agency response to the situation. Greater detail can be found in **Appendices 3 to 5** and also on KNet and the KCC website<sup>10</sup>.
- 4.2 First warning of high winds from Met Office were received by KCC EP on 20<sup>th</sup> December at 11:00 and a multi-agency conference call set up and chaired by KCC EP at 16:30. Pre-emptive planning, including 'warning and informing' interventions, was mobilised. The storm impacted across Kent from the evening of 23<sup>rd</sup>. The response phase then commenced, addressing significant and wide-scale impacts, including some 28,500 properties without power (the highest figure in the country). The Environment Agency issued Flood Warnings on the 23<sup>rd</sup>, covering rivers in west Kent. The County Emergency Centre (CEC) and Kent Police established a multi-agency Tactical Co-ordinating Centre on 23<sup>rd</sup>, and chaired a Strategic Co-ordinating Group from the 24<sup>th</sup>. The CEC worked with multi-agency partners to co-ordinate door-knocking, evacuations & search & rescue operations by South-East England 4x4 Response, Coastguard Rescue Team, Kent Search & Rescue and St John Ambulance. A rescue operation at Little Venice caravan park, Yalding was mobilised, with many residents evacuated by voluntary sector crews deployed by CEC. At around midnight on 24<sup>th</sup> central Maidstone began to flood. On 27<sup>th</sup> the flood waters begin to recede and Prime Minister visited Yalding. From Monday 30<sup>th</sup> recovery operations began, including a range of support to vulnerable people. The 'emergency phase' was declared over on 6<sup>th</sup> January and lead responsibility passed from Kent Police to KCC for the recovery, however, specific emergencies arising from the storm continued to impact Kent communities.

#### 5. Key Issues

- 5.1 A range of issues have been raised by residents, elected representatives, media commentators and resilience partners in relation to the response to the Christmas and New Year storms and floods. All agencies involved within the response acknowledge their duty to review the effectiveness of their planning and operational response, listen to affected communities and assimilate lessons learned. Amongst the raft of issues raised by residents, the media and other interested parties the following are to the fore:
- Effectiveness and consistency of warning and informing of flood threatened communities;
  - Operation and communication as relates to the EA's Leigh Barrier Flood Storage Area;

<sup>8</sup> Not including surface water flooding & unconfirmed reports.

<sup>9</sup> 37 accommodated in hotels / bed & breakfasts, from Christmas Eve. All from Little Venice caravan park.

<sup>10</sup> [http://www.kent.gov.uk/news\\_and\\_events/news/2013/december/on\\_the\\_emergency\\_front\\_line.aspx](http://www.kent.gov.uk/news_and_events/news/2013/december/on_the_emergency_front_line.aspx)

- The scale, urgency & visibility of the multi-agency response within affected communities;
- Difficulties experienced by residents in contacting key organisations;
- Local community resilience and individual householder / business responsibility;
- Provision of sandbags and flood barriers; and
- Effectiveness of current single and multi-agency response plans.

In addition, strategic concerns relating to past and future spatial and planning management decisions, as well as the delivery of sustainable urban drainage (SuDS) and flood defence infra-structure have acquired an added urgency in the wake of recent events.

## 6. Next steps

- 5.1 A range of single and multi-agency debriefs will provide a structured and accountable basis for learning lessons and further refining planning and response contingencies. It is vital that local residents and their elected representatives inform this process and Kent County Council will have a key role in establishing this improved interface.
- 5.2 The multi-agency Recovery Strategy & Plan is being led by KCC and places a great responsibility upon the shoulders of officers and Members to deliver for affected communities and the county as a whole.
- 5.2 A key element of the recovery process is the ongoing calculation of costs accrued by the response agencies. Indeed, KCC and a number of Kent Districts have already submitted expressions of intent to bid against the Bellwin Scheme for emergency financial assistance, which is administered by Department of Communities and Local Government.

## 6. Recommendation(s)

**Recommendation(s):** Cabinet is asked to note the contents of the report, including the proposal to provide a full report in the spring, including findings and recommendations from all single and multi-agency debrief reports.

## 7. Background Documents

- 7.1 Appendices 1-5 and 2001 and 2007 Select Committee Reports.

## 8. Contact Details

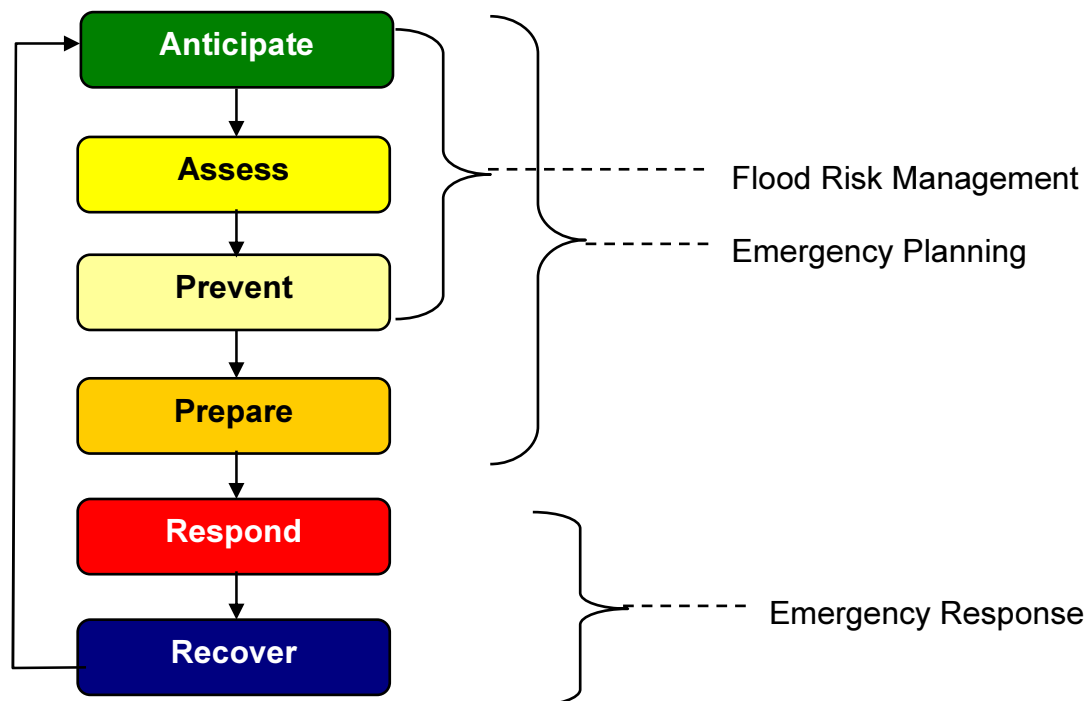
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## Appendix 1. Flood Risk Management, Emergency Planning & Response

### A1.1 Relationship between Flood Risk Management, Emergency Planning & Response



### A1.2 Roles & Responsibilities of Key Partner Organisations

| Authority                 | Flood Risk Management Role  | Emergency Planning & Response Roles  |
|---------------------------|---|--|
| <b>Environment Agency</b> | The Environment Agency is responsible for taking a strategic overview of the management of all sources of flooding and coastal erosion. The Agency also has operational responsibility for managing the risk of flooding from main rivers, reservoirs, estuaries and the sea, as well as being a coastal erosion risk management authority. | As a Category 1 Responder, prepare plans to respond to a range of emergencies, including flooding.<br>In the event of a flood: <ul style="list-style-type: none"> <li>• Monitor weather, river &amp; coastal conditions;</li> <li>• Maintain &amp; operate flood defences</li> <li>• Issue Flood Alerts, Flood Warnings &amp; Severe Flood Warnings</li> <li>• Advise &amp; coordinate emergency response with other partners, including chairing Severe Weather Advisory Groups in lead-up to flood emergencies.</li> </ul> |

| <b>Authority</b>  | <b>Flood Risk Management Role</b>  | <b>Emergency Planning &amp; Response Roles</b>  |
|---|--|---|
| <p><b>Kent County Council</b></p> <p><b>Highway Authority</b></p> <p><b>Lead Local Flood Authority</b></p> <p><b>Emergency Planning</b></p> | <p>Highway Authorities are responsible for providing and managing highway drainage and must ensure that road projects do not increase flood risk.</p> <p>Lead Local Flood Authorities are responsible for developing, maintaining and applying a strategy for local flood risk management in their areas. They also have lead responsibility for managing the risk of flooding from surface water, groundwater and ordinary watercourses.</p> <p>To work with key internal &amp; external partners to advise on flood Emergency Planning &amp; Response issues in the planning for, and management of, flooding.</p> | <p>Prepare plans, equipment etc. to respond to incidents on the highway, including flooding. Monitor &amp; respond to weather forecasts &amp; Work with other highways authorities &amp; partners to respond to incidents.</p> <p>No statutory role, but will work with key internal / external partners to provide advice to assist in the preparing &amp; responding to flooding.</p> <p>As a Category 1 Responder, prepare plans to respond to a range of emergencies, including flooding.</p> <p>In the event of a flood:</p> <ul style="list-style-type: none"> <li>• Monitor weather, river &amp; coastal conditions;</li> <li>• Warn &amp; inform key internal &amp; external partners &amp; the public.</li> <li>• Advise &amp; co-ordinate emergency response with other partners, including chairing Severe Weather Advisory Groups in the lead-up to flood</li> <li>• Coordinate the welfare response to emergencies.</li> <li>• Coordinate the activities of Local Authorities &amp; the Voluntary Sector</li> <li>• Lead the Recovery phase of the emergency.</li> </ul> |

| <b>Authority</b>                    | <b>Flood Risk Management Role</b>   | <b>Emergency Planning &amp; Response Roles</b>  |
|-------------------------------------|---|---|
| <b>District / Borough Councils</b>  | District / Boroughs Councils are responsible for ensuring that flood risks are effectively managed in developments in their area. They can carry out flood risk management works on minor watercourses. District and unitary councils in coastal areas also act as coastal erosion risk management authorities. | As a Category 1 Responder, prepare plans to respond to a range of emergencies, including flooding.<br><br>Deliver homelessness duties for individuals affected or threatened by 'fire, flood or other disaster' under the Housing Act |
| <b>Water and Sewerage Companies</b> | Water and Sewerage Companies are responsible for managing the risks of flooding from water and foul or combined sewer systems providing drainage from buildings and yards.  | As a Category 2 Responder, prepare plans to respond to a range of emergencies, including flooding (incorporating rest centres and longer term accommodation).   |
| <b>Internal Drainage Boards</b>     | Internal Drainage Boards are responsible for managing land drainage and ordinary watercourses in their areas.   | No statutory role, but will be informed & consulted in the planning for & management of flood emergencies.  |
| <b>Kent Police</b>                  |   | As a Category 1 Responder, prepare plans to respond to a range of emergencies, including flooding.<br><br>Key command and control, warning and informing and evacuation responsibilities.   |
| <b>Kent Fire &amp; Rescue</b>       |   | As a Category 1 Responder, prepare plans to respond to a range of emergencies, including flooding.<br><br>Key role in search and rescue.  |

## Appendix 2. Review of 2007 Flood Risk Management Select Committee Recommendations

| Recommendation   | Progress & Comments   |
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| 1. That KCC look into setting up and resourcing a permanent Flood Risk Committee, in partnership with District Councils  | Established in 2010.  |
| 2. That there should be adequate, ring-fenced, direct government funding for flood risk management to provide a more transparent system which will reassure the public that vital plans, strategies and flood defence work will not be compromised by competing demands within DEFRA or elsewhere. | <p>Since the inception of the Lead Local Flood Authority role KCC has received funding through the area-based grant. This funding is to further understanding of flood risk resulting from surface water, groundwater and ordinary watercourses and identify/put in place measures to assist in its management. This work is now steered by the KCC prepared Local Flood Risk Management Strategy. This allocation is not ring-fenced but to date KCC has been able to allocate the entire funding to flood risk management. It is important to note that there is no guarantee of this funding from Defra in future years.</p> <p>Defra's overall budget has been cut by £500m since 2010 and must find a further £300m in savings by 2016. This has had an impact on delivery of flood defence projects although the extent of which is unclear. Funding for flood defence works has also changed and now requires a local contribution in all but exceptional circumstances.</p> |
| 3. That KCC should lobby the government to consider re-designating the flood management arm of the Environment Agency as a dedicated flood risk agency as well as giving the EA a strategic overview of all types of flood risk.   | Whilst there isn't a designate flood risk agency, the Flood and Water Management Act 2010 gave the Environment Agency a strategic overview role for flood risk.   |
| 4. That KCC promotes the further development of an Engineering Consultancy led by Canterbury City Council Engineers to disseminate good practice and offer training/apprenticeships to build a practical skills-base and retain local  | East Kent Engineering brings together the five East Kent Coastal Local Authorities of Canterbury, Dover, Shepway, Swale and Thanet pooling local knowledge and expertise and ensuring a robust joined-up approach to flood and coastal erosion risk   |



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| <p>knowledge/expertise in flood risk management.</p>  | <p>management. Similar groupings do not exist for other authorities.</p>  |
| <p>5. That KCC supports development in brownfield and other areas subject to the rigorous application of site specific sequential and exception tests of Planning Policy Statement 25.</p>  | <p>Agreed in 2009 that no further action was required on this recommendation.</p>   |
| <p>6. That KCC oversee the development of further sub-regional flood risk assessments, based on river catchments, and undertakes to monitor this development.</p>   | <p>The Environment Agency has produced Catchment Flood Management Plans for each river catchment in England. In Kent these were largely produced in 2008. These plans give an overview of the flood risk across each river catchment and recommend ways of managing those risks now and over the next 50-100 years. Part of the recommendations in the CFMPs is to identify and address the flood risk in catchment where a need is identified.</p> <p>In terms of KCC work, the Flood Risk Regulations 2009 and Flood and Water Management Act 2010 placed a responsibility for flood risk management on KCC in relation to surface water, ordinary watercourses and ground water. In response KCC has prepared a Preliminary Flood Risk Assessment (PFRA), a county wide Local Flood Risk Management Strategy and 13 surface water management plans (informed by the PFRA).</p> |
| <p>7. That KCC ensures that its Environment and Waste Team are sufficiently resourced to enable them to: develop a county-wide coastal policy; maintain their oversight of Shoreline Management Plans (SMPs) to promote consistency across the county; and raise public awareness of plans.</p> | <p>Planning and Environment now has dedicated Flood Risk Management staff (within the Flood Risk and Natural Environment Team), comprising Flood Risk Manager, Flood Risk Project Officer, Sustainable Drainage Engineer and Land Drainage Engineer. This is further enhanced by an Environment Agency secondment to support the land drainage work one day a week.</p>   |
| <p>8. That KCC should lead on the co-ordination of work with landowners and other agencies to identify options for the funding of changed land-use or buy-out to ensure that plans to achieve more naturally functioning flood plains and</p>   | <p>Agreed in 2009 that this should defer to national work looking at issues of blight as a result of flooding.</p>  |

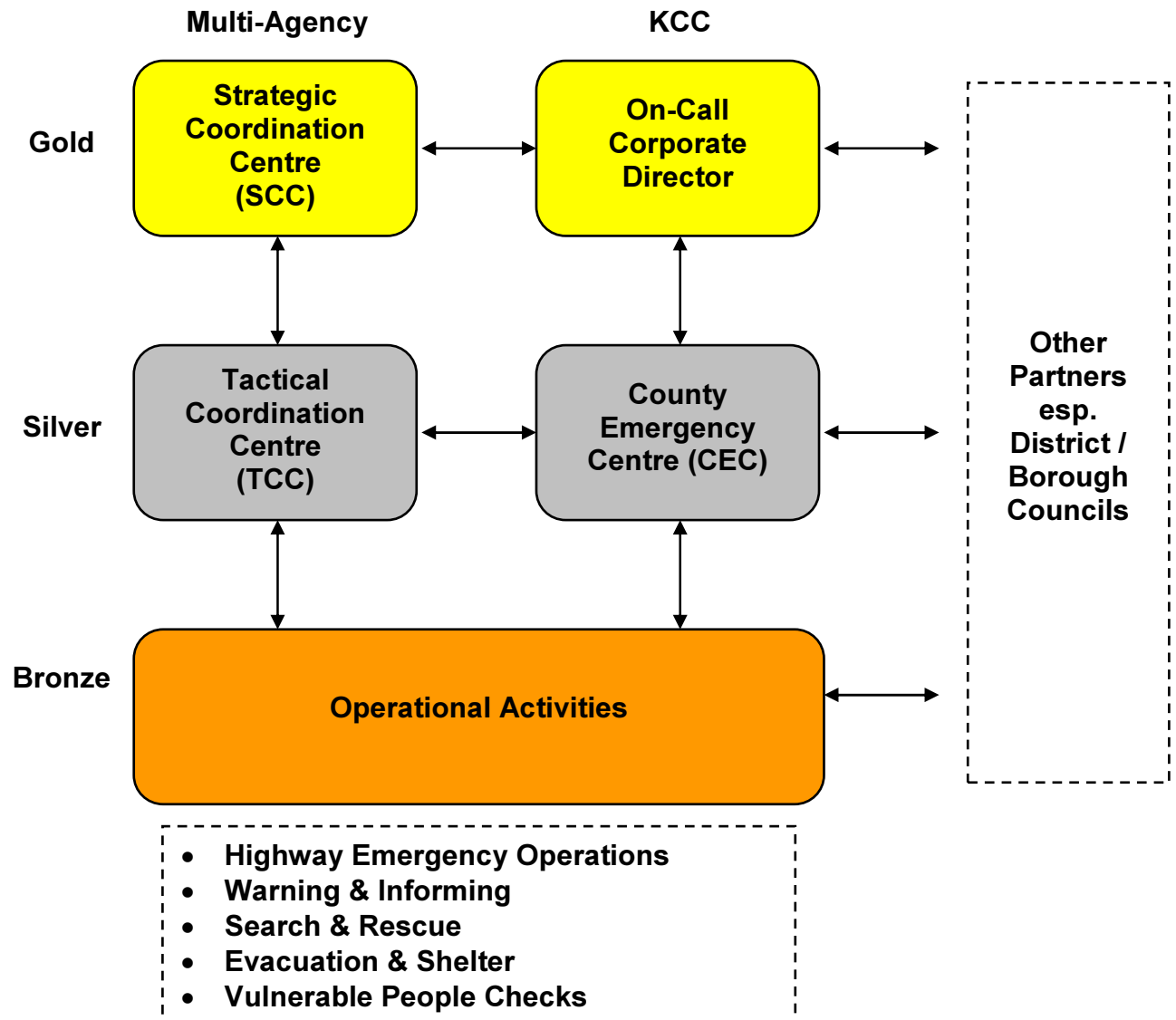
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| coastline in Kent are arrived at equitably.  |  |
| 9. That KCC works in partnership with the EA to ensure that River Basin Management planning is fully integrated with existing Catchment Flood Management Plans (CFMPs) and with regard to SMPs.  | Agreed in 2009 that no further action was required on this recommendation.   |
| 10. That Kent Highway Services (KHS) and the EA seek to reconstitute Flood Liaison Advice Groups (FLAGS) in Kent (ideally catchment based), with representation from the insurance industry and local communities.   | Local Multi-agency Flood Plans and community-based training exercises include participation by KCC Highways and Transportation, EA, KCC EP and other key partners.   |
| 11. That KCC instigates discussions between local planning authorities, Southern Water and others on the feasibility, benefit and cost implications of using non-return valves/sealed sewage systems in all new developments and existing developments where sewage flooding is proven to be a problem and requiring it to be a condition of planning consent. | Non-return valves are a standard response from Southern Water for sewer flooding problems where they are feasible. There is currently no standard requirement for such valves/systems to be conditioned for planning consent.  |
| 12. That KCC promotes the use of sustainable drainage systems (SUDS) throughout Kent with over-attenuation of surface runoff, guided by best practice adopted by Canterbury and Ashford councils and findings of the integrated urban drainage pilots.   | The Flood and Water Management Act 2010 places a responsibility on KCC to act as an approval and adoption body for SUDS. Although this to date this part of the Act has not been commenced, KCC has been proactive in preparing for this role and promoting the inclusion of SUDS in new developments, including the development of SUDS master-planning guidance. The authority has also revised its drainage adoption regime so it can already adopt some SUDS that are contained within the highway boundary. |
| 13. That Kent planning authorities adopt the requirement for Drainage Impact Assessments for all new developments, following the Canterbury model.   | This recommendation has not been taken up by Kent's planning authorities. Most planning authorities do not have the resources to assess a drainage impact assessment and there is no one to support them in that. Once the Drainage Approval Role is commenced (which has been delayed by Defra several times now) we will be required to approve drainage for all major developments. Further to this, as part of   |

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|   | the surface water management plans KCC are undertaking, we are exploring with local authorities and the EA the option of designating some areas as Critical Drainage Areas.  |
| 14. That the Fire & Rescue Service are included as an active partner in the planning process for new developments.  | Agreed in 2009 that no further action was required on this recommendation.   |
| 15. That the Kent Design guide is revised to include information on mitigating flood damage and makes reference to innovative designs for the future, such as floating homes.   | This revision has not been undertaken.   |
| 16. That KCC lobbies government to produce a set of Building Regulations for use in flood risk areas so that planners are supported by increased but nationally consistent obligations to assist developers with a high level of flood proofing/mitigation. | The Flood and Water Management Act provided an amendment to Building Act to enable the Building Regulations to require flood resilient repair but this has not been taken forward.<br>Guidance does exist – for instance, CIRIA produced guidance on the repair and restoration of buildings following floods to improve future flood resistance; and RIBA have produced guidance on designing for flood risk. |
| 17. For KCC to work in partnership with the EA to publicise actions householders can take to increase the flood resilience of their homes.  | KCC have worked alongside EA on flood fair events and public information.  |
| 18. That KCC specifically allocate funding to enable road gully cleansing work. That the KHS winter maintenance budget is readjusted to become an extreme weather budget.   | The budget for gully cleansing has been increased to £2.765m (from £1.8m at the time of the recommendations). There has been significant modernisation and investment into road gully cleansing and winter maintenance. The winter maintenance budget has remained; emergency funding is sought for extreme weather events.  |
| 19. That KCC works in partnership with local authorities, the police and traffic wardens to inform the public about road drainage cleansing activities to address the issue of vehicles obstructing gullies and delaying vital works.                       | Ongoing  |
| 20. That the government should urgently consider the EA's request for funding to enable vital works to proceed at Jury's  | Funding was secured in 2013 for the Broomhill Sands Coastal Defence scheme (which this recommendation  |

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| Gap, Cambers.  | relates to), increasing the level of protection from 1 in 20 years to 1 in 200 years.   |
| 21. That the EA should encourage the input of local authority and Internal Drainage Board (IDB) experts on local strategies and schemes and that IDBs gain representation on the Southern Regional Flood Defence Committee (RFDC) in order to optimise the benefit to be gained from local knowledge.  | Agreed by Committees that IDBs are represented through the local authority representative.  |
| 22. That the EA develop and implement a phased rolling programme of maintenance to include 'low risk' areas (in collaboration with the Kent Internal Drainage Boards).   | The Environment Agency publishes an annual river and coastal maintenance programme available on their website   |
| 23. That the EA prioritise clearance of waterways in the Romney Marsh Area.  | Maintenance work for all main rivers is carried out on a priority basis – most of Romney Marsh is classed as medium or high risk.   |
| 24. That the Kent Resilience Forum (KRF) Severe Weather Group (SWG) audit and promote the development of emergency plans/specific flood plans for at risk areas in liaison with the Environment Agency and develop and generic flood plan for Kent.  | KCC have published a flood response plan, which govern the council's response to a significant flood in Kent. Local multi agency flood plans have also been prepared at the local, district level.  |
| 25. That the government consider placing a duty (with funding) on the Fire & Rescue Service to respond to a flood emergency and further considers designating FRS as the lead body in charge of a flood incident.  | This was a recommendation of the Pitt Review (2008). Despite the introduction of the Flood and Water Management Act, which was intended to take forward the Pitt Review recommendations, there is still no duty on the Fire & Rescue Service to respond to a flood emergency. |
| 26. That the Kent Resilience Forum Severe Weather Group formulate and publicise an action plan in relation to flooding to raise public confidence in Kent's preparedness for flood events and consideration should be given to merging the SWG with the Flood Warning Planning Liaison Group to reduce duplication and avoid confusion as part of a wider streamlining of the group structure within the Resilience Forum. | Kent and Local Multi-agency Flood Plans, alongside locally delivered training and exercising, have done much to enhance flood preparedness.   |

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| <p>27. That KHS should send officers to work alongside local district colleagues in an emergency situation.</p>   | <p>Agreed in 2009 that no further action was required on this recommendation as arrangements already exist.</p>  |
| <p>28. That the Environment Agency, through its chairmanship of the KRF Severe Weather Group, should ensure there is a systematic survey of critical infrastructure (location and flood defences) and through the SWG promote work with utility companies to ensure supplies can be protected and maintained during flood emergency situations.</p> | <p>Critical Infra-structure work delivered as element of Kent and Local Multi-agency Flood Plan work.</p>  |
| <p>29. That the Severe Weather Group liaise with partners in the Kent Resilience Forum and east coast authorities to formulate an emergency response plan for an extreme coastal event, including warning systems, communication processes and education of residents.</p>  | <p>East Coast Flooding has been the focus of significant investment by EA on improved risk mapping. Multi-agency partners have enhanced planning and response contingencies for this risk. A major multi-agency East Coast Flooding seminar and exercise was delivered at Ashford in April 2013.</p> |
| <p>30. That KCC support the Environment Agency in raising flood risk awareness (including the appointment and training of flood wardens and to ensure that vulnerable people are identified and supported in emergency situations) via town and parish councils and similar community groups.</p>   | <p>Significant community resilience work, including plan production and locally delivered training and exercising has taken place within flood vulnerable Kent communities. Kent Association of Local Councils (KALC) are key partners, alongside EA and KCC EP.</p>                                 |

### Appendix 3. Emergency Command, Control & Coordination Structures



## **Appendix 4. Timeline of Key Events**

### Friday 20<sup>th</sup> December

- First warning of high winds from Met Office received by KCC Emergency Planning (EP) at 11:00.
- Multi-agency conference call set up and chaired by KCC EP at 16:30.

### Sunday 22<sup>nd</sup> December

- Met Office issue 'Amber' warning for high winds & heavy rain.
- EA issue 8 x Flood Alerts ('Flooding is Possible: Be Prepared) for rivers, mainly in west Kent.
- Second multi-agency conference call, chaired by KCC EP at 15:00.
- Joint press statement agreed & issued to 'warn & inform' the public.

### Monday 23<sup>rd</sup> December

- Third multi-agency conference call, chaired by KCC EP at 09:30.
- Morning focus – preparations, build on warning & informing messages, including working with KCC Gypsy & Traveller Unit and District / Borough Councils to contact all coastal caravan & camping sites re risk of high winds.
- Storm hits Kent – widespread damage, many trees down and heavy rain leads to surface water flooding across the County, causing significant travel disruptions.
- Approximately 28,500 without power in Kent (highest in the country).
- Mid morning Kent Police open the multi-agency Tactical Co-ordination Centre (TCC) to help manage the response. KCC EP and Highways send liaison officers.
- EA issues 'Flood Warnings' (Flooding is Expected: Immediate Action Required) for 5 x rivers in west Kent.
- County Emergency Centre (CEC) operational 07:00 to around 22:00, with liaison officer at TCC 24 / 7.

### Tuesday 24<sup>th</sup> December

- Morning focus – vulnerable people without power, plus risk of flooding in west Kent from Rivers Eden and Darent.
- Kent Police chair 1<sup>st</sup> multi-agency Strategic Coordinating Group (SCG) meeting.
- Edenbridge isolated by surface water flooding & fallen trees. Edenbridge Town Council invokes its Community Emergency Plan. Contact established via Sevenoaks District Council. KCC Highways & Transportation & South-East England 4x4 Response deploy to Edenbridge to clear roads.
- Midday – advised that surface water flood risk managed and reducing.

- UK Power Networks advise that c28,500 properties in Kent without power.
- Approx 15:30 – Environment Agency warn that water levels in the Medway downstream of Tonbridge will cause flooding in Tonbridge, East Peckham and Yalding.
- CEC works with multi-agency partners to coordinate door-knocking, evacuations & search & rescue operations. South-East England 4x4 Response, Coastguard Rescue Team, Kent Search & Rescue (KSAR) & St John Ambulance (SJA) deployed to Yalding.
- Rescue operation at Little Venice caravan park in Yalding, many residents evacuated by voluntary sector crews deployed by CEC.
- Three rest centres established by Maidstone Borough Council (MBC) and Tonbridge & Malling Borough Council (TMBC) and transport for evacuees arranged. Around 50 evacuees in the three rest centres by mid-evening.
- Late evening decision taken to house remaining evacuees in hotels rather than operate rest centres overnight. CEC coordinates these arrangements with MBC and TMBC.
- Around midnight Maidstone begins to flood.
- CEC operational 06:00 to 03:30.

#### Christmas Day & Boxing Day

- Over 10,000 still without power.
- Flood waters remain high all day, evacuees remain in hotels.
- Flooding also affected Hildenborough.
- Emergency response continued all day.
- No use of CEC, EP team works remotely, co-ordinating activity via mobile, email & teleconference.

#### Friday 27<sup>th</sup> December

- Flood waters begin to drop.
- Start of initial early recovery actions across the whole County. Kent Police stand-down SCG and handover responsibility for co-ordination to KCC.
- PM visits Yalding.
- Mobile Police Stations & Gateways deployed to affected communities to act as bases for multi-agency 'task forces', comprising KCC Community Wardens, St John Ambulance, District / Borough Councils, Environment Agency & Kent Police to work alongside UKPN staff and Parish Councils to provide on-scene information & assistance.
- On scene presence supported by 'Storms & Flooding' helpline operating in CEC over the weekend, for those affected to have a further source of advice and support, alongside KCC website.
- CEC operational 07:00 to around 20:00.



### Saturday 28<sup>th</sup> December

- Cleanup in Tonbridge, East Peckham, Hildenborough, Yalding and Maidstone, plus other areas affected by runoff flooding begins.
- Paul Carter visits Yalding and reports lack of co-ordination & visible presence from KCC and partners on the ground, plus complex social care, clean-up & restoration issues.
- Additional resources (SJA, KFRS, EA, H&T and electricians) deployed to Yalding, to support with welfare checks, electrical safety checks, pumping out of water.
- CEC operational 07:00 to around 00:00

### Sunday 29<sup>th</sup> December

- Yalding task force on scene from early morning & throughout day, assisting with a range of welfare & clean-up issues.
- By midday, reports of many people being able to return to their houses, with power safe to restore.
- CEC operational 07:00 to around 20:00.

### Monday 30<sup>th</sup> December to Friday 3<sup>rd</sup> January

- Recovery operations, including significant support to vulnerable people, continue.
- Multi-agency Strategic Recovery Co-ordinating Group (RCG) meeting held at Sessions House, chaired by Amanda Honey, attended by Paul Carter, Michael Hill and senior representatives from a range of partner agencies.
- Some additional people provided with alternative accommodation to reduce immediate risks.
- Some evacuees remain in Local Authority care, receiving support from MBC, Kent Support & Assistance Service (KSAS) and Voluntary Sector.
- CEC operational extended daytime hours, except New Year's Day when staff worked remotely.
- Continued heavy rain maintained the risk of river and runoff flooding.
- Met Office / EA issue 'Amber' warning for heavy rain with 'Flood Warnings' expected for multiple rivers across the County, both in already affected areas, but also in east of the County too.
- Kent Police agree to re-establish Strategic & Tactical Coordination Centre arrangements.
- 16:00 KCC EP chair a teleconference of Local Authority partners. Joint agreement to invoke Mutual Aid arrangements with neighbouring counties & request Military Assistance to replenish stocks of sandbags as matter of urgency.
- 18:00 discussions with Military to broker assistance.

- 00:00 go-ahead received from MOD (via DCLG) to invoke Military Assistance. Logistical coordination undertaken through the night.

#### Saturday 4<sup>th</sup> & Sunday 5<sup>th</sup> January

- CEC operational from 07:00 to 00:30 (Sat to Sun) and 07:00 to 18:30 (Sun).
- SCG and TCG meetings continue, with a range of issues addressed throughout day, including a number of vulnerable individuals with complex welfare needs.
- Weather / flooding forecast markedly improves compared to original forecast.
- Recovery operations, including significant support to vulnerable people, continue.

#### Monday 6<sup>th</sup> to Friday 10<sup>th</sup> January

- 'Emergency' phase officially declared over at 12:30. Kent Police had lead responsibility to KCC to chair recovery operations.
- Daily tactical recovery co-ordination conference calls continue, co-ordinated through CEC.
- Risk of potential property flooding arising from water escaping from Brishing Dam, Maidstone. KCC EP supports Boughton Monchelsea Parish Council, working with FSC, H&T, NHS, EA, MBC, Kent Police & KFRS, to develop contingency plans, including H&T contractors to pump away water.
- Dartford Borough Council (DBC) alert partner to risk of potential building collapse in Greenhithe as a result of landslip, believed to be caused by saturated ground. Immediate risk confined to 6 x flats in 3-storey block, but potential to impact on surrounding properties. Contingency plans in place with partners in case evacuations needed.
- Friday 10<sup>th</sup> Jan - 2<sup>nd</sup> Strategic Recovery Coordinating Group meeting chaired by Amanda Honey. Recovery Strategy agreed. EP team to coordinate with partners to implement Recovery Plan to deliver the Strategy.

#### Summary

- The CEC was operational every day from Monday 23<sup>rd</sup> December to date (Friday 10<sup>th</sup> January), with the exception of Christmas Day, Boxing Day and New Years Day, when staff worked remotely.
- 9 x EP staff worked throughout Christmas Day and 12 x staff worked Boxing Day.
- Between Sunday 22<sup>nd</sup> December and Sunday 5<sup>th</sup> January (15 days) the 14 x EP staff members worked a total of 995 hours.

## **Appendix 5. Submissions from Individual KCC Services & Partners**

### A5.1 KCC Highways & Transportation (H&T)

- Events for H&T started Friday 20<sup>th</sup> when we declared 'Amber' alert. On Sunday 22<sup>nd</sup> we moved to 'Red' and prepared back up staff from Kent & Enterprise for the impending weather. Overnight of 23<sup>rd</sup> we had 30 x out-of-hours officers out on the road (usual staffing is 12 x officers), many of whom were out all night dealing with fallen trees.
- Enterprise were due to pack up for Christmas shutdown at midday 24<sup>th</sup>. However they remained in depots throughout the day. For the remainder of the week, H&T and Enterprise were operating at out-of-hours capacity due to the Christmas break. We increased out-of-hours resource for both H&T and Enterprise.
- Flooding then became major problem and we had out-of-hours team and crews out in Maidstone Boxing Day to get Fairmeadow open for Friday 27<sup>th</sup>. Over weekend of 28<sup>th</sup>-29<sup>th</sup> we arranged crews to assist UK Power Networks (UKPN) to clear trees in power line, working with the Duty Emergency Planning Officer (DEPO).
- Lessons learnt – As the worst of the weather happened over the Christmas break, we struggled getting sub-contractors, in particular tree surgeons. In future we must have more of our own contractor trained up for tree work.

### A5.2 KCC Kent Support & Assistance Service (KSAS)

- KSAS has assisted the following groups affected by flooding in Kent since 30<sup>th</sup> December 2013:
  - 57 individuals;
  - 57 emergency awards of a cash voucher;
  - 10 awards of furniture; and
  - 8 awards of clothing vouchers;
- The above figure for assistance includes repeat awards where applicants were awarded a continuance award where the circumstances might have changed.
- Additionally, 2 applicants declined assistance from the Service and with 3 applicants outstanding, owing to a lack of contact or the applicant being admitted to hospital. These are being monitored.
- We have assisted 6 households with housing-related support through the Floating Support programme.

### A5.3 Kent Fire & Rescue Service (KFRS)

#### Preparations

- 20<sup>th</sup> – 23<sup>rd</sup> December – Working with response partners to monitor developing weather patterns and prepare for heavy rain and strong wind.

### Multi-agency co-ordination

- From 07:00 24<sup>th</sup> December – KFRS worked with Kent Police and other responder organisations at Tactical Control Point to review reports about developing situation (rain fall, predicted flooding and areas likely to be affected) and co-ordinate response. Local Authority, EA and Police worked to inform those communities likely to be affected locally and offer evacuation.
- From 12:00 25<sup>th</sup> December – KFRS worked with key partners as part of the Gold Strategic Co-ordination Group (SCG) which oversaw and co-ordinated the work of all agencies responding to the ‘major incident’.

### Operational response

- Where people were unable to leave affected properties, KFRS water safety and rescue crews worked alongside HM Coastguard and Kent Police to rescue people from their homes. Whilst the majority of this work focussed on Little Venice Caravan Park on Christmas Eve and Yalding on Christmas day, KFRS attended other local areas to rescue people including a man who had climbed a tree to escape flood water in Leigh and a man trapped in his vehicle by flood water a Teston Bridge.
- During the rescue and evacuation operation at Yalding on Christmas day KFRS provided a senior operational manager, command unit and support crew to manage and co-ordinate water rescue work.

### Recovery

- Once the incident moved into the recovery phase, KFRS supported locally affected communities in a number of ways. We started providing community safety advice to help people avoid any additional risk, particularly from fire, on 28<sup>th</sup> December with operational fire crews. We were also able to pump out cellars and other parts of buildings in the worst affected areas (including Yalding, East Peckham and Tonbridge).
- This work continued into the early part of the New Year, although the majority of support was from KFRS Community Safety and Vulnerable Persons teams who were able to work as part of a wider local community response to check on welfare, confirm that electricity had been reconnected, advise on home safety and the need to have appliances which had been exposed to flood water checked before they were used.

### Operational response – Summary and highlights

- The vast majority of weather related operational activity is concentrated on 23rd, 24th and 25th December and 1st January 2014.
- Between 23rd December 2013 and 7th January 2014 KFRS received 1,659 calls, 60% of which were received between 23rd and 25th December. Of these total calls, 816 were weather related (82% between 23rd and 25th)

- Throughout the whole period, 770 incidents were attended, 331 of which were weather related. Of the 331, 78% were between 23rd and 25th December, with another slight increase on New Year's Day. Additionally:
  - A - 37% lasted less than 1 hour
  - B - 25% lasted between 1 and 2 hours
  - C - 14% lasted between 2 and 3 hours
  - D - 6 incidents lasted in excess of 10 hours (one of which was the incident 68R1 attended and became stranded)
- Where lasted longer than 3 hours, 81% were on the 23rd and 24th December
- Throughout the whole period 1,476 mobilisations were made, 650 of which were to weather related incidents. Of these 650 mobilisations:
  - A - 355 were mobilisations of pumps (which including support pumps for the specials)
  - B - 98 were mobilisations of specialist vehicles i.e Water rescue equipment
  - C - 197 were mobilisations of officers
- The maximum number of resources (pumps, specials and officers) in use at one time was 38 which happened on Christmas Eve. The average number for the whole period was 4 resources.
- The maximum number of pumps in use at one time was 24 (which will include support pumps for specials) which happened on Christmas Eve. The average number for the whole period was 2 pumps
- The maximum number of specials in use at one time was 11 which happened on Christmas Eve. On both Christmas Day and Boxing Day, the maximum number of specials in use was 10. The average number for the whole period was 1 special
- The maximum number of officers in use at one time was 15 which happened on Christmas Eve. On the 23rd December, the maximum number of officers in use was also high with 12 personnel. The average number for the whole period was 1 officer
- Over the whole period, there is a record of 134 rescues at weather related incidents, 127 of which happened on Christmas Eve or Christmas Day.

#### Post New Year Community Safety Support

- There was also a Community Safety presence in Yalding offering safety advice and support on 2nd (4 CS staff) and 3rd January (2 CS staff);
  - A - On the 2nd January staff door knocked all the properties in Lees Road (approx. 50 properties), supported by St John Ambulance crews
  - B - On the 3rd January staff door knocked properties in Lings Close, Little Venice Caravan Park amongst others.

#### A5.4 Kent Police

- Kent Police fully engaged with KRF partners throughout participating in all Severe Weather Advisory Groups (SWAGs), Strategic and Tactical Coordinating Groups (SCGs & TCGs) and Strategic & Tactical Recovery Coordinating Groups (RCG) between 20.12.13 at 1600 and present.
- Designated Command & Control structure put in place from 20.12.13 onwards.
- Strategic Coordination and Tactical Coordination facilities activated and resourced at Police Headquarters and Medway and made available as required.
- Proactive coordination of Media and Public Information shared between KCC as status of incident dictated.
- Police presence increased as appropriate in affected communities to provide visibility and reassurance to public.
- The Force Control Room (FCR) experienced significant increase in call volumes during the weather event.
- Liaison with Parish Councils, Council officers, Emergency Service partners and voluntary sector within affected communities.
- Assisted partners with evacuation of residents as required.

#### A5.4. Environment Agency

##### Stats and Facts for Kent

- 30mm rainfall over 21/22 December
- 60mm of rainfall over 23/24 December
- AIR opened at 06.00 Monday 23 December
- 17 locations had flood warnings at a time during the two week period
- 597 households and 51 commercial properties flooded (648 total)
- 38,144 properties protected by flood defences.
- VIP visits:
  - 27 December, Prime Minister, David Cameron
  - 30<sup>th</sup> December, Secretary of State for the Environment and Rural Affairs, Owen Paterson

##### Headline narrative of the event

- During 23 and 24 December 2013 a deep low pressure system tracked across the UK and over 60mm of rainfall fell across Kent and South London. The ground was already saturated and river levels rose quickly following 30mm rainfall the previous weekend of the 21 and 22 December.
- We opened our Area Incident Room at 06.00 Monday 23 December 2013 to manage flood risk and co ordinate our response. It remained open until 14.00 on 9 January 2014.

- Our teams worked tirelessly checking that flood defences and barriers are in good working order, clearing trash screens and removing blockages in watercourses. Our flood ambassadors were in areas at risk, talking to people and giving practical advice. They returned to areas affected to establish what happened, confirm which properties flooded and continue to offer support and guidance.
- We worked closely with our professional partners throughout this incident through meetings of the Severe Weather Advisory Group, Kent Resilience Forum and Tactical Co ordination Group and Strategic Co ordination Group.
- We provided up-to-the-minute information for the public, local authorities and emergency services throughout. Over the two week period we issued 17 flood warnings in Kent, and a total of 28 Warnings across our area including Surrey and East Sussex.
- Our key operational structures that reduced the number of properties affected in Kent included the Leigh FSA, Aldington and Hothfield FSA, Lamorbey Park FSA, Mill Leese FSA, Stoner Cu and Coult Stream Dam. We also deployed sandbags to bolster a damaged flood bank in Edenbridge.
- We have now confirmed that 597 households and 51 commercial properties flooded in Kent over the two-week period from 23 December. Yalding, Hildenborough, Tonbridge and Maidstone were just some of our villages and towns affected. *(Across Mole and South London an additional 40 households and 4 commercial were affected)*
- 38,144 properties in Kent were protected by flood defences. *(Across Mole and South London an additional 29,222 properties protected)*
- The Thames barrier was closed for eleven successive high tides to protect people and property along the Thames.
- Prime Minister David Cameron visited Yalding with us on Friday 27 December and the Secretary of State for the Environment and Rural Affairs, Owen Paterson, visited our incident room on 30 December. He praised our work on flooding over the last few weeks in the House of Commons. Gregory Barker MP, Minister of State at the Department of Energy & Climate Change praised, our teams when he met with them in Robertsbridge on 3 January.
- There is a continuing risk of flooding from groundwater in Kent and South London. We are supporting local authorities who will respond to any reports of groundwater flooding.

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From: Paul Carter, Leader  
 John Simmonds, Cabinet Member for Finance & Procurement  
 and Deputy Leader  
 Andy Wood, Corporate Director of Finance & Procurement

To: Cabinet 22<sup>nd</sup> January 2014

Decision No:

Subject: **Budget 2014/15 and Medium Term Financial Plan 2014/17**

Classification: **Unrestricted**

**Summary:** This report sets out the proposed final draft budget for 2014/15 and Medium Term Financial Plan (MTFP) 2014/17 to be presented to County Council on 13<sup>th</sup> February. The proposed final draft budget includes a 1.99% council tax increase i.e. up to the referendum limit. The final draft budget represents the council's response to the local budget consultation and the provisional Local Government Finance Settlement.

The local budget consultation ran from 8<sup>th</sup> November until 13<sup>th</sup> December and identifies separately the feedback from the following activities:

- a) Responses directly to the Council either through the website or via other channels
- b) Responses via BMG consultants either from deliberative workshop sessions or on-line survey of a statistical sample of residents
- c) Responses from staff survey conducted by BMG consultants

The provisional Local Government Finance Settlement was announced on 18<sup>th</sup> December. Responses to the settlement had to be submitted by 15<sup>th</sup> January.

**Recommendation(s):**

Cabinet is asked to endorse the final draft budget and the Council Tax precept taking into account proposed amendments from Cabinet Committees and any necessary changes arising out of the provisional Local Government Settlement and Council Tax/Business Rate tax base notification from district councils.

Cabinet members are asked to bring the black combed draft Budget Book 2014/15 and Medium Term Financial Plan 2014/17 to this meeting

Members are reminded that Section 106 of the Local Government Finance Act 1992 applies to any meeting where consideration is given to a matter relating to, or which might affect, the calculation of Council Tax.

Any Member of a Local Authority who is liable to pay Council Tax, and who has any unpaid Council Tax amount overdue for at least two months, even if there is an arrangement to pay off the arrears, must declare the fact that he/she is in arrears and must not cast their vote on anything related to KCC's Budget or Council Tax.

## 1. Introduction

- 1.1 The overall objective of the budget consultation was to inform more people about the financial challenge the authority faces and to engage with them about how we respond. Previously we have consulted about the detail of budget proposals but have not been successful in getting a wide engagement. The main consultation this year was based on a campaign “2 minutes 2 questions” where we asked residents to devote a small amount of time to answer two fundamental questions. Those who wished to explore issues in more depth could complete an on-line tool which explored which services are most valued.
- 1.2 We assumed a “digital by default” approach and produced all of the material on-line. This was designed in such a way that information could be accessed in layers. There was high level headline information for those who only wanted to get a feel for the financial challenge. A slightly more detailed picture below the headline level gave readers a flavour of how we proposed to meet the challenge with pull down menus with a detailed narrative of each element of the budget options.
- 1.3 The consultation included the proposed budget over the next 3 years which showed the following:
- £39.2m reduction in un-ring-fenced government funding (£142.7m over 3 years)
  - £56m additional spending demands (£139.5m over 3 years)

These were offset by:

- £14m increase in Council Tax/business rates (£41m over 3 years)
  - £81.2m savings and income generation (£214.2m over 3 years)
- This was a simplified presentation as it ignored any additional income from specific ring fenced grants (and consequential spending) and any internal adjustments (which net to nil).
- 1.4 This enhanced consultation and engagement strategy elicited substantially more responses than any budget consultation to date with 3,163 responses to the “2 minutes, 2 questions” and 487 responses to the on-line tool. These responses are analysed in appendix 1 together with other relevant information.
- 1.5 We also undertook market research via an independent firm, BMG Consultancy. BMG were commissioned to undertake 3 specific pieces of market research:
- Detailed all day workshops with a small representative sample of residents
  - Face to face survey using the on-line tool with a wider representative sample of Kent residents (1,200)
  - A workshop with KCC staff and an e-mail survey (using the on-line tool) with a sample of staff.
- The BMG report/presentation is attached as appendix 2.
- 1.6 The final draft budget and MTFP shows a number of changes from the position presented for consultation. These changes include specific ring-fenced grants and base adjustments, changes arising out of the provisional

local government finance settlement, changes in the tax base notification from districts, changes arising from consultation and changes due to other circumstances and use of latest progress.

## 2. Summary of proposed Budget and MTFP

2.1 Table 1 shows a high level summary of the changes proposed to the 2013/14 base budget to derive the proposed 2014/15 budget and the subsequent 2 year. This has been presented in the same format as the high level summary used for the budget consultation. The financial implications in section 3 of this report sets out the main changes since the consultation in more detail. A fuller presentation of this table is set out in appendix A(i) and A (ii) in the MTFP document.

| Table 1                         | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|---------------------------------|---------|---------|---------|---------|
|                                 | £m      | £m      | £m      | £m      |
| Government Un-ringfenced Grants | 396.6   | 361.4   | 305.6   | 275.8   |
| Council Tax and Business Rates  | 557.7   | 575.1   | 589.6   | 604.4   |
| Total Resources                 | 954.3   | 936.5   | 895.2   | 880.2   |
| Change on Previous Year         |         | -17.8   | -41.3   | -15.0   |
|                                 |         |         |         |         |
| Net Base Budget                 |         | 954.3   | 936.5   | 895.2   |
| Additional Spending             |         | 73.3    | 42.8    | 47.1    |
| Ring Fenced Grants              |         | -11.0   | 0.0     | 0.0     |
| Income Generation               |         | -5.1    | -4.8    | -1.7    |
| Efficiency Savings              |         | -26.7   | -6.2    | -1.2    |
| Transformation Savings          |         | -40.7   | -30.0   | -14.3   |
| One-Off Savings                 |         | -7.6    | 0.0     | 0.0     |
| Proposed Net Budget             |         | 936.5   | 895.2   | 880.2   |
| Change on Previous Year         |         | -17.8   | -41.3   | -15.0   |

2.2 The attached budget book sets out in more detail the proposed capital programme for 2014/5 to 2016/17 and revenue budget 2014/15 for each directorate. These provide the necessary delegations to manage the budget. The MTFP is devised as a reference document and includes an executive summary together with detailed sections setting out the national framework, revenue strategy, capital strategy, treasury strategy and risk strategy together with financial appendices.

## 3. Financial Implications

3.1 The overall net budget for each year is higher than estimated for the consultation. This arises from changes in un-ring-fenced grants in the provisional local government settlement and change in the tax base notification from districts. The 2014/15 provisional settlement was largely as we expected although there are some technical changes which have added Council Tax Freeze Grant for 2013/14 into RSG (a year earlier than we had previously anticipated), reduced the amount top-sliced from RSG to fund the growth in New Homes Bonus and reduced the increase in business rates (with a new compensation grant). The changes for 2014/15 mainly move money between individual elements without changing the overall resources available.

3.2 The provisional settlement for 2015/16 also reflects the 2014/15 changes as well as the confirmation there will not be a top-slice from New Homes Bonus Grant into the single Local Growth Fund. The estimated settlement for 2016/17 removes the assumption that Council Tax Freeze grants would be removed following the Local Government Minister's confirmation that these will be built into individual authority baseline figures in perpetuity. The additional changes for 2015/16 and 2016/17 alter the assumptions we had made in the proposed budget for consultation and do represent an increase on the overall resources we previously estimated would be available in future years.

3.3 The changes as a result of the provisional settlement are covered in more depth in section 2 of the MTFP document. The impact on KCC budget is summarised in Table 1.

| Table 2   | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|---|---------|---------|---------|---------|
|   | £m      | £m      | £m      | £m      |
| Estimated Government Settlement as per Consultation   | 396.6   | 357.5   | 295.8   | 254.0   |
| Provisional Government Settlement as per Draft Budget | 396.6   | 361.4   | 305.6   | 275.8   |

3.4 The provisional Council Tax base notified by districts has increased by 1.66% on 2013/14 due to a combination of factors. This includes higher than anticipated growth in the number of households on the valuation list, larger than anticipated reduction in discounts and exemptions applied by district councils, and improved collection rates. Detail of the provisional tax base notification is included in section 2 of the draft Budget Book 2014/15. At this stage the additional income from the higher than anticipated tax base has been added to the Council Tax equalisation reserve pending final notification from districts including Collection Fund balances.

3.5 The county's share of the business rate baseline has declined due to the Government's decision to increase the multiplier by 1.95% rather than 3.26% using September RPI (although this is compensated by additional grant included in table 1 above). The final share of the business rates will be determined once districts have notified the tax base for 2014/15. The baseline represents a good indicator and is the basis for safety net should business decline. Any variation between the baseline and final notification will be adjusted through Council Tax equalisation reserve. Table 2 sets out the change in Council tax and business rate assumptions between the consultation and draft Budget.

| Table 3  | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--|---------|---------|---------|---------|
|  | £m      | £m      | £m      | £m      |
| Estimated Council Tax as per Consultation            | 511.9   | 524.4   | 535.5   | 548.9   |
| Estimated Business Rate baseline as per Consultation | 45.8    | 47.3    | 48.6    | 49.8    |
|  | 557.7   | 571.7   | 584.1   | 598.7   |
|  |         |         |         |         |
| Estimated Council Tax as per Draft Budget            | 511.9   | 528.4   | 541.6   | 555.2   |
| Estimated Business Rate baseline as per Draft Budget | 45.8    | 46.7    | 48.0    | 49.2    |
|  | 557.7   | 575.1   | 589.6   | 604.4   |

3.6 The combination of un-ring-fenced grants in the provisional settlement, Council Tax and business rates sets the overall resource framework for forthcoming years.

- 3.7 The spending assumptions in the draft budget and MTFP have been updated to include the latest forecasts. In particular we have made the following changes:
- Provision for in year inflation has increased from £9.4m in 2014/15 to £11.5m as inflation continues to exceed the Government's target
  - Provision for demographic pressures has increased from £7.8m to £10.5m which includes additional investment in children in care and SEN children receiving transport to school
  - The impact of local decisions has increased from £12.0m to £15.1m due including the additional Council Tax base in the Council Tax equalisation Reserve (£2.3m) and the requirement to fund the new single member grant within the revenue budget (£2.1m)
- 3.8 The additional spending demands also includes £9.6m under the government and legislative heading for the spending associated with the increase in ring-fenced grant for Public Health and contribution from health budget for integration with social care. These are funded by increased grant income which increases the council's gross expenditure but makes no difference to the net spend. Excluding these to ensure a like for like comparison means overall spending pressures have increased from the £56m in the consultation to £63.7m.
- 3.9 The overall savings and income target for 2014/15 is the same as presented at consultation (£81.1m excluding specific ring-fenced grant income). The targets for future years have reduced slightly as a result of the changes in funding assumptions for future years following the announcements in the provisional settlement. Within the savings proposals we have made a number of changes to the savings to take account of the latest progress and comments made in consultation. In particular these include:
- Increase in efficiency savings from £14m to £27m. This includes the identification of additional savings which we had previously shown under "Facing the Challenge" in the consultation. In particular following the approval of the new structure at County Council on 12<sup>th</sup> December we have been able to allocate savings particularly in relation to directorate support structures, market reviews and top-tier director posts. The efficiency savings also include additional saving as a result of further in-year reductions in waste tonnage and new proposals to manage debt repayment profiles.
  - Additional savings on support services
  - Reduced the savings anticipated from adult transformation programme
  - Revised proposals on the saving on home to school (including SEN) transport and public transport
  - Further use of reserves and underspend from 2013/14 (these are on-offs and will need to be replaced in 2015/16 creating an additional pressure in that year.
- 3.10 The revised package shows the following:
- £35.2m reduction in un-ring-fenced government funding (£120.8m over 3 years)
  - £73.3m additional spending demands, of which £9.6m relates to ring-fenced grants (£163.3m over 3 years)

- £17.4m increase in Council Tax/business rates (£46.7m over 3 years)
- £91.1m savings and income generation, of which £11m is specific grant income (£237.4m over 3 years)

3.11 The revised package of spending and saving reflects the latest progress on Facing the Challenge and issues raised in the consultation. In particular we have revised plans to manage the council's business even more efficiently (further staff savings in directorate and central support functions, manage debt repayment profile, use reserves) and protected services for the most vulnerable (SEN transport, specialist children's, adult transformation). We will continue with plans to transform these services with the aim of improving outcomes at lesser cost and reducing demand for services. A good example has come from the Adults Transformation programme where we have identified the scope to substantially improve the time taken to complete assessments which will also reduce the cost of the process.

#### **4. Bold Steps for Kent and Policy Framework**

- 4.1 Putting more power into the hands of Kent residents so that they have the opportunity to shape how services are provided to them and their local communities is a key feature of Bold Steps. The budget consultation is a key component of this and we have successfully engaged with significantly more people than we have achieved in previous consultations.
- 4.2 The annual budget and MTFP is one of the most important decisions the council takes each year. It determines the overall resources available and delegates the responsibility to deliver the council's spending priorities to Portfolio holders and Corporate Directors.

#### **5. Budget Consultation**

- 5.1 The budget consultation opened on 8<sup>th</sup> November with a press launch. Throughout the five week period the consultation was backed up with an on-going communications campaign. The aim of this campaign was to inform Kent residents and businesses of the scale of the financial challenge and to get them involved in how the council responds. The "2 minutes 2 questions" tag was aimed at getting a much higher number of responses than we have previously achieved. The more detailed budget modelling tool provided the opportunity to explore the council's budget in more depth and to express views on the spending areas of highest and lowest priority.
- 5.2 The first question of 2 questions sought views on how the council should go about making savings necessary to close the gap between anticipated funding and current spending forecasts. The question was framed to explore whether the council should seek to redesign services within the available funding or cut back on existing provision. The responses indicate a strong level of support for the current direction of travel i.e. to transform services with the aim of achieving the same or better outcomes for less money and efficiency savings (achieving the same outcomes for less money) in order to protect front-line services. The options to make savings by simply cutting back to a basic level of service or restricting access to services were consistently the least favoured responses throughout the consultation.

- 5.3 The second question was about Council Tax and income from charges. 23% of respondents wanted Council Tax frozen for another year, 71% supported an increase. The number supporting a small increase (under 2%) was consistently higher than those supporting a freeze. The number supporting an increase above 2% was consistently lower than the number supporting a freeze. It was also clear that during the campaign the number supporting a low increase (under 2%) increased during the campaign, while those supporting an above 2% increase declined. Support for increasing charges to service users was consistently low. The overall conclusion is that a small increase in Council Tax would be acceptable in order to prevent further savings, but an increase above the referendum level would be unlikely to be supported.
- 5.4 The draft budget still includes the proposal to increase Council Tax by the maximum allowed without triggering a referendum (1.99%). Ministers have not yet confirmed that 2% will be the referendum threshold and this is due to be presented to Parliament in January. In the event that the threshold is lower we would have to reduce the Council Tax precept as it would not be cost effective to conduct a referendum (and indications from consultation are that a referendum would endorse a larger increase). Any change to the referendum threshold will be dealt with before the final budget is presented to County Council.
- 5.5 The findings from the “2 minutes 2 questions” campaign are remarkably similar to the findings from the more in depth BMG research. This leads to the conclusion that the views coming from the consultation can be relied on to represent the views of Kent residents at large.
- 5.6 The council has engaged a market research firm (BMG Research) to conduct a more in-depth market research to inform the consultation. The council engaged 3 specific areas of activity:
- Face to face survey with a representative sample of Kent residents through two all day deliberative workshops
  - The development of an on-line tool to capture views about people’s core values for a range of KCC services
  - A staff workshop and survey similar to the public workshops and surveys
- 5.7 The BMG research is an essential control mechanism to enable us to evaluate whether the views expressed in the consultation responses can be relied upon, as well as providing much more in depth research to support budget decisions. We have conducted similar deliberative workshops in previous years and found them to work well. This year was the first time we have used an on-line budgeting tool or conducted similar process with staff to that undertaken with residents. BMG have given assurances that the findings are consistent both between the various strands of work within Kent and with findings through their other research.
- 5.8 The key general findings from the BMG research are not surprising:
- Few people have noticed changes to services over recent years arising from previous savings
  - People are less supportive of service reductions if they directly impact on them or their families, particularly where this has an impact on their day to day lives and livelihoods

- Some accepted there are opportunities for reductions in current service levels without significant detrimental impact
- More people had the perception that the council and services can be more efficient
- Few people understand Council Tax or what it pays for

5.9 Other specific points to note from the BMG research include:

- The views of staff and residents are remarkably consistent
- Care services for the most vulnerable were consistently the most valued services while services where users have a degree of choice least valued<sup>1</sup>
- The public were significantly more supportive of decisions being made locally than staff, and significantly less supportive of delivering statutory minimum level of service<sup>2</sup>
- A small Council Tax increase would be acceptable to the majority of residents although a consistent core of around ¼ would prefer a freeze<sup>3</sup>
- The most favoured options for savings included new opportunities for generating income<sup>4</sup>, encouraging communities to become more self-reliant to deliver services for themselves and sharing services with other councils

5.10 We will be receiving a full report from BMG in due course which will be available for the County Council budget meeting on 13<sup>th</sup> February 2014. We intend that this should include a brief presentation to the council meeting. Overall the findings are consistent with the vision outlined in Bold Steps for Kent and are reflected in the proposed budget.

## 6. Autumn Budget Statement and Provisional Local Government Finance Settlement

6.1 The Chancellor of the Exchequer made his Autumn Budget Statement to Parliament on 5<sup>th</sup> December. The statement allows him to present the latest economic forecasts from the Office for Budget Responsibility (OBR). This year (as in the last two years) he has also taken the opportunity to use the statement to make policy changes in relation to taxation and spending. A fuller analysis of the Autumn Statement is included in the final draft MTFP.

6.2 The OBR forecasts show that the economy has grown by more in 2013 than was anticipated in the last Autumn Statement or Budget Statement in March. The latest forecast is that the government will achieve its fiscal targets to eliminate the budget deficit and reduce net debt as proportion of national income (Gross Domestic Product (GDP)) a year earlier than previously forecast. Public spending is forecast to be in a small surplus by 2018/19 and

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<sup>1</sup> This is not to say that these services were not valued as the evaluation methods forced people to make relative value judgements between services

<sup>2</sup> The public were less clear what constitutes statutory level of service and it was unclear whether lack of support was due to resistance to requirements being imposed or whether they felt the council should deliver more than statutory minimum

<sup>3</sup> A small proportion supported an increase above 2% although when asked if an increase of over 2% were to be considered views diversified with on the one hand more taking a hard line that if this were the case they would favour a freeze while on the other hand those accepting an increase of over 3% also increased

<sup>4</sup> Although this did not necessarily include increasing existing charges to service users and to a lesser extent introducing new charges for services which are currently free



the net debt as proportion of GDP is forecast to peak in 2015/16. This is still later than originally forecast in the 2010 Emergency Budget.

- 6.3 The main announcements affecting the County Council's budget in the Autumn Statement are:
- Funds will not be transferred from NHB grant into Local Growth Fund in 2015/16
  - Local government will be protected from further 1% reductions in other unprotected departmental budgets in 2014/15 and 2015/16
  - Additional discounts and changes in business rates will not impact on the share for local government
- 6.4 The provisional local government settlement was published on 18<sup>th</sup> December. This included announcements in that week on the business rates/RSG settlement (although details of the separate compensation grant for the impact of changes in business rates were not published), NHB grant and specific grants for schools and from health. The health announcement includes an additional £200m funding in 2014/15 as well as the existing funding to promote greater integration between health and social care.
- 6.5 As outlined in paragraphs 2.1 and 2.2 there have been some changes to the RSG and baseline funding settlements for 2014/15 and 2015/16 and other grants. The main change is that the amount top-sliced from RSG to fund the roll-out of NHB is £100m less than previously announced. The NHB has not increased as fast as was originally anticipated and excess funds have been paid during the year as a separate adjustment grant. The increase in RSG as result of reducing the top-slice is around £2m (although this means that the income we receive from the top-up grant will be less than it otherwise would have been). We have now brought the remaining top-up grant into the funding calculation.
- 6.6 The provisional finance settlement also included the “reduction in spending power” calculations that have been included in previous settlements. This showed a 1.4% reduction for KCC. We have previously explained how this calculation only partially shows the overall impact for local authorities. Whilst this includes the overall reduction in the total spending for local authorities through the Departmental Expenditure Limit (DEL) set by government this is mitigated to some extent by any increase in specific grants also included in the “spending power” calculation. The calculation also does not show that there is additional spending associated with the specific grants or that local authorities have significant other spending demands which have to be financed in addition to meeting the headline reductions in grant. Therefore, the “spending power” calculation is not a true reflection of the reality of the financial challenges local authorities face.
- 6.7 The provisional settlement did not include any formal announcement on the referendum limit for Council Tax increases. A grant (equivalent to a 1% Council Tax increase) is available for those authorities that freeze or reduce Council Tax and at this stage we are still working on the assumption that the Secretary of State will set the referendum limit at 2%. The proposed budget has the maximum increase in Council Tax without triggering a referendum, the impact of this increase on individual bands is set out in table 3.

| Table 4 | 2013/14   | 2014/15   |
|---------|-----------|-----------|
| Band A  | £698.52   | £712.44   |
| Band B  | £814.94   | £831.18   |
| Band C  | £931.36   | £949.92   |
| Band D  | £1,047.78 | £1,068.66 |
| Band E  | £1,280.62 | £1,306.14 |
| Band F  | £1,513.46 | £1,543.62 |
| Band G  | £1,746.30 | £1,781.10 |
| Band H  | £2,095.56 | £2,137.32 |

## 7. Conclusions

- 7.1 Overall we have concluded that the budget consultation exercise for 2014/15 has been a success. We have achieved the objectives of informing significantly more residents about the overall financial challenge for the next few years i.e. that we will be facing further year on year reductions in funding whilst at the same time spending demands will increase. This means we need to make further substantial and sustainable savings each and every year if we are to rise to this challenge.
- 7.2 By and large responses to the consultation support the approach which the council has taken to date, and plans to adopt for the future. In particular residents support the council focussing on efficiency and transformation savings which protect (or enhance) the outcomes from front-line services. The consultation responses also support the proposal that we should seek some mitigation of the funding reductions through a small increase in Council Tax but not one which would require a referendum.
- 7.3 The provisional settlement for 2014/15 is very much as we anticipated (other than presentational changes) and the Autumn Budget Statement has not resulted in any further reductions for local government in addition to the substantial reductions already announced. We particularly welcome that the expansion of the New Homes Bonus grant will not be curtailed by transferring funds to the Local Growth Fund (and we await further details how this initiative will be funded in 2015/16).
- 7.4 We have also welcomed the confirmation that Council Tax Freeze funding will not be removed in future settlements. However, we have also raised some concerns particularly around the uncertainty over the Council Tax referendum level and the apparent removal of the Local Welfare Provision Grant (which would leave local authorities with additional responsibilities and no commensurate funding). We have also reiterated previously expressed concerns about the spending power calculation and that the new system has crystallised the previous discredited Formula Grant distributions and makes no allowance for subsequent changes e.g. population growth and movement.
- 7.5 We also welcome the additional funding from health to promote more co-ordinated activity between social care and health. We remain concerned that there has been no decision on funding the fundamental changes to adult social care included within the Social Care Bill and the potential for additional costs on social care authorities.

## 8. Recommendation(s)

### Recommendation(s):

Cabinet is asked to endorse the final draft budget and the Council Tax precept taking into account proposed amendments from Cabinet Committees and any necessary changes arising out of the provisional Local Government Settlement and Council Tax/Business Rate tax base notification from district councils.

## 9. Background Documents

- 9.1 Consultation materials published on KCC website can be found at [www.kent.gov.uk/budget](http://www.kent.gov.uk/budget)
- 9.2 The Chancellor of the Exchequer's Autumn Budget statement can be found at <https://www.gov.uk/government/topical-events/autumn-statement-2013>
- 9.3 The provisional local government finance settlement can be found at <https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2014-to-2015>

## 10. Contact details

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Responses to KCC on-line Budget Consultation

## Headline Statistics

**5** – weeks the consultation has been open

**800,000** – total audience reach via media coverage

**17,500** – web page views

**19%** – number of page views that were referred from KNet

**3,650** – responses in total

**487** – responses to BMG online budget tool

**3,163** – responses to ‘2 minutes, 2 questions’

**829%** – % increase in total survey responses from last year’s consultation

# Response Analysis

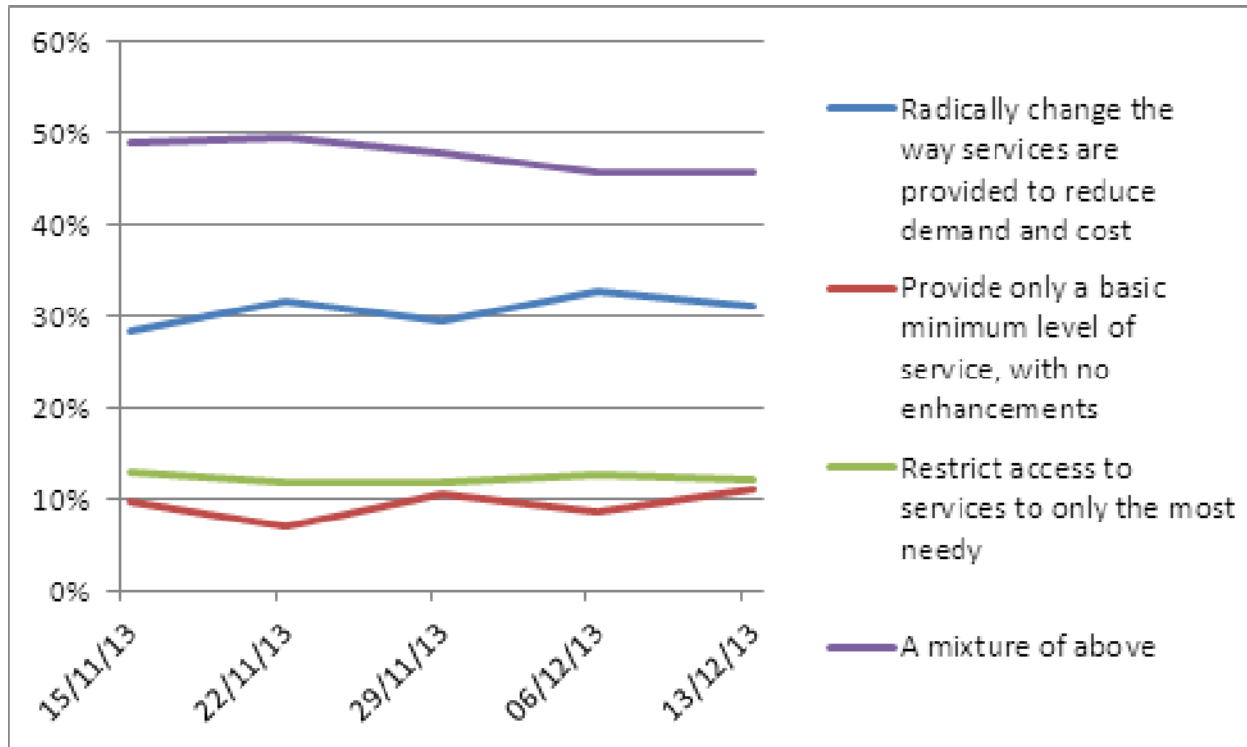
**2 minutes, 2 questions: 3,163 responses**

- 341 (Version 1), 129 (Version 2) & 2693 (Version 3)

**Question 1 – where do you think KCC should look to find the £273m required savings?**

- |    |  |     |
|----|--|-----|
| A. | Radically change the way services are provided to reduce demand and cost | 31% |
| B. | Provide only a basic minimum level of service, with no enhancements      | 9%  |
| C. | Restrict access to services to only the most needy                       | 12% |
| D. | A mixture of above   | 48% |

# Q1 Response Rate Variation



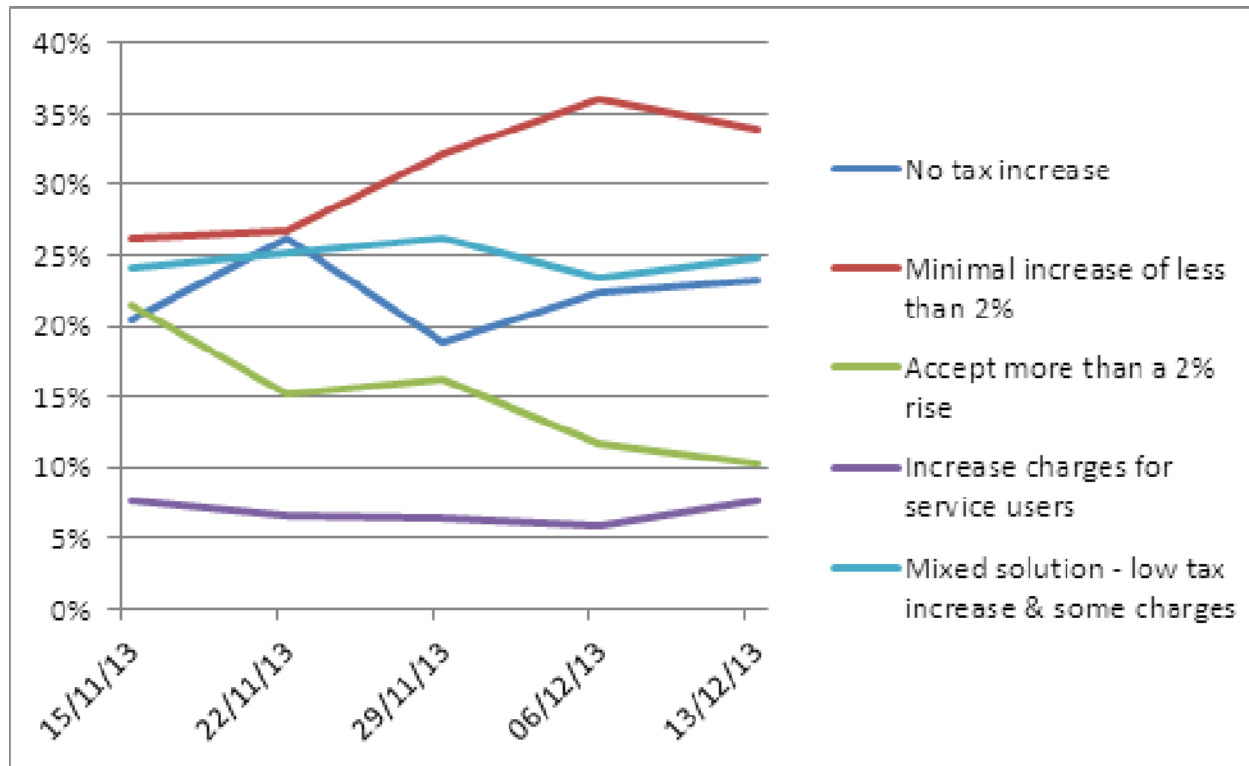
# Response Analysis

**Question 2 – to preserve some of our most popular services we may need to raise council tax to offset funding cuts. What is your view on this?**

|   |     |
|---|-----|
| A. No tax increase                                  | 23% |
| B. Minimal increase of less than 2%                 | 30% |
| C. Accept more than a 2% rise                       | 16% |
| D. Increase charges for service users               | 7%  |
| E. Mixed solution - low tax increase & some charges | 25% |

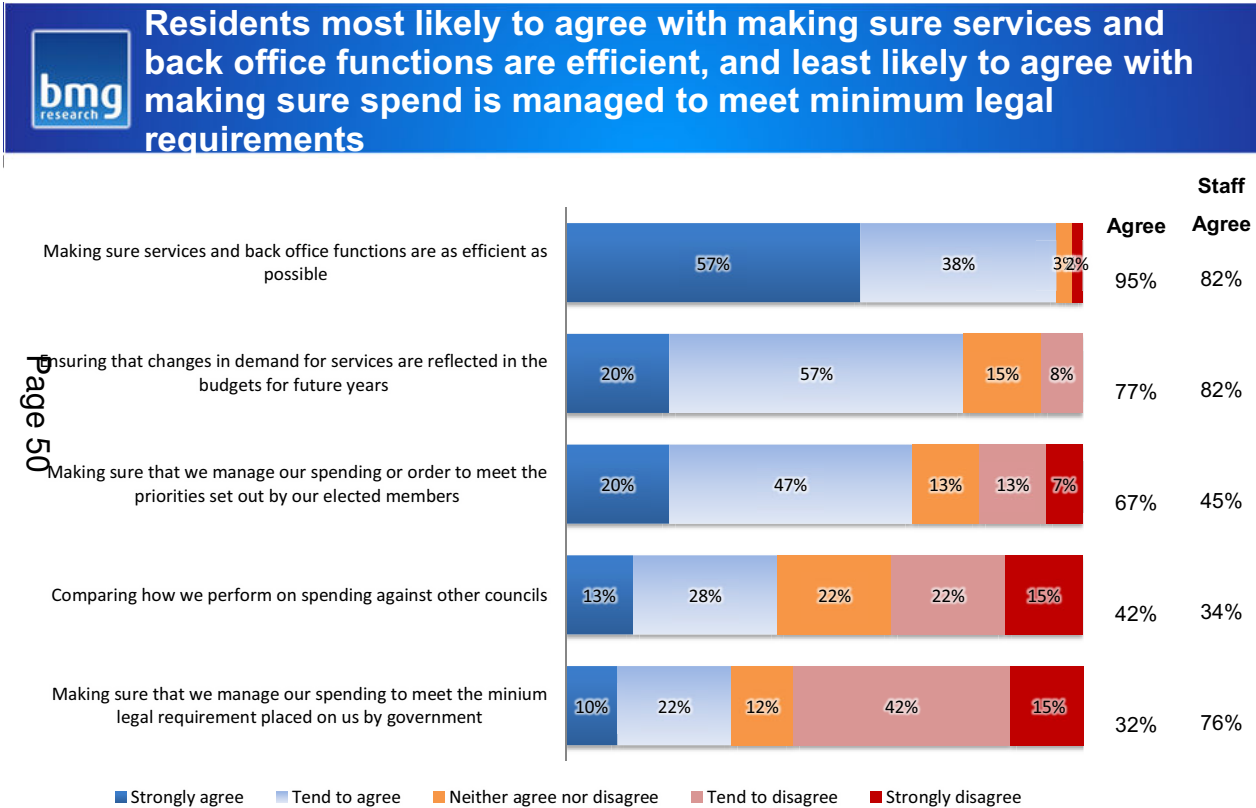


# Q2 Response Rate Variation



## Executive Summary of BMG Report

### Resident's workshops





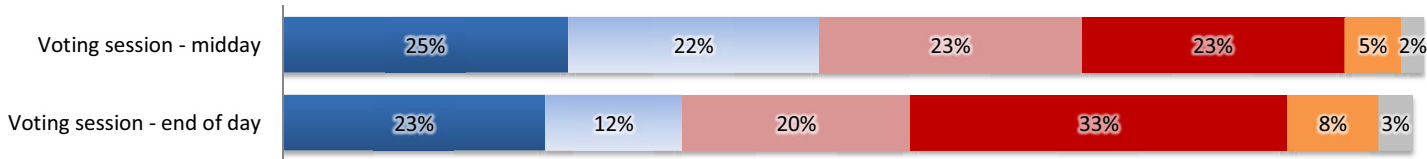
# Over three fifths of respondents at the beginning of the day said Council tax is too high, but opinion changed throughout the day

Council tax is ...

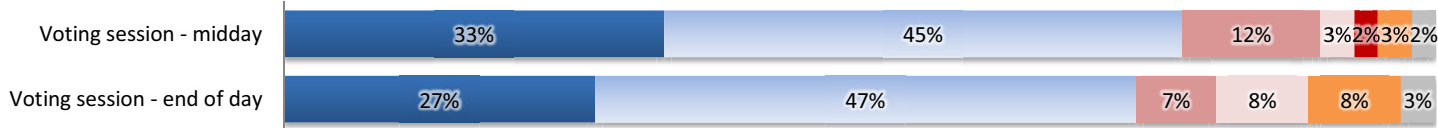


■ Too high ■ About right ■ Too low ■ Not provided

Would support an ANNUAL increase in Council Tax of ...



■ Would not support any increase ■ Up to 1% or up to £9.24  
 ■ Up to 1.5% or up to £13.92 ■ Up to 2% or up to £18.56  
 ■ More than 2% ■ Not provided



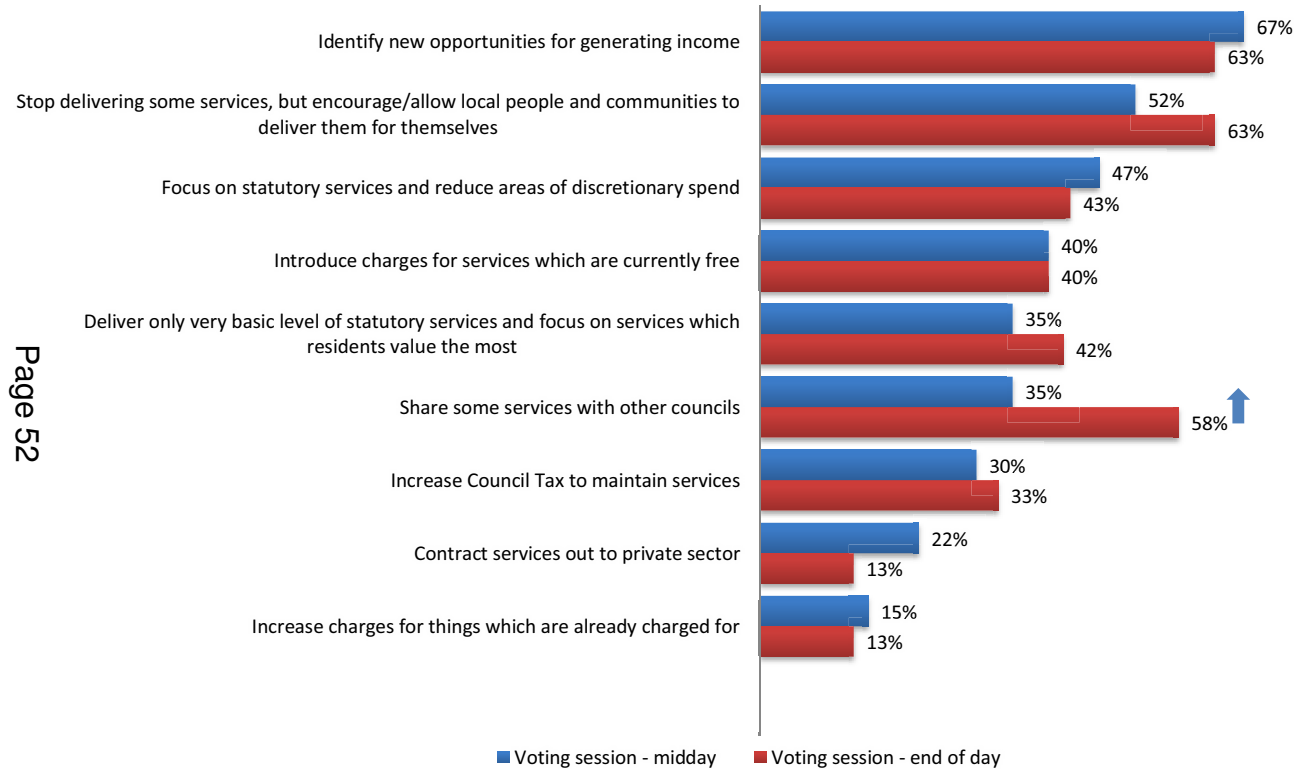
■ Would not support any increase ■ Up to 2% (and avoid a referendum) ■ Up to 3% or £27.92  
 ■ Up to 5% or £46.56 ■ Up to 10% or £93.12 ■ More than 10%  
 ■ Not provided

Arrival question Q8. Would you say your Council Tax is ...

Voting session 1 and 2 Question. Government funding to KCC is reducing significantly over this and subsequent years. To bridge some of the gap in income this gives rise to, would you support an ANNUAL increase in Council Tax of ...

Voting session 1 and 2 Question. If KCC were to increase Council Tax in excess of 2% it would be required to conduct a public referendum (this in itself would cost the equivalent of approximately £2.50 on the average council tax bill to hold the referendum). How much extra would you be prepared to pay on an annual bill in order to protect services? Base : All workshop residents (60)

# Views changed between the voting sessions on how KCC should bridge the budget gap



Page 52

Voting session 1 and 2 Question. To meet the Council's challenges of reduced grants in principle which of the following would you support?

Base : All workshop residents (60)



# Residents response to Budget Tool

|   | Rank | Average |
|---|------|---------|
| 2 weeks of residential nursing home care for one older person whose needs have been judged as critical and who cannot meet the full costs themselves  | 1    | 9.55%   |
| 2 ½ weeks of residential care for one older person whose needs are judged substantial or critical and who cannot meet the full costs themselves   | 2    | 8.86%   |
| 67 hours of home care for an older person whose needs are judged moderate or substantial and who cannot meet the full costs themselves  | 3    | 8.73%   |
| One week of foster care for one child who cannot live safely at home and whose needs are greater than those that can be met by a KCC registered foster carer: care costs therefore provided by an organisation independent of KCC | 4    | 8.45%   |
| Just over 2 weeks of foster care for a child who cannot live safely at home, provided in house by a KCC registered foster carer   | 5    | 8.34%   |
| 100 miles of road gritted in bad weather, or 2 miles of road gritted 50 times over the course of the winter   | 6    | 7.16%   |
| 4 days of residential care for one adult with learning disabilities whose needs cannot be met by family or other carers   | 7    | 9.86%   |
| 14.5 tonnes of waste recycled, or enough recycling to support 26 average Kent Households  | 8    | 6.01%   |
| Approximately four weeks of Learning Disability Direct Payments to someone with learning disabilities to enable them to choose how they live independently  | 9    | 5.50%   |
| 10 tonnes of waste disposed of, or enough waste disposal to support 17 average Kent Households  | 10   | 5.26%   |

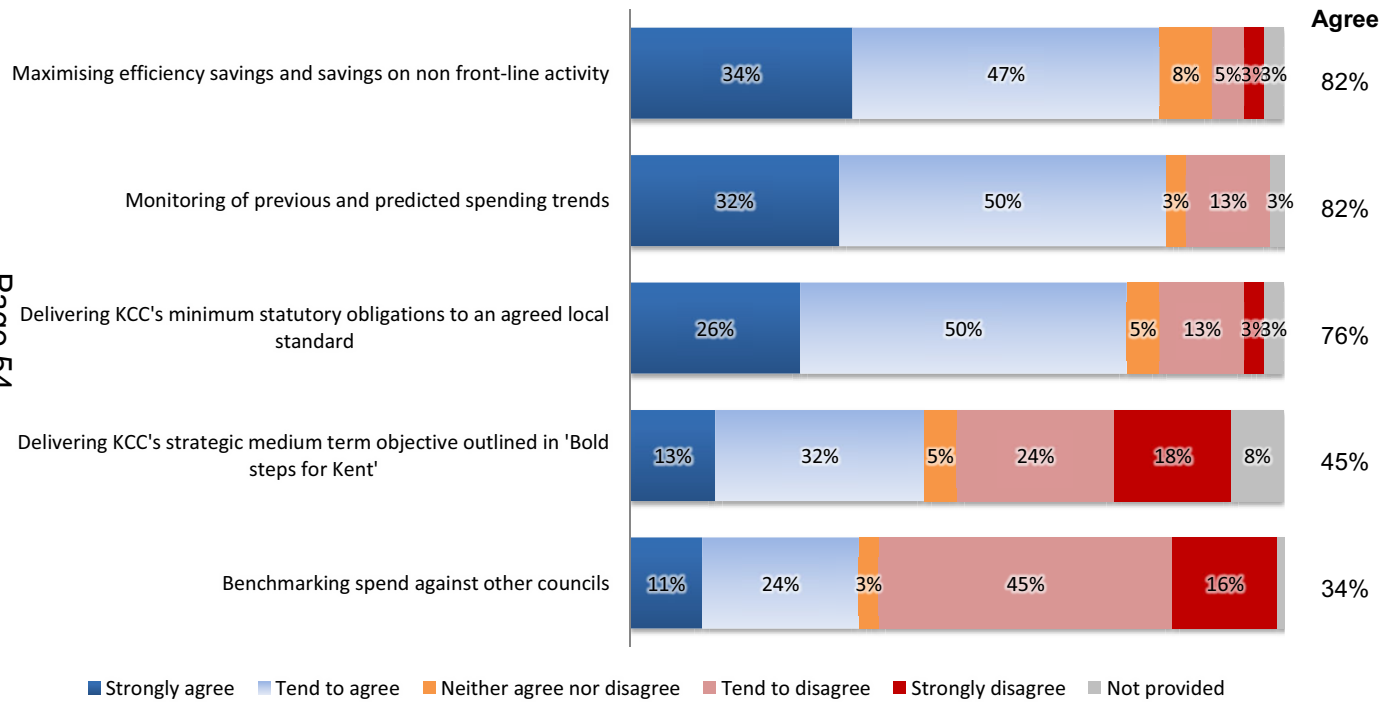
|   | Rank | Average |
|---|------|---------|
| 25 square metres of potholes repaired   | 11   | 5.19%   |
| One child with Special Educational Needs transported by taxi to and from school for 9 weeks.  | 12   | 4.00%   |
| 4 children given free transport on buses or trains to and from their nearest secondary school for one term, where the school is more than three miles from their home | 13   | 3.04%   |
| 425 visits to a household waste recycling centre  | 14   | 2.89%   |
| 62 attendances by a young person at their local youth centre or interactions with a youth worker in their local community   | 15   | 2.73%   |
| 25 street lights lit for a full year, OR 22 faulty street lights investigated and repaired  | 16   | 2.39%   |
| Two annual bus passes for young people aged 11 - 15 to access educational or recreational activities via unlimited free bus travel across Kent                        | 17   | 1.83%   |
| Approximately 500 fare paying journeys on subsidised bus routes which are considered "socially necessary but uneconomic routes".                                      | 18   | 1.65%   |
| 430 separate library visits or enough visits for 16 regular library users over the course of a year   | 19   | 1.06%   |
| 280 email or telephone calls to the KCC Contact Centre  | 20   | 0.52%   |

## Staff Workshops



# Staff were most likely to agree with maximising efficiency savings and monitoring previous spending trends as parameters for making budget decisions

Page 54



Voting Q2. Kent County Council use the following principles to guide their budget decisions across different services. To what extent do you agree or disagree with each of the following principles?

Base : All staff (38)



# Staff responses to budget tool

|  | Rank | Average |   | Rank | Average |
|--|------|---------|---|------|---------|
| 2 weeks of residential nursing home care for one older person whose needs have been judged as critical and who cannot meet the full costs themselves   | 1    | 11.45%  | 14.5 tonnes of waste recycled, or enough recycling to support 26 average Kent Households  | 11   | 2.68%   |
| 2 ½ weeks of residential care for one older person whose needs are judged substantial or critical and who cannot meet the full costs themselves  | 2    | 11.33%  | One child with Special Educational Needs transported by taxi to and from school for 9 weeks.  | 12   | 2.51%   |
| Just over 2 weeks of foster care for a child who cannot live safely at home, provided in house by a KCC registered foster carer  | 3    | 11.23%  | 62 attendances by a young person at their local youth centre or interactions with a youth worker in their local community   | 13   | 1.97%   |
| 67 hours of home care for an older person whose needs are judged moderate or substantial and who cannot meet the full costs themselves   | 4    | 9.81%   | Approximately 500 fare paying journeys on subsidised bus routes which are considered "socially necessary but uneconomic routes".                                      | 14   | 1.83%   |
| One week of foster care for one child who cannot live safely at home and whose needs are greater than those that can be met by a KCC registered foster carer: care is therefore provided by an organisation independent of KCC | 5    | 9.42%   | 280 email or telephone calls to the KCC Contact Centre  | 15   | 1.73%   |
| 100 miles of road gritted in bad weather, or 2 miles of road gritted 50 times over the course of the winter  | 6    | 8.25%   | 25 street lights lit for a full year, OR 22 faulty street lights investigated and repaired  | 16   | 1.66%   |
| 4 days of residential care for one adult with learning disabilities whose needs cannot be met by family or other carers  | 7    | 7.56%   | 425 visits to a household waste recycling centre  | 17   | 1.48%   |
| Approximately four weeks of Learning Disability Direct Payments to someone with learning disabilities to enable them to choose how they live independently   | 8    | 6.42%   | 430 separate library visits or enough visits for 16 regular library users over the course of a year   | 18   | 1.32%   |
| 25 square metres of potholes repaired  | 9    | 5.17%   | 4 children given free transport on buses or trains to and from their nearest secondary school for one term, where the school is more than three miles from their home | 19   | 0.42%   |
| 10 tonnes of waste disposed of, or enough waste disposal to support 17 average Kent Households   | 10   | 3.44%   | Two annual bus passes for young people aged 11 - 15 to access educational or recreational activities via unlimited free bus travel across Kent                        | 20   | 0.33%   |

## On-line responses to web tool



# Web responses to Budget Tool

|  | Rank | Average |
|--|------|---------|
| 2 weeks of residential nursing home care for one older person whose needs have been judged as critical and who cannot meet the full costs themselves   | 1    | 10.27%  |
| 2 ½ weeks of residential care for one older person whose needs are judged substantial or critical and who cannot meet the full costs themselves  | 2    | 9.68%   |
| 67 hours of home care for an older person whose needs are judged moderate or substantial and who cannot meet the full costs themselves   | 3    | 9.57%   |
| Just over 2 weeks of foster care for a child who cannot live safely at home, provided in house by a KCC registered foster carer  | 4    | 9.51%   |
| One week of foster care for one child who cannot live safely at home and whose needs are greater than those that can be met by a KCC registered foster carer: care is therefore provided by an organisation independent of KCC | 5    | 9.50%   |
| 100 miles of road gritted in bad weather, or 2 miles of road gritted 50 times over the course of the winter  | 6    | 7.83%   |
| 4 days of residential care for one adult with learning disabilities whose needs cannot be met by family or other carers  | 7    | 7.46%   |
| Approximately four weeks of Learning Disability Direct Payments to someone with learning disabilities to enable them to choose how they live independently   | 8    | 5.37%   |
| 25 square metres of potholes repaired  | 9    | 4.80%   |
| 14.5 tonnes of waste recycled, or enough recycling to support 26 average Kent Households   | 10   | 4.28%   |

|   | Rank | Average |
|---|------|---------|
| 10 tonnes of waste disposed of, or enough waste disposal to support 17 average Kent Households  | 11   | 3.95%   |
| 62 attendances by a young person at their local youth centre or interactions with a youth worker in their local community   | 12   | 3.30%   |
| One child with Special Educational Needs transported by taxi to and from school for 9 weeks.  | 13   | 2.71%   |
| 425 visits to a household waste recycling centre  | 14   | 2.36%   |
| Approximately 500 fare paying journeys on subsidised bus routes which are considered "socially necessary but uneconomic routes".                                      | 15   | 2.00%   |
| 25 street lights lit for a full year, OR 22 faulty street lights investigated and repaired  | 16   | 1.98%   |
| 430 separate library visits or enough visits for 16 regular library users over the course of a year   | 17   | 1.87%   |
| 4 children given free transport on buses or trains to and from their nearest secondary school for one term, where the school is more than three miles from their home | 18   | 1.82%   |
| Two annual bus passes for young people aged 11 - 15 to access educational or recreational activities via unlimited free bus travel across Kent                        | 19   | 1.05%   |
| 280 email or telephone calls to the KCC Contact Centre  | 20   | 0.71%   |





## Most important/valued services was consistent across all 3 surveys

| Level/amount of service that can be delivered for £1,000                             | Staff | Resident | Web |
|--|-------|----------|-----|
| 67 hours of home care for an older person  | 4     | 3        | 3   |
| 2 ½ weeks of residential care for one older person                                   | 2     | 2        | 2   |
| 2 weeks of residential nursing home care for one older person                        | 1     | 1        | 1   |
| 24 days of residential care for one adult with learning disabilities                 | 7     | 7        | 7   |
| Approximately four weeks of Learning Disability Direct Payments                      | 8     | 9        | 8   |
| Just over 2 weeks of foster care for a child, provided in house by KCC               | 3     | 5        | 4   |
| One week of foster care for one child provided by an organisation independent of KCC | 5     | 4        | 5   |





## Least important/valued services are more varied, although still high levels of agreement

| Level/amount of service that can be delivered for £1,000                                     | Staff | Resident | Web |
|--|-------|----------|-----|
| 430 separate library visits or enough visits for 16 regular library users over a year        | 18    | 19       | 17  |
| 62 attendances at their local youth centre or interactions with a youth worker               | 13    | 15       | 12  |
| 280 email or telephone calls to the KCC Contact Centre                                       | 15    | 20       | 20  |
| 25 square metres of potholes repaired  | 9     | 11       | 9   |
| 25 street lights lit for a full year, OR 22 faulty street lights investigated and repaired   | 16    | 16       | 16  |
| 100 miles of road gritted in bad weather, or 2 miles of road gritted 50 times                | 6     | 6        | 6   |
| Two annual bus passes for young people aged 11 - 15  | 20    | 17       | 19  |
| 4 children given free transport to and from their nearest secondary school for one term      | 19    | 13       | 18  |
| One child with Special Educational Needs transported by taxi to and from school for 9 weeks. | 12    | 12       | 13  |
| Approximately 500 fare paying journeys on subsidised bus routes                              | 14    | 18       | 15  |
| 425 visits to a household waste recycling centre   | 17    | 14       | 14  |
| 14.5 tonnes of waste recycled, or enough to support 26 average Kent Households               | 11    | 8        | 10  |
| 10 tonnes of waste disposed of, or enough to support 17 average Kent Households              | 10    | 10       | 11  |

From: John Simmonds, Deputy Leader and Cabinet Member for Finance & Procurement  
Andy Wood, Corporate Director of Finance & Procurement  
Corporate Directors

To: CABINET - 22 January 2014

Subject: **REVENUE AND CAPITAL BUDGET MONITORING FOR 2013-14 - OCTOBER**

Classification: **Unrestricted**

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## 1. SUMMARY

1.1 This report provides the budget monitoring position for October 2013-14 for both revenue and capital budgets. Due to revenue finance resources being focused predominately on preparing the 2014-15 budget, which is a separate item on the agenda for this meeting, no activity data is supplied in this report.

As explained in the report to Cabinet in October, this report is presented in the pre-election portfolio structure, and will be for the remainder of the financial year.

1.2 The format of this report is:

- An executive summary which provides a high level financial summary and highlights only the most significant issues
- There are eight annexes to this executive summary report, as detailed below:
  - **Annex 1** **Education, Learning & Skills Directorate** incl. Education, Learning & Skills portfolio
  - **Annex 2** **Families & Social Care Directorate - Children's Services** incl. Specialist Children's Services portfolio
  - **Annex 3** **Families & Social Care Directorate - Adult Services** incl. elements of Adult Social Care & Public Health portfolio
  - **Annex 4** **Enterprise & Environment Directorate** incl. Environment, Highways & Waste portfolio and elements of Regeneration & Economic Development portfolio
  - **Annex 5** **Customer & Communities Directorate** incl. Customer & Communities portfolio
  - **Annex 6** **Business Strategy & Support Directorate - Public Health** incl. elements of Adult Social Care & Public Health portfolio
  - **Annex 7** **Business Strategy & Support Directorate (excl. Public Health)** incl. elements of Regeneration & Economic Development, Finance & Business Support, Business Strategy, Performance & Health Reform and Democracy & Partnerships portfolios
  - **Annex 8** **Financing Items** incl. elements of Finance & Business Support, Business Strategy, Performance & Health Reform and Democracy & Partnerships portfolios

## 2. RECOMMENDATIONS

**Cabinet** is asked to:

- i) **Note** the latest monitoring position on both the revenue and capital budgets.
- ii) **Note** and **agree** the changes to the capital programme as detailed in the actions column in table 2 of the annex reports.
- iii) **Note** the additional capital spending as a result of the introduction of an emergency highways repair programme, within the EH&W portfolio, following the recent flooding.

## 3. SUMMARISED REVENUE MONITORING POSITION

3.1 The net projected variance against the combined portfolio revenue budgets is an underspend of £3.989m, before management action. However, it has been agreed that funding for Social Fund awards is ringfenced for the period 2013-14 to 2014-15 and there is some re-phasing of projects, detailed in section 3.6, which will require roll forward to 2014-15, therefore this changes the position to an underspend of -£1.148m as shown in the headline table below. Management action is expected to increase the underspend to -£2.449m. The annexes to this report provide the detail, which is summarised in Tables 1a and 1b below.

3.2 This new style of reporting does not attempt to explain movements month on month, but explains why we have a forecast variance. However, we will report the headline movement, which for this month is a £1.291m reduction in the forecast underspend (excluding schools), as shown in table 1a. This is mainly due to increased costs within the ELS portfolio due to Home to School Transport, both SEN and mainstream, and costs of intervention and prevention work with schools in or at risk of going into special measures together with costs associated with maintaining and improving school Ofsted ratings; further pressure on Specialist Children's Services budgets, particularly legal costs, leaving care costs and children's social care staffing costs. These additional pressures are partially offset by a general increase in underspending within C&C portfolio including early delivery of savings within the Libraries, Registration and Archives service, and further likely savings on net debt costs.

3.3 There are two further issues not reflected in this month's forecast:

- a) the costs associated with the Christmas/New Year floods. We are currently gathering information to determine the costs incurred and an update will be reported verbally to this meeting;
- b) Budget Managers have been asked to think very carefully before committing to any non-essential spend. Based on previous experience we are hoping this will deliver an additional £1m - £2m underspend in this year.

## HEADLINE POSITION (EXCL SCHOOLS) (£'000)

|   | Cash Limit      | Variance Before Mgmt Action | Management Action | Net Variance after Mgmt Action | Last Report | Movement |
|---|-----------------|-----------------------------|-------------------|--------------------------------|-------------|----------|
| <b>Portfolio Totals</b>   | +975,378        | -3,989                      | -1,301            | -5,290                         | -6,581      | +1,291   |
| Adjustments:<br>- Committed roll forward/<br>re-phasing<br>(see section 3.6 for detail) |                 | +2,841                      | -                 | +2,841                         | +2,532      | +309     |
| <b>Underlying position</b>  | <b>+975,378</b> | <b>-1,148</b>               | <b>-1,301</b>     | <b>-2,449</b>                  | -4,049      | +1,600   |

### 3.4 Table 1a Portfolio position - net revenue position **before and after** management action together with comparison to last report

| Portfolio   | Budget<br>£'000  | Net Variance<br>(before mgmt<br>action)<br>£'000 | Proposed<br>Management<br>Action<br>£'000 | Net Variance<br>(after mgmt<br>action)<br>£'000 | Last Report<br>£'000 | Movement<br>£'000 |
|---|------------------|--|---|---|----------------------|-------------------|
| Education, Learning and Skills (ELS)                    | 55,543.3         | +461   | -   | +461  | -1,955               | +2,416            |
| Specialist Children's Services (SCS)                    | 152,687.6        | +3,681   | -707                                      | +2,974  | +2,498               | +476              |
| Specialist Children's Services - Asylum                 | 280.0            | +383   | -   | +383  | +383                 | -                 |
| Adult Social Care & Public Health (ASC&PH)              | 335,261.9        | -371   | -   | -371  | -380                 | +9                |
| Environment, Highways & Waste (EH&W)                    | 151,683.1        | +1,622   | -   | +1,622  | +1,667               | -45               |
| Customer & Communities (C&C)                            | 76,032.6         | -3,263   | -   | -3,263  | -2,395               | -868              |
| Regeneration & Economic Development (R&ED)              | 3,882.2          | -  | -   | -   | -                    | -                 |
| Finance & Business Support (F&BS)                       | 135,937.5        | -7,006   | -   | -7,006  | -6,578               | -428              |
| Business Strategy, Performance & Health Reform (BSP&HR) | 57,499.9         | +814   | -594                                      | +220  | +446                 | -226              |
| Democracy & Partnerships (D&P)                          | 6,569.9          | -310   | -   | -310  | -267                 | -43               |
| <b>TOTAL (excl Schools)</b>                             | <b>975,378.0</b> | <b>-3,989</b>                                    | <b>-1,301</b>                             | <b>-5,290</b>                                   | <b>-6,581</b>        | <b>+1,291</b>     |
| <i>Schools (ELS Portfolio)</i>                          | -                | +9,625   | -   | +9,625  | +1,881               | +7,744            |
| <b>TOTAL</b>  | <b>975,378.0</b> | <b>+5,636</b>                                    | <b>-1,301</b>                             | <b>+4,335</b>                                   | <b>-4,700</b>        | <b>+9,035</b>     |

3.5 **Table 1b** Portfolio/Directorate position - gross revenue position **before** management action

| Portfolio   | Budget<br>£'000  | Variance<br>£'000 | Directorate    |               |               |               |              |               |        |
|---|------------------|-------------------|----------------|---------------|---------------|---------------|--------------|---------------|--------|
|   |                  |                   | ELS<br>£'000   | FSC<br>£'000  | E&E<br>£'000  | C&C<br>£'000  | BSS<br>£'000 | FI<br>£'000   |        |
|   |                  |                   | annex 1        | annexes 2&3   | annex 4       | annex 5       | annexes 6&7  | annex 8       |        |
| Education, Learning and Skills (ELS)                    | 55,543.3         | +461              | +461           |               |               |               |              |               |        |
| Specialist Children's Services (SCS)                    | 152,687.6        | +3,681            |                | +3,681        |               |               |              |               |        |
| Specialist Children's Services - Asylum                 | 280.0            | +383              |                | +383          |               |               |              |               |        |
| Adult Social Care & Public Health (ASC&PH)              | 335,261.9        | -371              |                | -6            |               |               |              | -365          |        |
| Environment, Highways & Waste (EH&W)                    | 151,683.1        | +1,622            |                |               | +1,622        |               |              |               |        |
| Customer & Communities (C&C)                            | 76,032.6         | -3,263            |                |               |               | -3,263        |              |               |        |
| Regeneration & Economic Development (R&ED)              | 3,882.2          | -                 |                |               | -             |               |              | -             |        |
| Finance & Business Support (F&BS)                       | 135,937.5        | -7,006            |                |               |               |               |              | -234          | -6,772 |
| Business Strategy, Performance & Health Reform (BSP&HR) | 57,499.9         | +814              |                |               |               |               |              | +814          | -      |
| Democracy & Partnerships (D&P)                          | 6,569.9          | -310              |                |               |               |               |              | -214          | -96    |
| <b>TOTAL (excl Schools)</b>                             | <b>975,378.0</b> | <b>-3,989</b>     | <b>+461</b>    | <b>+4,058</b> | <b>+1,622</b> | <b>-3,263</b> | <b>+1</b>    | <b>-6,868</b> |        |
| <i>Schools (ELS Portfolio)</i>                          | -                | <b>+9,625</b>     | +9,625         |               |               |               |              |               |        |
| <b>TOTAL</b>  | <b>975,378.0</b> | <b>+5,636</b>     | <b>+10,086</b> | <b>+4,058</b> | <b>+1,622</b> | <b>-3,263</b> | <b>+1</b>    | <b>-6,868</b> |        |

Page 62

6 The **Revenue** Budget Monitoring headlines are as follows:

- Specialist Children's Services still have significant financial pressures being highlighted in 2013-14. The net overspend of £4.064m (incl Asylum) assumes some management action is still to be achieved. Recent work has been undertaken to identify management action which is now estimated at £0.707m, which is expected to reduce the pressure to £3.357m. There are pressures both in relation to agency staff and costs relating to looked after children.
- The position reflected in this report for Asylum is a pressure of £0.383m, however this assumes that we invoice the Home Office for £2.456m of costs deemed as ineligible against the current grant rules.
- Following work to finalise transport for the new academic year, the ELS position includes a £0.777m forecast underspend against Mainstream Home to School Transport and a £2.375m pressure on the SEN Home to School Transport budget, which is a combined +£1.843m movement this month. A detailed exercise is currently being undertaken to ascertain the reason(s) for this significant movement and the outcome of this work will be included in the next report.
- The small underspend reported for Adult Social Care of -£0.006m assumes a drawdown from the NHS Support for Social Care reserve of £8.324m to fund the ongoing impact of 2012-13 winter pressures and investment in services to deliver the transformation savings.

- e) Within the EH&W portfolio, there are £0.363m of emergency response costs in relation to the October storm forecast this month, but these costs are offset by underspending on other services this month including Waste, which is now reported an underspend of -£1.422m. The pressure on this portfolio is likely to increase as a result of the recent December/January storms and flooding. It should be noted that we currently have a balance of £0.809m in the Emergency Conditions reserve, hence if required, this could be used to offset the £0.363m of emergency costs already reflected in the forecast and up to £0.446m of additional emergency costs relating to the recent severe weather conditions.
- f) The forecast currently assumes unused Public Health grant of £1.607m will be transferred to a new Public Health reserve for use in future years, in line with Government guidelines. This is largely as a result of a delay in some new projects within the Kent Drug and Alcohol Service.
- g) An underspend of £1.046m is forecast against the Kent Support & Assistance Service budget for awards (the Social Fund responsibilities which transferred from the DWP from 1 April 2013), which will be required to roll forward to 2014-15 in line with key decision 12/01939 which agreed that funding for this scheme should be ringfenced for the period 2013-15. This reflects initial take up of the new scheme in the first six months, which has increased in the second quarter as expected.
- h) There are a number of pressures against the DSG budget with an unbudgeted drawdown of £1.070m forecast for 2013-14. This will need to be addressed within the overall DSG settlement in the MTFP process and will result in a realignment of DSG funds between delegated and non delegated budgets.
- i) The overall reported position includes £4.993m of additional Government funding announced since the budget was set, however a shortfall of £0.487m against the Education Services Grant is now anticipated as a result of schools converting to academies during this financial year, resulting in an underspend of £4.506m reported against the unallocated financing items budget within the F&BS portfolio. Cabinet agreed in July that this should be held centrally to offset any potential shortfall in meeting our savings target this year. It should be noted that the draft 2014-15 budget assumes a £4m underspend is transferred to reserves to support next years budget, which will require further net savings of £1.6m to be delivered on top of the current forecast (see paragraphs 3.3 and 3.6e).

### 3.7 Details of Committed Roll Forward/Re-phasing requirements

The headline table on page 2 shows that within the current forecast revenue position there is a requirement to roll forward £2.841m to 2014-15. This relates to:

|   |        |
|---|--------|
| ▪ re-phasing of Kent Youth Employment programme in to 2014-15 and 2015-16 (see annex 1)   | +1,376 |
| ▪ re-phasing of Vulnerable Learners placements in to 2014-15 (see annex 1)  | +122   |
| ▪ underspend on Kent Support & Assistance budget for awards (see annex 5)   | +1,046 |
| ▪ re-phasing of Kent Drug & Alcohol Service, reflecting our base budget commitment to the pooled partnership budget (see annex 5)   | +69    |
| ▪ re-phasing of Health Reform budget (to support the development of seven new Health and Wellbeing Boards to be aligned with the NHS Clinical Commissioning Groups) (see annex 7) | +87    |
| ▪ re-phasing of training programmes funded from the Independent Sector rolled forward from 2012-13, which is to be spent over the period July 2013 to January 2015 (see annex 7)  | +141   |
|   | <hr/>  |
|   | +2,841 |

### Revenue budget virements/changes to budgets

All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered “technical adjustments” i.e. where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process, including the inclusion of new 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- Cash limits for the A-Z service analysis have been adjusted since the previous report to Cabinet to reflect a number of technical adjustments, including the further centralisation of budgets and to reflect where responsibility for providing services has moved between directorates/portfolios.



#### 4. SUMMARISED CAPITAL MONITORING POSITION

4.1 The working budget for the Capital Programme 2013-14 is £316.565m. The forecast outturn against this budget is £273.953m giving a variance of -£42.612m. The annexes to this report provide the detail, which is summarised in table 2 below.

4.2 **Table 2** Portfolio/Directorate capital position

| Portfolio  | 3 Year<br>Cash Limit<br>£'000 | 2013-14<br>Working Budget<br>£'000 | 2013-14<br>Variance<br>£'000 | Real<br>Variance<br>£'000 | Re-phasing<br>Variance<br>£'000 | Annex |
|--|-------------------------------|------------------------------------|------------------------------|---------------------------|---------------------------------|-------|
| Education, Learning and Skills   | 210,018                       | 149,868                            | -13,434                      | -3,067                    | -10,367                         | 1     |
| Specialist Children's Services   | 1,325                         | 1,925                              | -                            | -                         | -                               | 2     |
| Adult Social Care & Public Health  | 92,858                        | 9,824                              | -5,165                       | -210                      | -4,955                          | 3     |
| Environment, Highways & Waste  | 193,789                       | 77,144                             | -17,391                      | -831                      | -16,560                         | 4     |
| Customer & Communities   | 11,263                        | 6,182                              | -1,762                       | -158                      | -1,604                          | 5     |
| Regeneration & Economic Development  | 103,407                       | 38,308                             | -4,098                       | -                         | -4,098                          | 7     |
| Finance & Business Support   | -                             | -                                  | -                            | -                         | -                               | N/A   |
| Business Strategy, Performance & Health Reform   | 46,534                        | 33,314                             | -762                         | -715                      | -47                             | 7     |
| Democracy & Partnerships   | -                             | -                                  | -                            | -                         | -                               | N/A   |
| <b>TOTAL</b>   | <b>659,194</b>                | <b>316,565</b>                     | <b>-42,612</b>               | <b>-4,981</b>             | <b>-37,631</b>                  |       |
| Environment, Highways & Waste - additional spending on Highways capital maintenance relating to flood damage ( <i>to be funded in 2013-14 from re-phasing within EH&amp;W portfolio reported above</i> ) |                               |                                    | 2,500                        |                           | +2,500                          |       |
| <b>TOTAL</b>   | <b>659,194</b>                | <b>316,565</b>                     | <b>-40,112</b>               | <b>-4,981</b>             | <b>-35,131</b>                  |       |

#### 4.3 The **Capital** Budget Monitoring headlines are as follows:

- a) The majority of schemes are within budget and on time.
- b) £37.631m of the £42.612m variance is due to rephasing expenditure into future years. The main projects comprising the rephasing are: £1.5m on the basic need programme (ELS) and £5.6m on the Special Schools Review Programme (ELS) to reflect a more realistic profiling of costs, £2.4m on Nursery Provision for 2 year olds (ELS) due to larger projects requiring planning permission, £1.1m on St Johns/Kingsmead due to initial delays on site due to problems with obtaining planning permission, £2.1m on IT Projects and £2.0m on the Learning Disability Good Day Programme (Adults), £3.4m on the highways major maintenance programme due to a detailed review of the highways capital funding being undertaken as part of the 2014-17 MTFP process, £2.6m on Growth without Gridlock (EHW) whilst development work continues to be undertaken, £1.6m on Swale Transfer Station (EHW) due to reprofiling now the site search has been completed, £1m on Land Compensation and Part 1 Claims due to the unpredictable nature of this budget, and £1m on Street Lighting Timing (EHW) due to police liaison with a longer and wider public consultation.
- c) The remaining £4.981m of the £42.612m variance relates to anticipated real project variances. £2.7m of this in the ELS portfolio is being held in anticipation of future pressures, and £1.3m is due to savings on the Joint Waste Projects in Environment, Highways and Waste.
- d) The EH&W portfolio capital monitoring within annex 4 shows £3.4m of re-phasing on the Highways Major Enhancement programme, however following the recent flooding, we have now put in place an emergency programme of work resulting in £2.5m to be funded from this re-phasing as reflected at the bottom of table 2 above.

#### 4.4 **Capital budget virements/changes to budgets**

All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.

### 5. **CONCLUSIONS**

- 5.1 The position has worsened by £1.600m since the last report, and after taking into account the requirements to roll forward, a £2.449m underspend is currently forecast. In addition, we also need to bear in mind that this position assumes that a significant amount (£1.301m) of management action will be delivered in the last quarter of the year within Specialist Children's Services and Business Strategy, Performance & Health Reform portfolios; assumes the Home Office meet the costs of Asylum (£2.456m), and includes £4.506m of additional Government funding notified since the budget was set. The 2014-15 draft budget assumes that a £4m underspend will be delivered in the current year to support next years budget, therefore we must ensure that pressure continues to be applied to resist spending wherever possible without affecting frontline services. The Corporate Director of Finance & Procurement has recently sent out a staff alert requesting that spending be avoided wherever possible without compromising our customers and the services that they receive, in order to deliver as big an underspend as possible in the current year. Based on previous experience of implementing spending restraints at this point in the financial year, this exercise is anticipated to deliver savings in the region of £1m to £2m.

5.2 There are a number of emerging issues that are being addressed in the 2014-17 draft MTFP and these are highlighted in the annexes to this report and/or in the headlines above.

## 6. RECOMMENDATIONS

**Cabinet** is asked to:

- i) **Note** the latest monitoring position on both the revenue and capital budgets.
- ii) **Note** and **agree** the changes to the capital programme as detailed in the actions column in table 2 of the annex reports.
- iii) **Note** the additional capital spending as a result of the introduction of an emergency highways repair programme, within the EH&W portfolio, following the recent flooding.

## 7. BACKGROUND DOCUMENTS

None

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**EDUCATION, LEARNING & SKILLS DIRECTORATE SUMMARY**  
**OCTOBER 2013-14 MONITORING REPORT**

**1. REVENUE**

|     |                                  |                |                             |                   |                                |
|-----|----------------------------------|----------------|-----------------------------|-------------------|--------------------------------|
| 1.1 |                                  | Cash Limit     | Variance Before Mgmt Action | Management Action | Net Variance after Mgmt Action |
|     | <b>Total (excl Schools) (£k)</b> | +55,543        | +461                        | -                 | +461                           |
|     | <b>Schools (£k)</b>              | -              | +9,625                      | -                 | +9,625                         |
|     | <b>Directorate Total (£k)</b>    | <b>+55,543</b> | <b>+10,086</b>              | -                 | <b>+10,086</b>                 |

1.2 **Table 1** below details the revenue position by A-Z budget:

| Budget Book Heading                                   | Cash Limit     |                 |              | Variance     | Explanation | Management Action/<br>Impact on MTFP   |
|---|----------------|-----------------|--------------|--------------|-------------|--|
|   | Gross<br>£'000 | Income<br>£'000 | Net<br>£'000 | Net<br>£'000 |             |  |
| <b>Education, Learning &amp; Skills portfolio</b>     |                |                 |              |              |             |  |
| <b>Delegated Budget:</b>                              |                |                 |              |              |             |  |
| Schools & Pupil Referral Units<br>Delegated Budgets   | 738,605.8      | -738,605.8      | 0.0          | +9,625       | +1,881      | Drawdown from school reserves for 24<br>expected academy converters and 2<br>school closures   |
|   |                |                 |              |              | +7,744      | Movement from quarter 2 - increase in<br>expected academy converters from 24<br>to 29 +£449k; expected drawdown of<br>reserves for remaining Kent schools<br>based on schools six month monitoring<br>+£7,295k |
| <b>TOTAL DELEGATED</b>                                | 738,605.8      | -738,605.8      | 0.0          | +9,625       |             |  |
| <b>Non Delegated Budget:</b>                          |                |                 |              |              |             |  |
| Strategic Management &<br>Directorate Support budgets | 8,319.6        | -8,770.0        | -450.4       | +312         | +524        | New Kent Integrated Adolescent<br>Support Service managed by ELS but<br>covering services across directorates  |
|   |                |                 |              |              | -230        | <i>DSG variances over a number of<br/>headings, all less than £100k in value</i>   |
|   |                |                 |              |              | +84         | Other minor variances  |
|   |                |                 |              |              | -66         | Movement from quarter 2 ( <i>includes a<br/>DSG movement of -£22k</i> )  |

| Budget Book Heading                                   | Cash Limit     |                 |              | Variance     | Explanation | Management Action/<br>Impact on MTFP   |   |
|---|----------------|-----------------|--------------|--------------|-------------|--|---|
|   | Gross<br>£'000 | Income<br>£'000 | Net<br>£'000 | Net<br>£'000 |             |  |   |
| <u>Children's Services - Education &amp; Personal</u> |                |                 |              |              |             |  |   |
| - 14 - 19 year olds                                   | 4,778.0        | -1,335.8        | 3,442.2      | -1,498       | -1,376      | Kent Youth Employment programme placements - this underspend will need to be rolled forward to be spent on placements which straddle the financial year, with the scheme continuing until 2015-16.<br><br>-75 Other minor variances<br>-47 Movement from quarter 2 - an additional roll forward of £122k is requested for vulnerable learner placements  |   |
| - Attendance & Behaviour                              | 3,833.9        | -2,671.4        | 1,162.5      | -215         | -205        | Increased penalty notice income from pupils being absent from school <i>(includes a DSG variance of -£146k)</i><br><br>-60 Other minor variances<br>+50 Movement from quarter 2 <i>(includes a DSG movement of +£39k)</i>  |   |
| - Connexions  | 5,696.6        | 0.0             | 5,696.6      | 0            |             |  |   |
| - Early Years & Childcare                             | 7,376.4        | -5,991.6        | 1,384.8      | -154         | -85         | Quarter 2 reported position<br>-69 Movement from quarter 2 <i>(includes a DSG movement of -£44k)</i>   |   |
| - Early Years Education                               | 50,900.0       | -50,900.0       | 0.0          | +1,187       | +1,183      | <i>DSG variance - additional week of provision for 3 &amp; 4 year olds falling in the 2013-14 financial year which has not been funded within the DfE DSG settlement.</i><br><br>+1,092 <i>DSG variance - greater than budgeted number of hours being provided for 3 &amp; 4 year olds due to increased parental demand</i><br><br>-1,092 <i>DSG variance - reduced demand for 2 year old placements</i><br><br>+4 <i>DSG variance - Movement from quarter 2</i> | Additional DSG income is expected next year as it will be based on a more up to date count of children in early years settings and this increase will be reflected in the 2014-17 MTFP. |

| Budget Book Heading            | Cash Limit     |                 |              | Variance     | Explanation  | Management Action/<br>Impact on MTFP   |
|--------------------------------|----------------|-----------------|--------------|--------------|--|--|
|                                | Gross<br>£'000 | Income<br>£'000 | Net<br>£'000 | Net<br>£'000 |  |  |
| - Education Psychology Service | 3,004.4        | -400.0          | 2,604.4      | -382         | -191 Traded income from schools for non statutory psychology services<br><br>-143 Staff vacancies<br>-32 Other minor variances<br>-16 Movement from quarter 2  | This additional income is expected to be ongoing & will be reflected in the 2014-17 MTFP |
| - Individual Learner Support   | 8,642.4        | -7,579.0        | 1,063.4      | -355         | -80 Minority Community Achievement Service (MCAS) income from schools in excess of costs<br><br>-118 Portage staff vacancies and non staff savings offset by the write off of old debts ( <i>includes a DSG variance of -£82k</i> )<br><br>-65 Head of Inclusion and Support budget part year vacancies and general non staffing underspends ( <i>includes a DSG variance of -£44k</i> )<br><br>-71 Other minor variances<br>-21 Movement from quarter 2 ( <i>includes a DSG movement of -£15k</i> ) |  |
| - Statemented Pupils           | 5,491.1        | -5,491.1        | 0.0          | -843         | -651 <i>DSG variance - budget allocated for statemented support is not required for 2013-14 and will in part cover the reported pressure on independent and non maintained special school placements (reported below)</i><br><br>-184 <i>DSG variance - changes to provision of some statemented support services and to numbers of pupils receiving support</i><br><br>-8 <i>DSG variance - Movement from quarter 2</i>   |  |
|                                | 89,722.8       | -74,368.9       | 15,353.9     | -2,260       |  |  |

| Budget Book Heading                     | Cash Limit     |                 |              | Variance     | Explanation |  | Management Action/<br>Impact on MTFP  |
|---|----------------|-----------------|--------------|--------------|-------------|--|---|
|   | Gross<br>£'000 | Income<br>£'000 | Net<br>£'000 | Net<br>£'000 |             |  |   |
| <u>School Budgets:</u>                  |                |                 |              |              |             |  |   |
| - Independent Special School Placements | 14,924.0       | -14,924.0       | 0.0          | +1,028       | +3,332      | <i>DSG variance - Increased number of pupils in independent and non maintained special school placements</i> | This pressure is expected to be ongoing & will need to be addressed in the 2014-17 MTFP process |
|   |                |                 |              |              | -2,304      | <i>DSG variance - Movement from quarter 2: transfer of budget from school's contingency for High Needs</i>   |   |
| - PFI Schools Schemes                   | 23,810.0       | -23,810.0       | 0.0          | 0            |             |  |   |
| - Exclusion Services                    | 1,835.7        | -1,835.7        | 0.0          | 0            |             |  |   |
|   | 40,569.7       | -40,569.7       | 0.0          | +1,028       |             |  |   |
| <u>Schools Services:</u>                |                |                 |              |              |             |  |   |
| - Non Delegated Staff Costs             | 2,742.2        | -2,639.2        | 103.0        | +99          | -54         | Quarter 2 reported position  |   |
|   |                |                 |              |              | +153        | Movement from quarter 2 - increase in expected claims from school staff undertaking trade union duties       |   |
| - Other Schools Services                | 7,595.1        | -7,189.8        | 405.3        | -144         | -55         | <i>DSG variance - Reduction in spend on the moving of mobile classrooms for schools</i>                      |   |
|   |                |                 |              |              | -52         | Other minor variances  |   |
|   |                |                 |              |              | -37         | Movement from quarter 2  |   |
| - Redundancy Costs                      | 1,188.7        | -1,188.7        | 0.0          | +877         | +865        | <i>DSG variance - Expected increase in school based staff redundancy costs</i>                               |   |
|   |                |                 |              |              | +12         | <i>DSG variance - Movement from quarter 2</i>  |   |
| - School Improvement                    | 11,034.8       | -8,719.0        | 2,315.8      | +729         | +266        | Higher costs for the provision of training and development courses in excess of additional income generated  | Income targets for School Improvement will need to be reviewed as part of the MTFP process      |
|   |                |                 |              |              | -126        | Increase in income generated by the Improving Together Network scheme  |   |

| Budget Book Heading                                | Cash Limit     |                 |              | Variance     | Explanation   | Management Action/<br>Impact on MTFP  |
|--|----------------|-----------------|--------------|--------------|---|---|
|  | Gross<br>£'000 | Income<br>£'000 | Net<br>£'000 | Net<br>£'000 |   |   |
|  |                |                 |              |              | £'000<br>+17 Other minor variances  |   |
|  |                |                 |              |              | +572 Movement from quarter 2: costs of intervention and prevention work with schools in or at risk of going into special measures, together with costs associated with maintaining and improving school Ofsted ratings +£755k; <i>movement in DSG variance - £170k</i> ; other -£13k. |   |
| - Teachers & Education Staff Pension Costs         | 7,954.0        | -2,684.0        | 5,270.0      | +218         | +248 Increase in annual capitalization payments   | This pressure is expected to be ongoing & will need to be addressed in the 2014-17 MTFP process |
|  |                |                 |              |              | -30 Movement from quarter 2   |   |
|  | 30,514.8       | -22,420.7       | 8,094.1      | +1,779       |   |   |
| <u>Transport Services</u>                          |                |                 |              |              |   |   |
| - Home to College Transport & Kent 16+ Travel Card | 3,174.2        | -1,720.0        | 1,454.2      | -636         | +230 SEN pupils receiving Home to College transport   | This pressure is expected to be ongoing & will be addressed in the 2014-17 MTFP                 |
|  |                |                 |              |              | -730 Income from the 16+ card in excess of costs  | This additional income is expected to be ongoing & will be reflected in the 2014-17 MTFP        |
|  |                |                 |              |              | -136 Movement from quarter 2  |   |
| - Mainstream HTST                                  | 11,517.3       | -20.0           | 11,497.3     | -777         | -1,567 Lower than budgeted numbers of pupils travelling and the full year impact of transport policy changes, (this forecast remains an estimate until all pupil transport for the new academic year is finalised)  | This saving is expected to be ongoing & will be reflected in the 2014-17 MTFP                   |
|  |                |                 |              |              | +790 Movement from quarter 2 - an exercise is being undertaken to ascertain the reason(s) for this movement and this explanation will be provided in the next report  |   |



| Budget Book Heading   | Cash Limit       |                   |                 | Variance       | Explanation |   | Management Action/<br>Impact on MTFP  |
|---|------------------|-------------------|-----------------|----------------|-------------|---|---|
|   | Gross<br>£'000   | Income<br>£'000   | Net<br>£'000    | Net<br>£'000   | £'000       |   |   |
| - SEN HTST  | 17,207.5         | 0.0               | 17,207.5        | +2,375         | +1,322      | Higher than budgeted numbers of pupils travelling with overall costs also influenced by other factors (see section 2.2)   | This pressure is expected to be ongoing & will be addressed in the 2014-17 MTFP |
|   |                  |                   |                 |                | +1,053      | Movement from quarter 2 - an exercise is being undertaken to ascertain the reason(s) for this movement and this explanation will be provided in the next report   |   |
|   | 31,899.0         | -1,740.0          | 30,159.0        | +962           |             |   |   |
| <u>Assessment Services</u>                                      |                  |                   |                 |                |             |   |   |
| - Assessment & Support of Children with Special Education Needs | 7,319.1          | -4,932.4          | 2,386.7         | +557           | -63         | Quarter 2 reported position   |   |
|   |                  |                   |                 |                | +620        | Movement from quarter 2: DSG movement for recoupment expenditure for Kent children with special needs educated in other local authority schools +£598k; other +£22k (including a DSG movement of +£14k) |   |
| TOTAL NON DELEGATED   | 208,345.0        | -152,801.7        | 55,543.3        | +2,378         |             |   |   |
| - <i>Transfer to(+)/from(-) DSG reserve</i>                     |                  |                   |                 | -1,917         | -3,813      | <i>drawdown from DSG reserve to offset +£3,988k of DSG variances explained above, together with other smaller DSG variances</i>   |   |
|   |                  |                   |                 |                | +1,896      | <i>Movement from quarter 2 - reduced drawdown from DSG reserve to offset -£1,896k of DSG movements shown above</i>  |   |
| TOTAL NON DELEGATED after tfr to/from DSG reserve               | 208,345.0        | -152,801.7        | 55,543.3        | +461           |             |   |   |
| <b>Total ELS portfolio</b>                                      | <b>946,950.8</b> | <b>-891,407.5</b> | <b>55,543.3</b> | <b>+10,086</b> |             |   |   |

| Budget Book Heading                            | Cash Limit       |                   |                 | Variance       | Explanation | Management Action/<br>Impact on MTFP  |
|--|------------------|-------------------|-----------------|----------------|-------------|---|
|  | Gross<br>£'000   | Income<br>£'000   | Net<br>£'000    | Net<br>£'000   |             |   |
| <b>Assumed Mgmt Action</b>                     |                  |                   |                 |                | £'000       |   |
| - ELS portfolio                                |                  |                   |                 | 0              |             | The directorate is facing an overall pressure of £461k, (£1,959k including roll forward requirements), excluding schools. The Directorate will try to reduce these pressures by considering whether any expenditure within its control can be avoided without affecting front line services. The overspend will be discussed at DMT in January and any more detailed proposals will be reported in the next monitoring report |
| <b>Total Forecast <u>after</u> mgmt action</b> | <b>946,950.8</b> | <b>-891,407.5</b> | <b>55,543.3</b> | <b>+10,086</b> |             |   |

## 2. CAPITAL

2.1 The Education, Learning & Skills Directorate has a working budget (excluding schools ) for 2013-14 of £149,868k. The forecast outturn against the 2013-14 budget is £136,434k giving a variance of - £13,434k.

2.2 **Table 2** below details the ELS Capital Position by Budget Book line.

| Budget Book Heading                                      | Three year cash limit per budget book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream          | Explanation of In-Year Variance >£100k   | Project Status <sup>1</sup> | Explanation of Project Status | Actions                    |
|--|--|-------------------------------|-------------------------|----------------------------|---|--|-----------------------------|-------------------------------|----------------------------|
| <b>Rolling Programmes</b>                                |  |                               |                         |                            |   |  |                             |                               |                            |
| Annual Planned Enhancement Programme                     | 24,255                                       | 12,718                        | -220                    | -220                       | Real - Grant  | Underspend to be used to fund overspend on St Johns/Kingsmead.   | Green                       |                               |                            |
| Devolved Formula Capital Grants for Pupil Referral Units | 537  | 442                           | -155                    | -155                       | Rephasing   | Remaining works in feasibility stage, will not complete before the 31 March.                                 | Green                       |                               |                            |
| <b>Individual Projects</b>                               |  |                               |                         |                            |   |  |                             |                               |                            |
| <b>Basic Need Schemes - to provide additional pupil</b>  |  |                               |                         |                            |   |  |                             |                               |                            |
| Future Basic Need Schemes                                | 43,506                                       | 36,814                        | -1,471                  | -1,471                     | Rephasing   | Re-profiling of the basic need budget for the provision of additional places. No delays to completion dates. | Green                       |                               |                            |
| Dunton Green   | 800  | 800                           | -800                    | -800                       | -£564k Real Variance<br>Dev Conts<br>-£236k Rephasing | Reduction in forecast to reflect revised developer contribution.   | Green                       |                               | Reduce cash limit by £596k |
| Goat Lees Primary School, Ashford                        | 2,194  | 2,951                         |                         |                            |   |  | Green                       |                               |                            |

| Budget Book Heading   | Three year cash limit per budget book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream      | Explanation of In-Year Variance >£100k   | Project Status 1 | Explanation of Project Status | Actions |
|---|--|-------------------------------|-------------------------|----------------------------|---|--|------------------|-------------------------------|---------|
| Repton Park Primary School, Ashford   | 19   | 210                           |                         |                            |   |  | Green            |                               |         |
| Ryarsh Primary School, Ryarsh   | 169  | 169                           |                         |                            |   |  | Green            |                               |         |
| <b>Modernisation Programme -</b><br>Improving and upgrading school buildings including removal of temporary classrooms: |  |                               |                         |                            |   |  |                  |                               |         |
| Modernisation Programme - Wrotham   | 8  | 4                             |                         |                            |   |  | Green            |                               |         |
| Modernisation Programme - Future Years  | 5,992  | 2,074                         | -1,875                  | -1,875                     | Real - DfE grant                                  | Halfway House to be funded from Priority Schools Building Programme.   | Green            |                               |         |
| St Johns / Kingsmead Primary School, Canterbury   | 1,544  | 2,405                         | -892                    | -892                       | -1,112 Rephasing<br>220 Real Variance - DfE grant | Rephasing due to initial delays on site due to problems with obtaining planning permission. Overspend is to be funded from the Annual Planned Enhancement Programme. | Green            |                               |         |

| Budget Book Heading  | Three year cash limit per budget book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k                      | Project Status 1 | Explanation of Project Status | Actions |
|--|--|-------------------------------|-------------------------|----------------------------|--|---|------------------|-------------------------------|---------|
| <b>Special Schools Review</b> - major projects supporting the special schools review |  |                               |                         |                            |  |   |                  |                               |         |
| Special Schools Review phase 1   | 24   | 664                           |                         |                            |  |   | Green            |                               |         |
| Special Schools Review phase 2   | 40,330                                       | 9,361                         | -5,581                  | -5,581                     | Rephasing                                    | Re-profiling of the SSR budget to reflect latest forecasts. | Green            |                               |         |
| The Wyvern School, Ashford (Buxford Site)  | 1  | 2                             |                         |                            |  |   | Green            |                               |         |
| <b>Primary Improvement Programme</b>   | 85   | 236                           |                         |                            |  |   | Green            |                               |         |
| <b>Academy Projects:</b>   |  |                               |                         |                            |  |   |                  |                               |         |
| Academies Unit Costs   | 778  | 1,183                         |                         |                            |  |   | Green            |                               |         |
| Maidstone New Build, New Line Learning   | 0  | 31                            |                         |                            |  |   | Green            |                               |         |
| Longfield New Build  | 0  | 358                           |                         |                            |  |   | Green            |                               |         |
| Maidstone New Build, Cornwallis  | 0  | 67                            |                         |                            |  |   | Green            |                               |         |
| Spires New Build   | 0  | 2                             |                         |                            |  |   | Green            |                               |         |
| Marsh Academy, New Romney  | 888  | 887                           |                         |                            |  |   | Green            |                               |         |
| The John Wallis C of E Academy   | 7,615  | 7,387                         |                         |                            |  |   | Green            |                               |         |
| The Knowle Academy   | 13,557                                       | 14,735                        |                         |                            |  |   | Green            |                               |         |

| Budget Book Heading   | Three year cash limit per budget book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k   | Project Status 1 | Explanation of Project Status | Actions |
|---|--|-------------------------------|-------------------------|----------------------------|--|--|------------------|-------------------------------|---------|
| Dover Christ Church   | 10,119                                       | 7,791                         |                         |                            |  |  | Green            |                               |         |
| Astor of Hever (St Augustine's Academy), Maidstone                | 9,236  | 11,199                        |                         |                            |  |  | Green            |                               |         |
| Duke of York  | 21,816                                       | 16,968                        |                         |                            |  |  | Green            |                               |         |
| Wilmington Enterprise College                                     | 7,387  | 7,289                         |                         |                            |  |  | Green            |                               |         |
| Isle of Sheppey Academy   | 6,108  | 3,610                         |                         |                            |  |  | Green            |                               |         |
| Skidders Kent Academy, Tunbridge Wells                            | 489  | 1,611                         |                         |                            |  |  | Green            |                               |         |
| <b>Building Schools for the Future Projects:</b>                  |  |                               |                         |                            |  |  |                  |                               |         |
| BSF Wave 3 Build Costs  | 2,104  | 905                           |                         |                            |  |  | Green            |                               |         |
| BSF Unit Costs (including SecTT)                                  | 0  | 669                           |                         |                            |  |  | Green            |                               |         |
| <b>Other Projects:</b>  |  |                               |                         |                            |  |  |                  |                               |         |
| Nursery Provision for Two Year Olds                               | 2,468  | 2,468                         | -2,368                  | -2,368                     | Rephasing                                    | Delays due to larger projects requiring planning permission and work being carried out in holiday periods. | Green            |                               |         |
| Schools Self Funded projects - Quarryfield / Aldington Eco Centre | 0  | 32                            |                         |                            |  |  | Green            |                               |         |
| Specialist Schools  | 0  | 325                           | -185                    | -185                       | Rephasing                                    | Delays due to lease agreements.  | Green            |                               |         |
| Platt CEPS  | 0  | 91                            | 10                      | 10                         | Rephasing                                    |  | Green            |                               |         |

| Budget Book Heading                          | Three year cash limit per budget book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k   | Project Status 1 | Explanation of Project Status | Actions                      |
|--|--|-------------------------------|-------------------------|----------------------------|--|--|------------------|-------------------------------|------------------------------|
| One-off Schools Revenue to Capital           | 1,881  | 1,999                         |                         |                            |  |  | Green            |                               |                              |
| Unit Review                                  | 1,108  | 1,263                         | -828                    | -828                       | Real - Prudential                            | Good design and cost management reduced overall project costs.                                     | Green            |                               |                              |
| Vocational Education Centre Programme        | 0  | 148                           |                         |                            |  |  | Green            |                               |                              |
| Sevenoaks Grammar Schools annexe             | 5,000  | 0                             | 731                     | 731                        | Rephasing                                    | Early fees incurred on design and public consultation for both the grammar annexe and Free School. | Green            |                               |                              |
| Hartsdown Academy - contribution to 3G pitch |  |                               | 200                     | 200                        | Real - Grant                                 | Contribution agreed for Hartsdown Academy.   |                  |                               | Increase cash limit by £200k |
|  |  |                               |                         |                            |  |  |                  |                               |                              |
| <b>Total</b>                                 | 210,018                                      | 149,868                       | -13,434                 | -13,434                    |  |  |                  |                               |                              |

## 1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

**FAMILIES & SOCIAL CARE DIRECTORATE SUMMARY**  
**CHILDREN'S SERVICES SUMMARY**  
**OCTOBER 2013-14 MONITORING REPORT**

1. REVENUE

|     |                               |                 |                             |                   |                                |
|-----|-------------------------------|-----------------|-----------------------------|-------------------|--------------------------------|
| 1.1 |                               | Cash Limit      | Variance Before Mgmt Action | Management Action | Net Variance after Mgmt Action |
|     | <b>Total excl Asylum (£k)</b> | +152,688        | +3,681                      | -707              | +2,974                         |
|     | <b>Asylum (£k)</b>            | +280            | +383                        | -                 | +383                           |
|     | <b>Total (£k)</b>             | <b>+152,968</b> | <b>+4,064</b>               | <b>-707</b>       | <b>+3,357</b>                  |

1.2 **Table 1** below details the revenue position by A-Z budget:

| Budget Book Heading  | Cash Limit |        |          | Variance | Explanation   | Management Action/<br>Impact on MTFP  |
|--|------------|--------|----------|----------|---|---|
|  | Gross      | Income | Net      | Net      |   |   |
|  | £'000      | £'000  | £'000    | £'000    | £'000   |   |
| <b>Specialist Children's Services portfolio</b>              |            |        |          |          |   |   |
| Strategic Management & Directorate Support budgets           | 5,979.8    | -175.0 | 5,804.8  | -298     | -344 underspend on Commissioning staffing budget<br>+72 Other small minor variances<br>-26 Movement from quarter 2  |   |
| <b>Children's Services - Children in Care (Looked After)</b> |            |        |          |          |   |   |
| - Fostering  | 38,164.1   | -336.0 | 37,828.1 | +444     | +102 In House: Forecast 267 weeks above affordable level<br>+385 In House: Forecast unit cost £7.05 above affordable level<br>-97 In House: management action to reduce pressure<br><br>+21 In House: Other small minor variances<br>+979 Independent Sector (IFA): Forecast 1,050 weeks above affordable level | Management action is in place to speed up and increase the number of adoptions therefore reducing the demand on in house fostering. |



| Budget Book Heading               | Cash Limit     |                 |              | Variance     | Explanation   | Management Action/<br>Impact on MTFP   |
|-----------------------------------|----------------|-----------------|--------------|--------------|---|--|
|                                   | Gross<br>£'000 | Income<br>£'000 | Net<br>£'000 | Net<br>£'000 |   |  |
|                                   |                |                 |              |              | -68 Independent Sector (IFA): Forecast unit cost £6.36 below affordable level<br>-336 Fostering: management action to reduce pressure<br><br>-195 Small reduction in fostering related payments, and Kinship placements<br>+27 Other small minor variances<br>-374 Movement from quarter 2 due to management action now being achieved, and a reduction in the number of in-house foster placements including 16+ | The recent in-house fostering recruitment campaign is expected to result in more in-house and fewer independent sector placements, which will reduce costs. Also, new IFA placements will be purchased under a new framework contract which should result in lower cost placements. This will be reflected in the forecast activity shown in sections 2.2 & 2.3 once there is evidence that this management action is starting to take effect. |
| - Legal Charges                   | 7,345.4        | 0.0             | 7,345.4      | +1,222       | +682 Increase in legal fees and court charges, due to an increase in number of proceedings.<br>+300 Increase in court fee pricing<br>+240 Movement from quarter 2   | This pressure will need to be addressed in the 2014-17 MTFP  |
| - Residential Children's Services | 15,371.2       | -1,799.9        | 13,571.3     | +170         | +66 Independent residential care for Disabled Children: Forecast 21 weeks above affordable level of 2,384<br>-220 Independent residential care for Disabled Children: Forecast unit cost - £92.44 below affordable level of £3,249.20   |  |

| Budget Book Heading                                | Cash Limit |          |          | Variance | Explanation  | Management Action/<br>Impact on MTFP |
|--|------------|----------|----------|----------|--|--------------------------------------|
|  | Gross      | Income   | Net      | Net      |  |                                      |
|  | £'000      | £'000    | £'000    | £'000    | £'000  |                                      |
|  |            |          |          |          | +130 Independent residential care for Disabled Children: reduction in income   |                                      |
|  |            |          |          |          | -38 Secure Accommodation: reduction in placements  |                                      |
|  |            |          |          |          | +98 Other small minor variances  |                                      |
|  |            |          |          |          | +134 Movement from quarter 2 due to an increase in residential placements  |                                      |
| - Virtual School Kent                              | 2,163.6    | -718.9   | 1,444.7  | -4       | -16 Quarter 2 reported position  |                                      |
|  |            |          |          |          | +12 Movement from quarter 2  |                                      |
|  | 63,044.3   | -2,854.8 | 60,189.5 | +1,832   |  |                                      |
| <b>Children's Services - Children in Need</b>      |            |          |          |          |  |                                      |
| - Children's Centres                               | 15,957.4   | -112.6   | 15,844.8 | -930     | -656 Minor variances spread across the 97 centres  |                                      |
|  |            |          |          |          | -274 Movement from quarter 2 due to management action now being achieved   |                                      |
| - Preventative Services                            | 16,098.0   | -1,559.0 | 14,539.0 | +545     | +583 Pressure on commissioned services   |                                      |
|  |            |          |          |          | +116 Increase in direct payments   |                                      |
|  |            |          |          |          | +109 Staffing pressure   |                                      |
|  |            |          |          |          | -89 Other small minor variances  |                                      |
|  |            |          |          |          | -174 Movement from quarter 2 mainly due to reduced pressure on commissioned services and direct payments   |                                      |
|  | 32,055.4   | -1,671.6 | 30,383.8 | -385     |  |                                      |
| <b>Children's Services - Other Social Services</b> |            |          |          |          |  |                                      |
| - Adoption   | 11,088.7   | -3,707.5 | 7,381.2  | +107     | -745 Underspend due to rebadging of eligible spend to the Adoption Reform Grant.   |                                      |
|  |            |          |          |          | +305 Increase in number of adoption payments as a result of the management action, referred to in Fostering above, to speed up and increase the number of adoptions. |                                      |

| Budget Book Heading | Cash Limit     |                 |              | Variance     | Explanation  | Management Action/<br>Impact on MTFP |
|---------------------|----------------|-----------------|--------------|--------------|--|--------------------------------------|
|                     | Gross<br>£'000 | Income<br>£'000 | Net<br>£'000 | Net<br>£'000 |  |                                      |
|                     |                |                 |              |              | +384 Increase in number of guardianship payments partly due to a reduction in Kinship placements reported in Fostering above, together with a general increase in the number of guardianship payments.   |                                      |
|                     |                |                 |              |              | +163 Movement from quarter 2 mainly due to increased costs of commissioned management service  |                                      |
| - Asylum Seekers    | 11,883.3       | -11,603.3       | 280.0        | +383         | +1,207 Pressure relating to under 18 UASC due to costs exceeding grant payable<br>+169 Pressure relating to under 18 UASC due to ineligibility<br>+1,199 Pressure relating to over 18's due to ineligibility, of which £780k relates to All Rights Exhausted (ARE) clients<br>+1,191 Pressure relating to over 18's due to costs exceeding grant payable (see activity section 2.6 below), of which £296k relates to ARE clients<br>-927 Gateway grant not required for infrastructure costs and therefore available to offset other pressures<br>-2,456 Invoice to Home Office for net pressures outlined above, excluding costs for the first 25 care leavers, naturalised clients, care leavers age 21 and over not in education and care leavers age 24 and over (as these clients either fall within KCC's social care responsibilities or we should no longer be supporting them at all) |                                      |

| Budget Book Heading               | Cash Limit       |                  |                  | Variance      | Explanation |   | Management Action/<br>Impact on MTFP |
|-----------------------------------|------------------|------------------|------------------|---------------|-------------|---|--------------------------------------|
|                                   | Gross            | Income           | Net              | Net           |             |   |                                      |
|                                   | £'000            | £'000            | £'000            | £'000         | £'000       |   |                                      |
| - Leaving Care (formerly 16+)     | 4,555.1          | 0.0              | 4,555.1          | +1,483        | +254        | Pressure on staffing budgets  |                                      |
|                                   |                  |                  |                  |               | +1,008      | Additional young people requiring this service, in order to provide stability and continuity whilst they continue their education.                    |                                      |
|                                   |                  |                  |                  |               | +221        | Movement from quarter 2 mainly due to an increase in supported accommodation following a reduction in fostering placements                            |                                      |
| - Safeguarding                    | 4,679.4          | -495.5           | 4,183.9          | -137          | +115        | Pressure on staffing  |                                      |
|                                   |                  |                  |                  |               | +4          | Other small minor variances   |                                      |
|                                   |                  |                  |                  |               | -256        | Movement from quarter 2 mainly due to a reduction in commitments against the improvement budget   |                                      |
|                                   | 32,206.5         | -15,806.3        | 16,400.2         | +1,836        |             |   |                                      |
| <u>Assessment Services</u>        |                  |                  |                  |               |             |   |                                      |
| - Children's social care staffing | 45,247.8         | -5,058.5         | 40,189.3         | +1,079        | +597        | Pressure on staffing budgets. Partly due to appointment of agency staff to bridge the gap until new cohort of social workers take up posts in October |                                      |
|                                   |                  |                  |                  |               | +482        | Movement from quarter 2 partly due to unexpected one off costs and continuation of agency staff remaining in post                                     |                                      |
| <b>Total SCS portfolio</b>        | <b>178,533.8</b> | <b>-25,566.2</b> | <b>152,967.6</b> | <b>+4,064</b> |             |   |                                      |

| Budget Book Heading                            | Cash Limit       |                  |                  | Variance      | Explanation | Management Action/<br>Impact on MTFP   |
|--|------------------|------------------|------------------|---------------|-------------|--|
|  | Gross            | Income           | Net              | Net           |             |  |
|  | £'000            | £'000            | £'000            | £'000         | £'000       |  |
| <b>Assumed Mgmt Action</b>                     |                  |                  |                  |               |             |  |
| - SCS portfolio                                |                  |                  |                  | -707          | -1,035      | A management action plan was drawn up a few weeks ago, which is hoped will reduce expenditure on some non-essential expenditure, and reduce some agency staff costs for non-front line social work posts. Until further financial evidence is seen of the success of this, the balance of £1,035k is shown here as one figure. It is anticipated that within the next monitoring report this will start to be shown against the relevant budget lines. |
|  |                  |                  |                  |               | +328        | Movement from quarter 2 due to management action now being achieved in the above forecast (and shown within the relevant A-Z budget lines above)   |
| <b>Total Forecast <u>after</u> mgmt action</b> | <b>178,533.8</b> | <b>-25,566.2</b> | <b>152,967.6</b> | <b>+3,357</b> |             |  |

## 2. CAPITAL

2.1 The Families and Social Care Directorate - Specialist Children's Services has a working budget for 2013-14 of £1,925k. The forecast outturn against the 2013-14 budget is £1,925k giving a variance of £0k.

2.2 **Table 2** below details the FSC CS Capital Position by Budget Book line.

| Budget Book Heading                             | Three year cash limit per budget book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k | Project Status <sup>1</sup> | Explanation of Project Status | Actions |
|---|--|-------------------------------|-------------------------|----------------------------|--|--|-----------------------------|-------------------------------|---------|
| <b>Individual Projects</b>                      |  |                               |                         |                            |  |  |                             |                               |         |
| Transforming Short Breaks                       | 1,074  | 1,674                         | 0                       | 0                          |  |  | Green                       |                               |         |
| Service Redesign (Reprovision of Family Centre) | 251  | 251                           | 0                       | 0                          |  |  | Green                       |                               |         |
|   |  |                               |                         |                            |  |  |                             |                               |         |
| <b>Total</b>                                    | 1,325  | 1,925                         | 0                       | 0                          |  |  |                             |                               |         |

### 1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

**FAMILIES & SOCIAL CARE DIRECTORATE SUMMARY**  
**ADULTS SERVICES SUMMARY**  
**OCTOBER 2013-14 MONITORING REPORT**

**1. REVENUE**

|     |                   |                 |                             |                   |                                |
|-----|-------------------|-----------------|-----------------------------|-------------------|--------------------------------|
| 1.1 |                   | Cash Limit      | Variance Before Mgmt Action | Management Action | Net Variance after Mgmt Action |
|     | <b>Total (£k)</b> | <b>+334,878</b> | <b>-6</b>                   | <b>-</b>          | <b>-6</b>                      |

1.2 **Table 1** below details the revenue position by A-Z budget:

| Budget Book Heading   | Cash Limit |        |          | Variance | Explanation |  | Management Action/<br>Impact on MTFP                                  |
|---|------------|--------|----------|----------|-------------|--|---|
|   | Gross      | Income | Net      | Net      | £'000       |  |   |
|   | £'000      | £'000  | £'000    | £'000    | £'000       |  |   |
| <b>Adult Social Care &amp; Public Health portfolio</b>      |            |        |          |          |             |  |   |
| Strategic Management & Directorate Support budgets          | 7,019.1    | -957.8 | 6,061.3  | +167     | +323        | Legal Charges  |   |
|   |            |        |          |          | -60         | Other minor variances  |   |
|   |            |        |          |          | -96         | Movement from quarter 2  |   |
| <u>Support to Frontline Services:</u>                       |            |        |          |          |             |  |   |
| - Adults Social Care Commissioning & Performance Monitoring | 3,720.3    | -325.7 | 3,394.6  | +22      | +16         | Quarter 2 reported position  |   |
|   |            |        |          |          | +6          | Movement from quarter 2  |   |
| <u>Adults &amp; Older People:</u>                           |            |        |          |          |             |  |   |
| <u>- Direct Payments</u>                                    |            |        |          |          |             |  |   |
| - Learning Disability                                       | 15,865.8   | 0.0    | 15,865.8 | +755     | -239        | Forecast -875 weeks below affordable level of 60,327 weeks   | Demographic pressures & savings will need to be addressed in the MTFP |
|   |            |        |          |          | +615        | Forecast average unit cost +£10.20 above affordable level of £262.50   |   |
|   |            |        |          |          | +431        | One-off direct payments  |   |
|   |            |        |          |          | -326        | Recovery of unspent funds from clients   |   |
|   |            |        |          |          | +274        | Movement from quarter 2 due to increased numbers of clients in receipt of direct payments and some increases to existing users offset by further recovery of unspent funds |   |

| Budget Book Heading   | Cash Limit |        |          | Variance | Explanation  | Management Action/<br>Impact on MTFP                                  |
|-----------------------|------------|--------|----------|----------|--|---|
|                       | Gross      | Income | Net      | Net      |  |   |
|                       | £'000      | £'000  | £'000    | £'000    | £'000  |   |
| - Mental Health       | 817.2      | 0.0    | 817.2    | +36      | -94 Forecast -1,107 weeks below affordable level of 10,803 weeks<br>+147 Forecast average unit cost +£13.60 above affordable level of £71.40<br>+39 Other minor variances<br>-56 Movement from quarter 2   | Demographic pressures & savings will need to be addressed in the MTFP |
| - Older People        | 6,797.2    | 0.0    | 6,797.2  | +25      | -454 Forecast -2,837 weeks below affordable level of 45,113 weeks<br>+416 Forecast average unit cost +£9.23 above affordable level of £150.67<br>+434 One-off direct payments<br>-541 Recovery of unspent funds from clients<br>+114 Costs relating to 2012-13 where insufficient creditors were set up<br>+56 Movement from quarter 2   | Demographic pressures & savings will need to be addressed in the MTFP |
| - Physical Disability | 10,586.9   | 0.0    | 10,586.9 | -386     | -295 Forecast -1,590 weeks below affordable level of 56,463 weeks<br>-125 Forecast average unit cost -£2.21 below affordable level of £187.50<br>+537 One-off direct payments<br>-762 Recovery of unspent funds from clients<br>+69 Costs relating to 2012-13 where insufficient creditors were set up<br>+190 Movement from quarter 2 due to increased numbers of clients in receipt of ongoing direct payments, some additional one-off direct payments and a reduction in forecast level of surplus funds recovered | Demographic pressures & savings will need to be addressed in the MTFP |
| Total Direct Payments | 34,067.1   | 0.0    | 34,067.1 | +430     |  |   |



| Budget Book Heading   | Cash Limit |          |          | Variance | Explanation |  | Management Action/<br>Impact on MTFP                                  |
|-----------------------|------------|----------|----------|----------|-------------|--|---|
|                       | Gross      | Income   | Net      | Net      |             |  |   |
|                       | £'000      | £'000    | £'000    | £'000    | £'000       |  |   |
| - Domiciliary Care    |            |          |          |          |             |  |   |
| - Learning Disability | 4,237.6    | -679.2   | 3,558.4  | -521     | -146        | Independent Sector: forecast -11,209 hours below affordable level of 94,500 hours  | Demographic pressures & savings will need to be addressed in the MTFP |
|                       |            |          |          |          | -72         | Independent Sector: forecast average unit cost -£0.76 below affordable level of £13.80   |   |
|                       |            |          |          |          | -100        | Unrealised creditors raised in 2012-13   |   |
|                       |            |          |          |          | -31         | Other minor variances  |   |
|                       |            |          |          |          | -172        | Movement from quarter 2 mainly due to release of further unrealised creditors raised in 2012-13  |   |
| - Older People        | 42,599.5   | -1,362.7 | 41,236.8 | -203     | -507        | Independent Sector: forecast -33,753 hours below affordable level of 2,240,067 hours   | Demographic pressures & savings will need to be addressed in the MTFP |
|                       |            |          |          |          | +157        | Independent Sector: forecast average unit cost +£0.07 above affordable level of £14.95   |   |
|                       |            |          |          |          | +311        | Independent sector: costs incurred relating to 2012-13 where insufficient creditors were set up  |   |
|                       |            |          |          |          | -143        | Underspend on Independent Sector Enablement replaced by increased usage of the Kent Enablement at Home Service (KEAH) (see below)  |   |
|                       |            |          |          |          | +119        | Increased activity on the Older People KEAH service due to reduced usage of Independent Sector Enablement and implementation of transformation plans                                   |   |
|                       |            |          |          |          | -217        | Use of alternative funding sources to finance the programme of spend for hand held devices for the Older People KEAH service, such as use of reserves or capitalisation where eligible |   |
|                       |            |          |          |          | +74         | Other minor variances  |   |
|                       |            |          |          |          | +3          | Movement from quarter 2  |   |

| Budget Book Heading        | Cash Limit |           |           | Variance | Explanation |  | Management Action/<br>Impact on MTFP  |
|----------------------------|------------|-----------|-----------|----------|-------------|--|---|
|                            | Gross      | Income    | Net       | Net      | £'000       |  |   |
|                            | £'000      | £'000     | £'000     | £'000    | £'000       |  |   |
| - Physical Disability      | 7,576.3    | 0.0       | 7,576.3   | -73      | -469        | Independent Sector: forecast -34,241 hours below affordable level of 518,335 hours   | Demographic pressures & savings will need to be addressed in the MTFP   |
|                            |            |           |           |          | +285        | Independent Sector: forecast average unit cost +£0.55 above affordable level of £13.15   |   |
|                            |            |           |           |          | +170        | Pressure on Physical Disability Kent Enablement at Home Service (KEAH)   |   |
|                            |            |           |           |          | -2          | Other minor variances  |   |
|                            |            |           |           |          | -57         | Movement from quarter 2  |   |
| Total Domiciliary Care     | 54,413.4   | -2,041.9  | 52,371.5  | -797     |             |  |   |
| - Non Residential Charging |            |           |           |          |             |  |   |
| - Learning Disability      | 0.0        | -2,569.3  | -2,569.3  | -297     | -152        | The forecast over-recovery of client contributions towards non-residential care services is linked to the current pressure being forecast on other learning disability community based services (such as Domiciliary, Day Care, Direct Payments & Supported Accommodation) highlighted in this report  | Realignment of budget with other community based service headings will need to be addressed in the MTFP along with demographic pressures & savings. |
|                            |            |           |           |          | -145        | Movement from quarter 2 due to further forecast increases in client contributions  |   |
| - Older People             | 0.0        | -11,627.0 | -11,627.0 | +1,724   | +1,791      | The forecast under-recovery of client contributions towards non-residential care services is in part linked to the current underspend being forecast on other older people community based services highlighted in this report. In addition, this budget was set based on certain assumptions around activity & unit contributions. It is now apparent a realignment of this budget is required which will be addressed in the 2014-17 MTFP. | Realignment of budget with other community based service headings will need to be addressed in the MTFP along with demographic pressures & savings. |
|                            |            |           |           |          | -67         | Movement from quarter 2  |   |

| Budget Book Heading                      | Cash Limit |           |           | Variance | Explanation |  | Management Action/<br>Impact on MTFP                                  |
|--|------------|-----------|-----------|----------|-------------|--|---|
|  | Gross      | Income    | Net       | Net      | £'000       |  |   |
|  | £'000      | £'000     | £'000     | £'000    | £'000       |  |   |
| - Physical Disability /<br>Mental Health | 0.0        | -1,459.5  | -1,459.5  | -80      | -100        | The forecast over-recovery of client contributions towards physical disability community based services suggests the average unit income is greater than budgeted and is offsetting the under-recovery of client income linked to the current underspend being forecast on other physical disability services highlighted in this report |   |
|  |            |           |           |          | +33         | Other minor variances  |   |
|  |            |           |           |          | -13         | Movement from quarter 2  |   |
| Total Non Residential<br>Charging Income | 0.0        | -15,655.8 | -15,655.8 | +1,347   |             |  |   |
| - Nursing & Residential Care             |            |           |           |          |             |  |   |
| - Learning Disability                    | 76,895.0   | -6,219.8  | 70,675.2  | +648     | +1,297      | Independent Sector: forecast +1,038 weeks above affordable level of 40,086 weeks   |   |
|  |            |           |           |          | -91         | Leading to an increase in client contributions   |   |
|  |            |           |           |          | +95         | Independent Sector: forecast average unit cost +£2.36 above affordable level of £1,247.27  | Demographic pressures & savings will need to be addressed in the MTFP |
|  |            |           |           |          | -181        | Independent Sector: forecast average unit client contribution -£4.51 above affordable level of -£83.24   |   |
|  |            |           |           |          | -1,514      | Preserved Rights Independent Sector: forecast -1,617 weeks below affordable level of 27,124 weeks  |   |
|  |            |           |           |          | +161        | Leading to a shortfall in client contributions   |   |
|  |            |           |           |          | +629        | Preserved Rights Independent Sector: forecast average unit cost +£23.20 above affordable level of £913.28  | Demographic pressures & savings will need to be addressed in the MTFP |
|  |            |           |           |          | -134        | Preserved Rights Independent Sector: forecast average unit client contribution -£4.93 above affordable level of -£94.37  |   |

| Budget Book Heading          | Cash Limit |           |          | Variance | Explanation  | Management Action/<br>Impact on MTFP                                  |
|------------------------------|------------|-----------|----------|----------|--|---|
|                              | Gross      | Income    | Net      | Net      |  |   |
|                              | £'000      | £'000     | £'000    | £'000    | £'000  |   |
|                              |            |           |          |          | +131 Costs incurred in relation to 2012-13 where insufficient creditors were set up  |   |
|                              |            |           |          |          | +45 Other minor variances  |   |
|                              |            |           |          |          | +210 Movement from quarter 2 due to a reduction in forecast for client income and some increases to packages of care for existing clients, offset partly by a small decrease in client numbers |   |
| - Mental Health              | 7,380.2    | -768.4    | 6,611.8  | +671     | +732 Independent Sector: forecast +1,189 weeks above affordable level of 9,895 weeks   | Demographic pressures & savings will need to be addressed in the MTFP |
|                              |            |           |          |          | +95 Forecast average unit cost +£9.59 above affordable level of £605.75  |   |
|                              |            |           |          |          | -101 Over-recovery of income for clients part funded by health   |   |
|                              |            |           |          |          | -86 Other minor variances  |   |
|                              |            |           |          |          | +31 Movement from quarter 2  |   |
| - Older People - Nursing     | 48,633.6   | -24,365.0 | 24,268.6 | -845     | -25 Independent Sector: forecast -51 weeks below affordable level of 83,362 weeks  | Demographic pressures & savings will need to be addressed in the MTFP |
|                              |            |           |          |          | +9 Leading to a shortfall in client contributions  |   |
|                              |            |           |          |          | +185 Independent Sector: forecast average unit cost +£2.22 above affordable level of £481.80   |   |
|                              |            |           |          |          | -736 Independent Sector: forecast average unit client contribution -£8.83 above affordable level of -£171.99   |   |
|                              |            |           |          |          | +76 Other minor variances  |   |
|                              |            |           |          |          | -354 Movement from quarter 2 mainly due to a reduction in clients in nursing placements  |   |
| - Older People - Residential | 81,827.1   | -32,731.8 | 49,095.3 | +513     | +900 Independent Sector: forecast +2,232 weeks above affordable level of 146,064 weeks   | Demographic pressures & savings will need to be addressed in the MTFP |
|                              |            |           |          |          | -385 Leading to an increase in client contributions  |   |

| Budget Book Heading              | Cash Limit     |                 |              | Variance     | Explanation   | Management Action/<br>Impact on MTFP                                  |
|----------------------------------|----------------|-----------------|--------------|--------------|---|---|
|                                  | Gross<br>£'000 | Income<br>£'000 | Net<br>£'000 | Net<br>£'000 |   |   |
|                                  |                |                 |              |              | +358 Independent Sector: forecast average unit cost +£2.45 above affordable level of £400.60<br>-701 Independent Sector: forecast average unit client contribution -£4.80 above affordable level of -£167.74<br>-38 Other minor variances<br>+379 Movement from quarter 2 mainly due to an increase in residential placements, plus some additional costs in relation to in-house services                        |   |
| - Physical Disability            | 12,691.6       | -1,752.0        | 10,939.6     | +234         | +496 Independent Sector: forecast +577 weeks above affordable level of 12,902 weeks<br>-118 Independent Sector: forecast average unit cost -£9.11 below affordable level of £868.96<br>-120 Other minor variances<br>-24 Movement from quarter 2  | Demographic pressures & savings will need to be addressed in the MTFP |
| Total Nursing & Residential Care | 227,427.5      | -65,837.0       | 161,590.5    | +1,221       |   |   |
| - Supported Accommodation        |                |                 |              |              |   |   |
| - Learning Disability            | 32,870.0       | -1,425.0        | 31,445.0     | +499         | +628 Independent Sector: forecast +62,231 hours above affordable level of 3,168,734 hours<br>+697 Forecast average unit cost +£0.22 above affordable level of £9.87<br>-287 Unrealised creditors raised in 2012-13<br>-137 Underspend following the closure of the Bridge Resource Centre. This underspend partially offsets the pressure on in-house day care services (see below)<br>-111 Other minor variances | Demographic pressures & savings will need to be addressed in the MTFP |

| Budget Book Heading                        | Cash Limit     |                 |              | Variance     | Explanation |   | Management Action/<br>Impact on MTFP                                  |
|--|----------------|-----------------|--------------|--------------|-------------|---|---|
|  | Gross<br>£'000 | Income<br>£'000 | Net<br>£'000 | Net<br>£'000 | £'000       |   |   |
|  |                |                 |              |              | -291        | Movement from quarter 2 due to a net reduction in clients in receipt of supported living, offset by an increase in users of the Supporting Independence Service, and release of unrealised creditors and other amounts relating to 2012-13  |   |
| - Older People                             | 4,540.1        | -4,350.0        | 190.1        | +3           | +4          | Quarter 2 reported position   |   |
|  |                |                 |              |              | -1          | Movement from quarter 2   |   |
| - Physical Disability /<br>Mental Health   | 3,430.9        | -248.9          | 3,182.0      | -10          | -6          | Physical Disability Independent Sector:<br>forecast -784 hours below affordable level of 238,011 hours  | Demographic pressures & savings will need to be addressed in the MTFP |
|  |                |                 |              |              | +338        | Physical Disability Independent Sector:<br>forecast average unit cost +£1.42 above affordable level of £6.46  |   |
|  |                |                 |              |              | -186        | Mental Health Independent Sector:<br>forecast -17,572 hours below affordable level of 151,107 hours   |   |
|  |                |                 |              |              | -74         | Mental Health Independent Sector:<br>forecast average unit cost -£0.49 below affordable level of £11.09   |   |
|  |                |                 |              |              | -79         | Other minor variances   |   |
|  |                |                 |              |              | -3          | Movement from quarter 2   |   |
| Total Supported<br>Accommodation           | 40,841.0       | -6,023.9        | 34,817.1     | +492         |             |   |   |
| - Other Services for Adults & Older People |                |                 |              |              |             |   |   |
| - Contributions to Vol Orgs                | 18,055.1       | -4,430.6        | 13,624.5     | +428         | +418        | Various contracts with voluntary organisations are currently being reviewed/re-negotiated or re-commissioned along with investment in new services to support the transformation agenda (including expansion of care navigators programme, a service to explore options with older people to enable them to live independently within their community). |   |
|  |                |                 |              |              | +10         | Movement from quarter 2   |   |

| Budget Book Heading                            | Cash Limit |           |           | Variance | Explanation |   | Management Action/<br>Impact on MTFP |
|--|------------|-----------|-----------|----------|-------------|---|--------------------------------------|
|  | Gross      | Income    | Net       | Net      |             |   |                                      |
|  | £'000      | £'000     | £'000     | £'000    | £'000       |   |                                      |
| - Community Support Services for Mental Health | 1,265.3    | -34.3     | 1,231.0   | -66      |             |   |                                      |
| - Day Care                                     |            |           |           |          |             |   |                                      |
| - Learning Disability                          | 12,723.4   | -182.4    | 12,541.0  | +608     | +206        | Unachievable savings target on in-house day care services following the day services review. The underspend following the closure of the Bridge (see LD Supported Accommodation above) is partially offsetting this pressure.   |                                      |
|  |            |           |           |          | +334        | Current demand for services provided by the independent sector  |                                      |
|  |            |           |           |          | +68         | Movement from quarter 2   |                                      |
| - Older People                                 | 2,453.9    | -63.1     | 2,390.8   | +42      | -58         | Quarter 2 reported position   |                                      |
|  |            |           |           |          | +100        | Movement from quarter 2 due to additional external commissioning and transport costs  |                                      |
| - Physical Disability                          | 1,040.0    | -4.7      | 1,035.3   | +180     | +255        | Current demand for services provided by both the independent sector and the resource centre   |                                      |
|  |            |           |           |          | -75         | Movement from quarter 2   |                                      |
| Total Day Care                                 | 16,217.3   | -250.2    | 15,967.1  | +830     |             |   |                                      |
| - Other Adult Services                         | 3,905.8    | -15,411.4 | -11,505.6 | -3,040   | -3,051      | This budget line holds both transformation savings and some of the NHS support for social care monies, including funds required for additional winter pressures. Plans are being further developed and implemented with the NHS to ensure that health outcomes are being met from the investments. Pressures are being shown against their respective budget lines and the compensating funding stream is being reflected here. |                                      |
|  |            |           |           |          | +105        | Current demand for Kent sensory services equipment  |                                      |

| Budget Book Heading                            | Cash Limit       |                   |                  | Variance  | Explanation | Management Action/<br>Impact on MTFP  |
|--|------------------|-------------------|------------------|-----------|-------------|---|
|  | Gross            | Income            | Net              | Net       |             |   |
|  | £'000            | £'000             | £'000            | £'000     | £'000       |   |
|  |                  |                   |                  |           | -125        | The number of hot meals provided to older people continues to fall as clients choose alternative methods to receive this service.   |
|  |                  |                   |                  |           | +61         | Other minor variances   |
|  |                  |                   |                  |           | -30         | Movement from quarter 2   |
| - Safeguarding                                 | 1,135.2          | -261.6            | 873.6            | -210      | -187        | Net effect of delays in the recruitment to known vacancies as well as the recommissioning and reduction in the level of training to be delivered through the Mental Health Capacity Act (MCA)   |
|  |                  |                   |                  |           | -23         | Movement from quarter 2   |
| Total Other Services for A&OP                  | 40,578.7         | -20,388.1         | 20,190.6         | -2,058    |             |   |
| <u>Assessment Services</u>                     |                  |                   |                  |           |             |   |
| - Adult Social Care Staffing                   | 41,904.4         | -3,863.7          | 38,040.7         | -830      | -495        | Net effect of delays in the recruitment to known vacancies within the older people and physical disability assessment teams and usage of locum/agency staff.  |
|  |                  |                   |                  |           | -386        | Delays in the recruitment to known vacancies within the Mental Health assessment teams and the usage of locum/agency staff. This is partly due to recent staffing reviews along with general difficulties in recruiting to speciality mental health practitioners |
|  |                  |                   |                  |           | -38         | Other minor variances   |
|  |                  |                   |                  |           | +89         | Movement from quarter 2   |
| <b>Total ASC&amp;PH portfolio</b>              | <b>449,971.5</b> | <b>-115,093.9</b> | <b>334,877.6</b> | <b>-6</b> |             |   |
| <b>Assumed Mgmt Action</b>                     |                  |                   |                  |           |             |   |
| - ASC&PH portfolio                             |                  |                   |                  |           |             |   |
| <b>Total Forecast <u>after</u> mgmt action</b> | <b>449,971.5</b> | <b>-115,093.9</b> | <b>334,877.6</b> | <b>-6</b> |             |   |



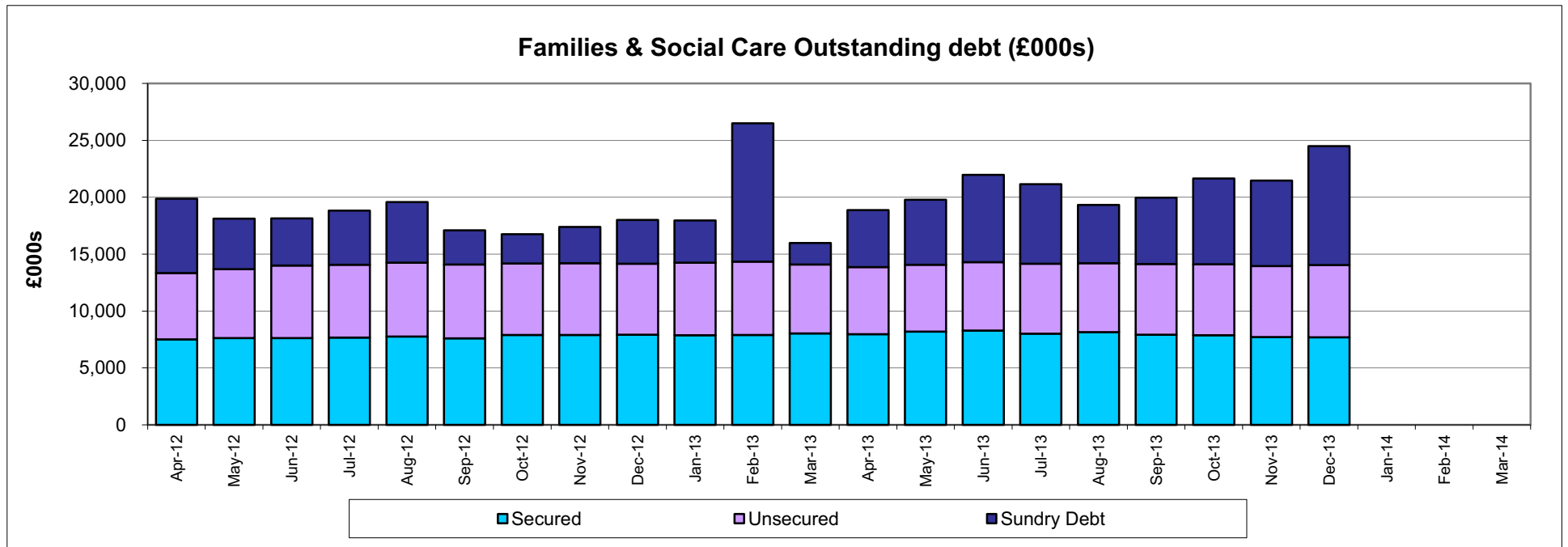
## 2. SOCIAL CARE DEBT MONITORING

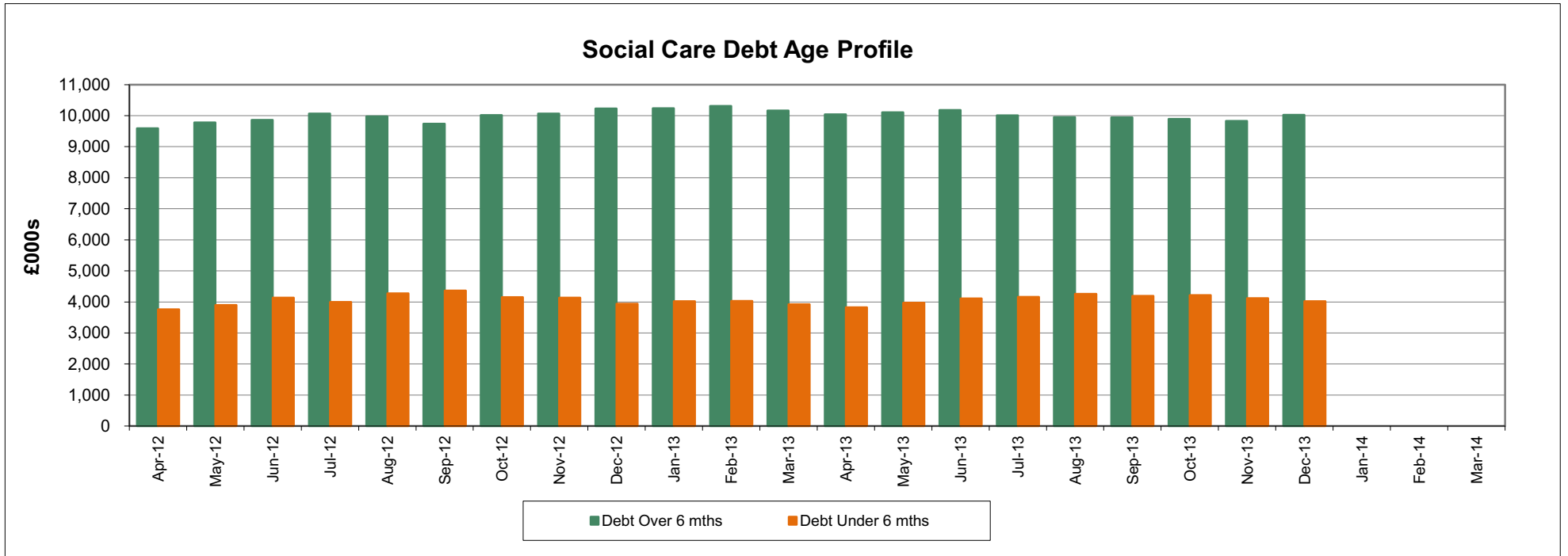
The outstanding debt as at the end of **December** was **£24.480m** compared with **October's** figure of **£21.646m** (reported to Cabinet in **December**) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is **£10.436m** of sundry debt compared to **£7.533m** in **October**. The amount of sundry debt can fluctuate for large invoices to Health. Also within the outstanding debt is **£14.044m** relating to Social Care (client) debt which is a **small reduction** of **£0.069m** from the last reported position to Cabinet in **December**. The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year. The sundry debt figures are based on calendar months.

|        | Total Due Debt (Social Care & Sundry Debt)<br>£000s | Sundry Debt<br>£000s | Social Care Debt                    |                             |                              |                  |                    |
|--------|---|----------------------|-------------------------------------|-----------------------------|------------------------------|------------------|--------------------|
|        |   |                      | Total Social Care Due Debt<br>£000s | Debt Over 6 months<br>£000s | Debt Under 6 months<br>£000s | Secured<br>£000s | Unsecured<br>£000s |
| Apr-12 | 19,875  | 6,530                | 13,345                              | 9,588                       | 3,757                        | 7,509            | 5,836              |
| May-12 | 18,128  | 4,445                | 13,683                              | 9,782                       | 3,901                        | 7,615            | 6,068              |
| Jun-12 | 18,132  | 4,133                | 13,999                              | 9,865                       | 4,134                        | 7,615            | 6,384              |
| Jul-12 | 18,816  | 4,750                | 14,066                              | 10,066                      | 4,000                        | 7,674            | 6,392              |
| Aug-12 | 19,574  | 5,321                | 14,253                              | 9,977                       | 4,276                        | 7,762            | 6,491              |
| Sep-12 | 17,101  | 3,002                | 14,099                              | 9,738                       | 4,361                        | 7,593            | 6,506              |
| Oct-12 | 16,747  | 2,574                | 14,173                              | 10,020                      | 4,153                        | 7,893            | 6,280              |
| Nov-12 | 17,399  | 3,193                | 14,206                              | 10,069                      | 4,137                        | 7,896            | 6,310              |
| Dec-12 | 17,996  | 3,829                | 14,167                              | 10,226                      | 3,941                        | 7,914            | 6,253              |
| Jan-13 | 17,965  | 3,711                | 14,254                              | 10,237                      | 4,017                        | 7,885            | 6,369              |
| Feb-13 | 26,492  | 12,153               | 14,339                              | 10,312                      | 4,027                        | 7,903            | 6,436              |
| Mar-13 | 15,986  | 1,895                | 14,091                              | 10,165                      | 3,926                        | 8,025            | 6,066              |
| Apr-13 | 18,859  | 4,995                | 13,864                              | 10,037                      | 3,827                        | 7,969            | 5,895              |
| May-13 | 19,789  | 5,713                | 14,076                              | 10,106                      | 3,970                        | 8,197            | 5,879              |
| Jun-13 | 21,956  | 7,662                | 14,294                              | 10,183                      | 4,111                        | 8,277            | 6,017              |
| Jul-13 | 21,146  | 6,978                | 14,168                              | 10,005                      | 4,163                        | 8,015            | 6,153              |
| Aug-13 | 19,320  | 5,116                | 14,204                              | 9,950                       | 4,254                        | 8,141            | 6,063              |
| Sep-13 | 19,950  | 5,814                | 14,136                              | 9,943                       | 4,193                        | 7,931            | 6,205              |

|        | Social Care Debt                                 |                   |                                  |                          |                           |               |                 |
|--------|--|-------------------|----------------------------------|--------------------------|---------------------------|---------------|-----------------|
|        | Total Due Debt (Social Care & Sundry Debt) £000s | Sundry Debt £000s | Total Social Care Due Debt £000s | Debt Over 6 months £000s | Debt Under 6 months £000s | Secured £000s | Unsecured £000s |
|        | Oct-13   | 21,646            | 7,533                            | 14,113                   | 9,896                     | 4,217         | 7,867           |
| Nov-13 | 21,471   | 7,524             | 13,947                           | 9,830                    | 4,117                     | 7,728         | 6,219           |
| Dec-13 | 24,480   | 10,436            | 14,044                           | 10,026                   | 4,018                     | 7,694         | 6,350           |
| Jan-14 |  |                   |                                  |                          |                           |               |                 |
| Feb-14 |  |                   |                                  |                          |                           |               |                 |
| Mar-14 |  |                   |                                  |                          |                           |               |                 |

In addition the previously reported secured and unsecured debt figures for April 2012 to July 2012 were amended slightly between the 2012-13 Quarter 1 and Quarter 2 reports following a reassessment of some old debts between secured and unsecured.





### 3. CAPITAL

3.1 The Families and Social Care Directorate - Adult Social Care & Public Health Portfolio has a working budget for 2013-14 of £9,824k. The forecast outturn against the 2013-14 budget is £4,659k giving a variance of - £5,165k.

3.2 **Table 2** below details the FSC Adult Services Capital Position by Budget Book line.

| Budget Book Heading  | Three year cash limit per budget book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k   | Project Status <sup>1</sup> | Explanation of Project Status | Actions |
|--|--|-------------------------------|-------------------------|----------------------------|--|--|-----------------------------|-------------------------------|---------|
| <b>Rolling Programmes</b>  |  |                               |                         |                            |  |  |                             |                               |         |
| Asset Modernisation  | 0  | 373                           | -373                    | -373                       | Rephasing                                    | Projects reprofiled to 14/15   | Green                       |                               |         |
| Home Support Fund  | 6,600  | 2,474                         | 0                       | 0                          |  |  | Green                       |                               |         |
| <b>Individual Projects</b>   |  |                               |                         |                            |  |  |                             |                               |         |
| <b>Kent Strategy for Services for Older People (OP):</b>                                       |  |                               |                         |                            |  |  |                             |                               |         |
| Community Care Centre - Ebbsfleet  | 544  | 0                             | 0                       | 0                          |  |  | Green                       |                               |         |
| Community Care Centre - Thameside  | 500  | 0                             | 0                       | 0                          |  |  | Green                       |                               |         |
| OP Strategy - Transformation /   | 7,800  | 762                           | -51                     | -39                        | Rephasing                                    |  | Green                       |                               |         |
|  |  |                               |                         | -12                        | Real   |  | Green                       |                               |         |
| <b>Kent Strategy for Services for People with Learning Difficulties/Physical Disabilities:</b> |  |                               |                         |                            |  |  |                             |                               |         |
| Learning Disability Good Day Programme-Community Hubs  | 3,318  | 2,291                         | -1,210                  | -1,210                     | Rephasing                                    | Various schemes - looking at consultation 3rd quarter of 2013 therefore rephasing spend to 14/15 | Green                       |                               |         |

| Budget Book Heading   | Three year cash limit per budget book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k  | Project Status <sup>1</sup> | Explanation of Project Status | Actions                    |
|---|--|-------------------------------|-------------------------|----------------------------|--|---|-----------------------------|-------------------------------|----------------------------|
| Learning Disability Good Day Programme-Community Initiatives                                    | 2,430  | 987                           | -804                    | -804                       | Rephasing                                    | Various schemes - looking at consultation 3rd quarter of 2013 therefore rephasing spend to 14/15                    | Green                       |                               |                            |
| Rusthall (Tunbridge Wells Respite)  | 0  | 45                            | -45                     | -45                        | Rephasing                                    |   | Green                       |                               |                            |
| Mental Health Strategy  | 264  | 264                           | -264                    | -198                       | Real - Prudential                            | Budget surrendered  | Green                       |                               | Reduce cash limit by £198k |
|   |  |                               |                         | -66                        | Rephasing                                    | To be vired to IT strategy  | Green                       |                               |                            |
| <b>Active Care / Active Lives Strategy:</b>   |  |                               |                         |                            |  |   |                             |                               |                            |
| PFI - Excellent Homes for All - Development of new Social Housing for vulnerable people in Kent | 66,800                                       | 0                             | 0                       | 0                          |  |   | Green                       |                               |                            |
| <b>Developing Innovative and Modernising Services:</b>  |  |                               |                         |                            |  |   |                             |                               |                            |
| Lowfield St (formerly Trinity Centre, Dartford)   | 1,073  | 450                           | -350                    | -350                       | Rephasing                                    | Rephasing to 14/15 due to delays in acquiring planning permission - new planning application submitted by developer | Green                       |                               |                            |
| Information Technology Projects e.g. Swift Development / Mobile Working                         | 2,477  | 2,178                         | -2,068                  | -2,068                     | Rephasing                                    | Projects reprofiled to 14/15  | Green                       |                               |                            |
| Public Access Development   | 1,052  | 0                             | 0                       | 0                          |  | Budget surrendered  |                             |                               |                            |
| <b>Total</b>  | <b>92,858</b>                                | <b>9,824</b>                  | <b>-5,165</b>           | <b>-5,165</b>              |  |   |                             |                               |                            |

## 1. Status:

Green – on time & within budget; Amber – either delayed completion date or over budget; Red – both delayed completion & over budget.

**ENTERPRISE & ENVIRONMENT DIRECTORATE SUMMARY**  
**OCTOBER 2013-14 MONITORING REPORT**

**1. REVENUE**

|     |                               |                 |                             |                   |                                |
|-----|-------------------------------|-----------------|-----------------------------|-------------------|--------------------------------|
| 1.1 |                               | Cash Limit      | Variance Before Mgmt Action | Management Action | Net Variance after Mgmt Action |
|     | <b>Directorate Total (£k)</b> | <b>+151,683</b> | <b>+1,622</b>               | <b>-</b>          | <b>+1,622</b>                  |

1.2 **Table 1** below details the revenue position by A-Z budget:

| Budget Book Heading                                | Cash Limit |          |         | Variance | Explanation | Management Action/<br>Impact on MTFP   |   |
|--|------------|----------|---------|----------|-------------|--|---|
|  | Gross      | Income   | Net     | Net      |             |  |   |
|  | £'000      | £'000    | £'000   | £'000    | £'000       |  |   |
| <b>Environment, Highways and Waste portfolio</b>   |            |          |         |          |             |  |   |
| Strategic Management & Directorate Support budgets | 4,858.5    | -21.0    | 4,837.5 | -636     | -233        | Saving on contractor annual management charge  | This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP |
|  |            |          |         |          | -120        | An historic budget for a revenue contribution to capital remains but there is no requirement within the capital programme for 2013-14 for this funding | This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP |
|  |            |          |         |          | -99         | Underspend on Legal costs  |   |
|  |            |          |         |          | -202        | Other minor variances all less than £100k in value   |   |
|  |            |          |         |          | +18         | Movement from quarter 2  |   |
| <u>Community Services:</u>                         |            |          |         |          |             |  |   |
| - Gypsies & Travellers                             | 714.0      | -430.0   | 284.0   | -74      | -70         | Quarter 2 reported position  |   |
|  |            |          |         |          | -4          | Movement from quarter 2  |   |
| <u>Environment:</u>                                |            |          |         |          |             |  |   |
| - Environment Management                           | 4,000.8    | -1,481.9 | 2,518.9 | -9       | -13         | Quarter 2 reported position  |   |
|  |            |          |         |          | +4          | Movement from quarter 2  |   |
| <u>Highways:</u>                                   |            |          |         |          |             |  |   |
| - Highways Maintenance                             |            |          |         |          |             |  |   |
| - Adverse Weather                                  | 3,299.9    | 0.0      | 3,299.9 | +419     | +222        | Costs of April salting runs beyond normal winter season  |   |

| Budget Book Heading                        | Cash Limit |          |          | Variance | Explanation |  | Management Action/<br>Impact on MTFP                                |
|--|------------|----------|----------|----------|-------------|--|---|
|  | Gross      | Income   | Net      | Net      |             |  |   |
|  | £'000      | £'000    | £'000    | £'000    | £'000       |  |   |
|  |            |          |          |          | +159        | Balance of 2012-13 costs including snow emergency costs for which insufficient provision was made  |   |
|  |            |          |          |          | +8          | Other minor variances  |   |
|  |            |          |          |          | +30         | Movement from quarter 2  |   |
| - Bridges & Other Structures               | 2,588.1    | -182.0   | 2,406.1  | -55      | +18         | Quarter 2 reported position  |   |
|  |            |          |          |          | -73         | Movement from quarter 2  |   |
| - General maintenance & emergency response | 13,616.0   | -487.0   | 13,129.0 | +4,588   | +4,153      | Find and fix repair of pot holes   | This underspend is contributing to the 2014-17 MTFP savings target. |
|  |            |          |          |          | +164        | Increase in maintenance on high speed roads, and type of maintenance being undertaken, as a consequence of find and fix activity                                   |   |
|  |            |          |          |          | -207        | Underspend on depot maintenance  |   |
|  |            |          |          |          | -73         | Other minor variances  |   |
|  |            |          |          |          | +551        | Movement from quarter 2: further increase in maintenance on high speed roads +£231k; emergency response costs in relation to the October storm +£363k; other -£43k |   |
| - Highway drainage                         | 3,265.8    | 0.0      | 3,265.8  | 0        |             |  |   |
| - Streetlight maintenance                  | 4,050.3    | -154.0   | 3,896.3  | 0        |             |  |   |
|  | 26,820.1   | -823.0   | 25,997.1 | +4,952   |             |  |   |
| - Highways Management:                     |            |          |          |          |             |  |   |
| - Development Planning                     | 2,110.9    | -1,310.0 | 800.9    | -160     | -48         | Additional income from developers  |   |
|  |            |          |          |          | -98         | Other minor variances  |   |
|  |            |          |          |          | -14         | Movement from quarter 2  |   |

| Budget Book Heading                              | Cash Limit |          |         | Variance | Explanation   |   | Management Action/<br>Impact on MTFP   |
|--|------------|----------|---------|----------|---|---|--|
|  | Gross      | Income   | Net     | Net      | £'000   |   |  |
|  | £'000      | £'000    | £'000   | £'000    | £'000   |   |  |
| - Highways Improvements                          | 1,875.3    | -82.0    | 1,793.3 | -474     | -200  | Temporary staff no longer required for Member Highway Fund as the backlog has been cleared  | This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP<br><br>This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP |
|  |            |          |         |          | -168  | An historic budget for a revenue contribution to capital remains but there is no requirement within the capital programme for 2013-14 for this funding. |  |
|  |            |          |         |          | -99   | Other minor variances   |  |
|  |            |          |         |          | -7  | Movement from quarter 2   |  |
| - Road Safety                                    | 3,257.6    | -2,234.0 | 1,023.6 | +51      | +45   | Quarter 2 reported position   |  |
|  |            |          |         |          | +6  | Movement from quarter 2   |  |
| - Streetlight energy                             | 4,795.0    | 0.0      | 4,795.0 | +850     | +950  | Price increase for 2013-14  | This pressure is expected to be ongoing and will be reflected in the 2014-17 MTFP  |
|  |            |          |         |          | -200  | Rebate on 2012-13 costs following final volume and price reconciliation   |  |
|  |            |          |         |          | +100  | Movement from quarter 2: increase in price pressure   |  |
| - Traffic management                             | 5,870.7    | -3,421.1 | 2,449.6 | -433     | -141  | Additional income from roadworks and enforcements   |  |
|  |            |          |         |          | -92   | Other minor variances   |  |
|  |            |          |         |          | -190  | Movement from quarter 2: further income from roadworks & enforcements and permit scheme income -£182k; other -£8k                                       |  |
| - Tree maintenance, grass cutting & weed control | 3,252.8    | 0.0      | 3,252.8 | -232     | +170  | Additional weed control treatment required following complaints from District Councils in particular concerning weeds causing a trip hazard             | Part of this saving is expected to be ongoing and will be reflected in the 2014-17 MTFP  |
|  |            |          |         | +162     | Removal of tree stumps                                      |   |  |
|  |            |          |         | +120     | Additional expenditure in respect of bus route clearance    |   |  |
|  |            |          |         | -192     | Savings on the transfer of the contract to a new contractor |   |  |



| Budget Book Heading                       | Cash Limit |          |          | Variance | Explanation |   | Management Action/<br>Impact on MTFP   |
|---|------------|----------|----------|----------|-------------|---|--|
|   | Gross      | Income   | Net      | Net      |             |   |  |
|   | £'000      | £'000    | £'000    | £'000    | £'000       |   |  |
|   |            |          |          |          | -183        | Duplicate orders raised and receipted in error in 2012-13   |  |
|   |            |          |          |          | -37         | Other minor variances   |  |
|   |            |          |          |          | -272        | Movement from quarter 2: procurement savings -£125k; other -£147k.  |  |
|   | 21,162.3   | -7,047.1 | 14,115.2 | -398     |             |   |  |
| <u>Planning &amp; Transport Strategy:</u> |            |          |          |          |             |   |  |
| - Planning & Transport Policy             | 1,491.9    | 0.0      | 1,491.9  | -60      | -48         | Quarter 2 reported position   |  |
|   |            |          |          |          | -12         | Movement from quarter 2   |  |
| - Planning Applications                   | 1,079.9    | -600.0   | 479.9    | +112     | +217        | Reduction in income for planning applications due to the current economic climate   |  |
|   |            |          |          |          | -84         | Staffing underspend   |  |
|   |            |          |          |          | -17         | Other minor variances   |  |
|   |            |          |          |          | -4          | Movement from quarter 2   |  |
|   | 2,571.8    | -600.0   | 1,971.8  | +52      |             |   |  |
| <u>Transport Services:</u>                |            |          |          |          |             |   |  |
| - Concessionary Fares                     | 16,672.0   | -27.0    | 16,645.0 | -633     | -376        | Fewer replacement bus passes expected to be issued in 2013-14 than budgeted   |  |
|   |            |          |          |          | -269        | Reduced bus operator costs due to reduced journeys being taken  |  |
|   |            |          |          |          | +16         | Other minor variances   |  |
|   |            |          |          |          | -4          | Movement from quarter 2   |  |
| - Freedom Pass                            | 15,643.0   | -2,459.0 | 13,184.0 | +109     | +97         | Higher than budgeted number of journeys travelled using the Freedom Pass (as illustrated in the activity section 2.3 below) | There is an underlying pressure on this budget which will need to be addressed in the 2014-17 MTFP as the £800k funding provided from the 2012-13 roll forward is one-off and there will also be the impact of the change in education transport policy on the next cohort of students transferring to the secondary sector. |
|   |            |          |          |          | +12         | Movement from quarter 2   |  |

| Budget Book Heading     | Cash Limit |          |          | Variance | Explanation |   | Management Action/<br>Impact on MTFP  |
|-------------------------|------------|----------|----------|----------|-------------|---|---|
|                         | Gross      | Income   | Net      | Net      | £'000       | £'000   |   |
|                         | £'000      | £'000    | £'000    | £'000    | £'000       |   |   |
| - Subsidised Bus Routes | 8,960.1    | -1,454.0 | 7,506.1  | -294     | -415        | Funding awarded for price rises has proved to be in excess of what is required and contracts re-tendered in year have generally not increased | This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP<br><br>This pressure is expected to be ongoing and will be reflected in the 2014-17 MTFP  |
|                         |            |          |          |          | -145        | Staff vacancies   |   |
|                         |            |          |          |          | +200        | Additional costs of service provision due to a existing contractor going into liquidation   |   |
|                         |            |          |          |          | +131        | Reduced income from ELS due to fewer entitled scholars using the subsidised bus routes  |   |
|                         |            |          |          |          | -2          | Other minor variances   |   |
|                         |            |          |          |          | -63         | Movement from quarter 2   |   |
| - Transport Operations  | 1,127.4    | -214.5   | 912.9    | +14      | +12         | Quarter 2 reported position   |   |
|                         |            |          |          |          | +2          | Movement from quarter 2   |   |
| - Transport Planning    | 558.4      | -228.0   | 330.4    | -19      | -24         | Quarter 2 reported position   |   |
|                         |            |          |          |          | +5          | Movement from quarter 2   |   |
|                         | 42,960.9   | -4,382.5 | 38,578.4 | -823     |             |   |   |
| <u>Waste Management</u> |            |          |          |          |             |   |   |
| - Waste Operations      | 1,736.0    | 0.0      | 1,736.0  | -184     | -150        | Sale of previous year landfill allowances, under the Landfill Allowance Trading Scheme, to another local authority                            | Impact of the current Waste forecast on the 2014-17 MTFP: Until the Joint Waste Projects have been operating for a while it is difficult to predict with any certainty the impact of these on the 2014-17 MTFP. A view will be taken at the time of setting the budget based on the most up to date data available. |
|                         |            |          |          |          | -61         | Vacancy management and removal of a post  |   |
|                         |            |          |          |          | -84         | Other minor variances   |   |
|                         |            |          |          |          | +111        | Movement from quarter 2: sale of landfill allowances moved to Landfill A-Z line (see below) +£150k; other -£39k.                              |   |

| Budget Book Heading                              | Cash Limit |          |         | Variance | Explanation |  | Management Action/<br>Impact on MTFP |
|--|------------|----------|---------|----------|-------------|--|--------------------------------------|
|  | Gross      | Income   | Net     | Net      |             |  |                                      |
|  | £'000      | £'000    | £'000   | £'000    | £'000       |  |                                      |
| - Recycling & Diversion from Landfill:           |            |          |         |          |             |  |                                      |
| - Household Waste Recycling Centres              | 8,240.2    | -1,982.0 | 6,258.2 | -623     | -380        | Forecast lower volumes of materials managed at sites resulting in reduced haulage fees   |                                      |
|  |            |          |         |          | +239        | Management and contract fees for Richborough site expected to be closed for 2013-14 but remains open   |                                      |
|  |            |          |         |          | -348        | Haulage and management costs associated with the new combined Ashford HWRC and transfer station now included in the Haulage & Transfer Stations A-Z line                           |                                      |
|  |            |          |         |          | -102        | Reduced recycling bonus payments due to reduced waste volumes at HWRC  |                                      |
|  |            |          |         |          | -57         | Additional income from the sale of recyclable materials  |                                      |
|  |            |          |         |          | +49         | Other minor variances  |                                      |
|  |            |          |         |          | -24         | Movement from quarter 2  |                                      |
| - Partnership & Waste Co-ordination              | 606.0      | -168.0   | 438.0   | -83      | -21         | Quarter 2 reported position  |                                      |
|  |            |          |         |          | -62         | Movement from quarter 2  |                                      |
| - Payments to Waste Collection Authorities (DCs) | 6,068.0    | -102.0   | 5,966.0 | -228     | -143        | Reduced tipping away payments (which are determined by distance travelled) to Waste Collection Authorities due to new arrangements to manage waste closer to where it is collected |                                      |
|  |            |          |         |          | -96         | Reduced recycling credit payments to Waste Collection Authorities  |                                      |
|  |            |          |         |          | +25         | Other minor variances  |                                      |
|  |            |          |         |          | -14         | Movement from quarter 2  |                                      |

| Budget Book Heading                | Cash Limit |          |          | Variance | Explanation  | Management Action/<br>Impact on MTFP |
|------------------------------------|------------|----------|----------|----------|--|--------------------------------------|
|                                    | Gross      | Income   | Net      | Net      |  |                                      |
|                                    | £'000      | £'000    | £'000    | £'000    | £'000  |                                      |
| - Recycling Contracts & Composting | 9,030.0    | -1,571.0 | 7,459.0  | -495     | +524 Price increases for hardcore due to changes in legislation  |                                      |
|                                    |            |          |          |          | -504 Forecast reduction of 21,400 tonnes in hardcore, wood, garden waste and other materials offset by an increase in food waste   |                                      |
|                                    |            |          |          |          | +494 Reduced income from the East Kent Contract due to changes in market prices  |                                      |
|                                    |            |          |          |          | +207 East Kent Contract: Forecast reduction of 4,600 tonnes of saleable material, (together with an increase of 6,600 tonnes of co-mingled materials due to changes in collected services, at zero cost)   |                                      |
|                                    |            |          |          |          | +176 Income expected to be generated from the new Mid Kent Contract has not materialised   |                                      |
|                                    |            |          |          |          | +370 Additional costs of processing mixed materials, including glass at the new Materials Recycling Facility (MRF) for Mid and West Kent   |                                      |
|                                    |            |          |          |          | -1,692 Savings due to the closure of the MRF and the opening of a Transfer Station at the Allington site to manage materials from the Mid Kent Contract, which offset the pressure on the new Mid and West Kent MRF and additional costs on disposal contracts |                                      |
|                                    |            |          |          |          | +2 Other minor variances   |                                      |
|                                    |            |          |          |          | -72 Movement from quarter 2  |                                      |
|                                    | 23,944.2   | -3,823.0 | 20,121.2 | -1,429   |  |                                      |

| Budget Book Heading                          | Cash Limit |        |          | Variance | Explanation |   | Management Action/<br>Impact on MTFP  |
|--|------------|--------|----------|----------|-------------|---|---|
|  | Gross      | Income | Net      | Net      |             |   |   |
|  | £'000      | £'000  | £'000    | £'000    | £'000       |   |   |
| - Waste Disposal:                            |            |        |          |          |             |   |   |
| - Closed Landfill Sites & Abandoned Vehicles | 864.0      | -180.0 | 684.0    | -128     | -114        | Net saving on the termination of the Operation Cubit contract   | This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP |
|  |            |        |          |          | -20         | Other minor variances   |   |
|  |            |        |          |          | +6          | Movement from quarter 2   |   |
| - Disposal Contracts                         | 28,836.0   | -156.0 | 28,680.0 | -648     | -1,285      | Forecast reduced tonnage of residual waste to be managed through Allington Waste to energy Facility (-14,000 tonnes)  |   |
|  |            |        |          |          | -78         | Reduced disposal costs due to lower residual waste sent to landfill (-7,400)  |   |
|  |            |        |          |          | +1,899      | Forecast increase of tonnage throughput at the Allington Waste to energy Facility (resulting in reduction sent to Landfill) (+20,100 tonnes)  |   |
|  |            |        |          |          | -1,859      | Saving on contracted payments to Allington Waste to Energy Plant due to 19,700 tonnes less waste being processed via the facility during April-June as a result of extended maintenance   |   |
|  |            |        |          |          | +1,154      | Allington Waste to Energy contractual changes due to the closure of the MRF and the opening of a Transfer Station at the Allington site which has resulted in a pressure which is offset by savings on the Recycling and Composting budget reported above |   |
|  |            |        |          |          | -124        | Saving on managing hazardous and clinical waste   |   |
|  |            |        |          |          | -12         | Other minor variances   |   |
|  |            |        |          |          | -343        | Movement from quarter 2 due to reduced waste tonnage processed at Allington Waste to energy facility (resulting in an increase sent to Landfill - see below)  |   |
|  |            |        |          |          |             |   |   |
|  |            |        |          |          |             |   |   |

| Budget Book Heading           | Cash Limit |        |         | Variance | Explanation | Management Action/<br>Impact on MTFP  |
|-------------------------------|------------|--------|---------|----------|-------------|---|
|                               | Gross      | Income | Net     | Net      |             |   |
|                               | £'000      | £'000  | £'000   | £'000    | £'000       |   |
| - Haulage & Transfer Stations | 9,562.0    | -75.0  | 9,487.0 | +1,181   | +368        | Delays in the closure of the Hawkinge transfer station  |
|                               |            |        |         |          | +161        | Haulage and management costs associated with the new combined Ashford HWRC and transfer station together with reduced expenditure at the Ashford transfer station due to the delays in the closure of the Hawkinge site |
|                               |            |        |         |          | -327        | Forecast reduced tonnage managed at sites   |
|                               |            |        |         |          | +220        | New arrangements at Allington transfer station to enable the receipt of food and dry recyclable waste   |
|                               |            |        |         |          | +628        | East Kent Contract Haulage fee budget set only for January to March but payments are being incurred for the whole financial year  |
|                               |            |        |         |          | +206        | Extra contract payments for managing waste in Thanet and Canterbury under the East Kent Contract as the new service is being rolled out   |
|                               |            |        |         |          | -38         | Reduced haulage of residual waste from Canterbury and Thanet to Allington due to extended maintenance at the Allington Waste to Energy Facility   |
|                               |            |        |         |          | -37         | Movement from quarter 2   |

| Budget Book Heading                            | Cash Limit       |                  |                  | Variance      | Explanation | Management Action/<br>Impact on MTFP  |
|--|------------------|------------------|------------------|---------------|-------------|---|
|  | Gross            | Income           | Net              | Net           |             |   |
|  | £'000            | £'000            | £'000            | £'000         | £'000       |   |
| - Landfill Tax                                 | 7,571.0          | 0.0              | 7,571.0          | -234          | -549        | Forecast reduction in the volume of waste sent to landfill due to overall reduction in residual waste of 7,400 tonnes, together with a net reduction of 400 tonnes due to planned diversion of waste to be processed at the Allington Waste to Energy facility (-20,100) offset by an increase in waste diverted to landfill due to extended maintenance at Allington Waste to Energy facility (+19,700 tonnes) |
|  |                  |                  |                  |               | +315        | Movement from quarter 2: sale of landfill allowances moved from Waste Operations A-Z line (see above) - £150k; increase in waste sent to landfill +£465k (partly resulting from a reduction in waste processed at Allington Waste to energy facility - see above)   |
|  | 46,833.0         | -411.0           | 46,422.0         | +171          |             |   |
| - Commercial Services                          | 0.0              | -4,899.0         | -4,899.0         |               |             |   |
| <b>Total E,H &amp; W portfolio</b>             | <b>175,601.6</b> | <b>-23,918.5</b> | <b>151,683.1</b> | <b>+1,622</b> |             |   |
| <b>Regeneration &amp; Enterprise portfolio</b> |                  |                  |                  |               |             |   |
| Development Staff & Projects                   | 656.6            | -656.6           | 0.0              | 0             |             |   |
| <b>Total E&amp;E controllable</b>              | <b>176,258.2</b> | <b>-24,575.1</b> | <b>151,683.1</b> | <b>+1,622</b> |             |   |
| <b>Assumed Mgmt Action</b>                     |                  |                  |                  |               |             |   |
| - EHW portfolio                                |                  |                  |                  |               |             |   |
| - R&E portfolio                                |                  |                  |                  |               |             |   |
| <b>Total Forecast <u>after</u> mgmt action</b> | <b>176,258.2</b> | <b>-24,575.1</b> | <b>151,683.1</b> | <b>+1,622</b> |             |   |

## 2. CAPITAL

2.1 The Enterprise & Environment Directorate has a working budget for 2013-14 of £77,144k. The forecast outturn against the 2013-14 budget is £59,753k giving a variance of -£17,391k.

2.2 **Table 2** below details the EE Capital Position by Budget Book line.

| Budget Book Heading   | Three year cash limit per budget | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k  | Project Status <sup>1</sup> | Explanation of Project Status | Actions |
|---|----------------------------------|-------------------------------|-------------------------|----------------------------|--|---|-----------------------------|-------------------------------|---------|
| <b>Rolling Programmes</b>   |                                  |                               |                         |                            |  |   |                             |                               |         |
| Commercial Services Vehicles Plant and Equipment  | 3,900                            | 1,300                         | 0                       | 0                          |  |   | Green                       |                               |         |
| Highway Major Enhancement / Other Capital Enhancement / Bridge Assessment and Strengthening | 94,872                           | 38,909                        | -3,400                  | -3,400                     | Rephasing                                    | Highways capital funding to be reviewed in detail as part of 2014-17 MTFP process. The maintenance programme is currently being reviewed to achieve the expected budget reduction target of £3400k. | Green                       |                               |         |
| Integrated Transport Schemes under £1 million   | 12,513                           | 5,295                         | 54                      | 388                        | Real-Dft grant                               | Additional grant has been awarded to carry out Sustainable transport schemes.   | Green                       |                               |         |
|   |                                  |                               |                         | 60                         | Real-Ex Developer                            | Completion of some S106 conditions within the time frame.   |                             |                               |         |
|   |                                  |                               |                         | -394                       | Rephasing                                    | Some of the s106 schemes are at outline design stage with programmed delivery in 14-15.   |                             |                               |         |



| Budget Book Heading   | Three year cash limit per budget | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k  | Project Status <sup>1</sup> | Explanation of Project Status | Actions |
|---|----------------------------------|-------------------------------|-------------------------|----------------------------|--|---|-----------------------------|-------------------------------|---------|
| Land compensation and Part 1 claims arising from completed projects | 2,834                            | 2,348                         | -1,055                  | 18                         | Real-ExDeveloper                             | Anticipated outturn is more than the original estimated. This will be claimed from the developers.  | Green                       |                               |         |
|   |                                  |                               |                         | -1,073                     | Rephasing                                    | Spend prediction is particularly difficult for LCA Part 1 expenditure which is often an aggregate of many small claims where progress is highly dependent on the action of claimants, their agents and responses to legal checks. |                             |                               |         |
| Major Schemes - Preliminary Design Fees                             | 400                              | 350                           | 0                       | 0                          |  |   | Green                       |                               |         |
| Members' Highway Fund   | 6,600                            | 2,472                         | 0                       | 0                          |  |   | Green                       |                               |         |
| <b>Individual Projects</b>  |                                  |                               |                         |                            |  |   |                             |                               |         |
| <b>Planning and Environment</b>                                     |                                  |                               |                         |                            |  |   |                             |                               |         |
| Coldharbour Gypsy Site  | 672                              | 888                           | 0                       | 0                          |  |   | Green                       |                               |         |
| Energy and Water Efficiency Investment Fund - External              | 481                              | 328                           | -75                     | -75                        | Rephasing                                    |   | Green                       |                               |         |
| Energy Reduction and Water Efficiency Investment - KCC              | 241                              | 140                           | -29                     | -29                        | Rephasing                                    |   | Green                       |                               |         |

| Budget Book Heading  | Three year cash limit per budget | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k  | Project Status <sup>1</sup> | Explanation of Project Status | Actions |
|--|----------------------------------|-------------------------------|-------------------------|----------------------------|--|---|-----------------------------|-------------------------------|---------|
| North Farm Development   | 3,000                            | 125                           | 600                     | 600                        | Rephasing                                    | The award of grant and the funding deadline has accelerated the spend on scheme development and detailed design.                  | Green                       |                               |         |
| Sandwich Sea Defences  | 2,328                            | 656                           | -203                    | -203                       | Rephasing                                    | Contribution profile has been revised.  | Green                       |                               |         |
| Growth without Gridlock initiatives  | 5,000                            | 2,750                         | -2,620                  | -2,620                     | Rephasing                                    | Development work for Thanet Parkway and Lorry Parking / Operation Stack.  | Green                       |                               |         |
| <b>Household Waste Recycling Centres (HWRCs) and Transfer Stations (TSs)</b> |                                  |                               |                         |                            |  |   |                             |                               |         |
| East Kent Joint Waste Project  | 1,576                            | 1,593                         | -511                    | -511                       | Real-Prudential                              | Review of the contract resulted in changes to the type and number of containers used and a lower price than originally estimated. | Green                       |                               |         |
| HWRC - Tonbridge and Malling   | 1,300                            | 0                             | 0                       | 0                          |  |   | Green                       |                               |         |
| HWRC - Site Improvements-Herne Bay   | 0                                | 0                             | -19                     | -19                        | Real-Prudential                              | Scheme completed during last financial year. Surplus creditor   | Green                       |                               |         |
| HWRC-West Kent   | 600                              |                               |                         |                            |  |   | Green                       |                               |         |

| Budget Book Heading                           | Three year cash limit per budget book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k  | Project Status 1 | Explanation of Project Status | Actions                        |
|---|--|-------------------------------|-------------------------|----------------------------|--|---|------------------|-------------------------------|--------------------------------|
| Mid Kent Joint Waste Project - Invest to Save | 4,440  | 4,440                         | -812                    | -812                       | Real-Prudential/revenue                      | Funding for infrastructure improvements as originally planned at local Borough Council depot no longer required because alternative arrangements to manage waste streams have now put in place. | Green            |                               | Cash Limit adjustment required |
| TS/HWRC - Ashford                             | 500  | 1,715                         | -50                     | -50                        | Rephasing                                    | Project final fees will be settled in 14-15   | Green            |                               |                                |
| TS-North Farm                                 |  |                               | 69                      | 69                         | Real-Prudential                              | Additional spend on retention payment.  | Green            |                               |                                |
| TS/HWRC - Swale                               | 3,530  | 1,880                         | -1,630                  | -1,630                     | Rephasing                                    | Site search completed; study to redevelop existing site is underway. Contract work is expected to start in 14-15  | Green            |                               |                                |
| <b>Highways and Transportation</b>            |  |                               |                         |                            |  |   |                  |                               |                                |
| Ashford Ring Road - Major Road Scheme         | 91   | 93                            | 0                       | 0                          |  |   | Green            |                               |                                |

| Budget Book Heading                           | Three year cash limit per budget book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k   | Project Status 1 | Explanation of Project Status | Actions |
|---|--|-------------------------------|-------------------------|----------------------------|--|--|------------------|-------------------------------|---------|
| East Kent Access Phase 2 - Major Road Scheme  | 3,958  | 1,316                         | -800                    | -800                       | Rephasing                                    | Extension of LCA Part 1 claims due to completion of several major schemes. The new term consultant is to double check noise claims in line with new industry standard. Overall on the project there is a forecast underspend of £476k which relates to a review of residual risk contingency.  | Green            |                               |         |
| Cyclopark initiative                          | 0  | 176                           | 0                       | 0                          |  |  | Green            |                               |         |
| Kent Thameside Strategic Transport Programme  | 11,764                                       | 2,243                         | -2,085                  | -2,085                     | Rephasing                                    | The design and development of the Rathmore Road Link has been extended whilst further traffic assessment work for the determination of the planning application submitted in April 2012. Also, work has will be re-phased to account for the development of the transport strategy for Dartford Town Centre and the completion of the S106 Agreement for the Lowfield Street | Green            |                               |         |
| Kent Highway Partnership - Co-location Depots | 40   | 48                            | 40                      | 40                         | Real -Prudential                             |  | Green            |                               |         |

| Budget Book Heading                                    | Three year cash limit per budget book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k   | Project Status 1 | Explanation of Project Status | Actions |
|--|--|-------------------------------|-------------------------|----------------------------|--|--|------------------|-------------------------------|---------|
| Preston Highway Depot                                  | 0  | 0                             | 24                      | 24                         | Real -Prudential                             |  | Green            |                               |         |
| Rushenden Link (Sheppey) - major road scheme           | 635  | 490                           | -440                    | -440                       | Rephasing                                    | Extension of LCA Part 1 claims due to completion of several major schemes. The new term consultant is to double check noise claims in line with new industry standard. | Green            |                               |         |
| Sittingbourne Northern Relief Road - major road scheme | 2,799  | 814                           | -637                    | -637                       | Rephasing                                    | Extension of LCA Part 1 claims due to completion of several major schemes. The new term consultant is to double check noise claims in line with new industry standard. | Green            |                               |         |
| Street Lighting Column - Replacement Scheme            | 3,750  | 1,250                         | 0                       | 0                          |  |  | Green            |                               |         |
| Street Lighting Timing - Invest to Save                | 2,906  | 2,131                         | -1,042                  | -1,042                     | Rephasing                                    | Police liaison with longer and wider public consultation resulting in implementation being re-scheduled.   | Green            |                               |         |
| A228 Colts Hill Strategic Link - Major Road Scheme     | 0  | 0                             | 0                       | 0                          |  |  | Green            |                               |         |
| A228 Leybourne & West Malling Corridor                 | 0  | 0                             | 0                       | 0                          |  |  |                  |                               |         |

| Budget Book Heading                                     | Three year cash limit per budget book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k   | Project Status 1 | Explanation of Project Status | Actions |
|---|--|-------------------------------|-------------------------|----------------------------|--|--|------------------|-------------------------------|---------|
| South East Maidstone Strategic Link - Major Road Scheme | 0  | 0                             | 0                       | 0                          |  |  |                  |                               |         |
| <b>Ashford's Future Schemes</b>                         |  |                               |                         |                            |  |  |                  |                               |         |
| A28 Chart Road  | 7,600  | 1,800                         | -1,800                  | -1,800                     | Rephasing                                    | Original budget profile assumed on Growing Places funding support and this has not materialised. Project will only proceed if external funding is secured.             | Green            |                               |         |
| Drovers Roundabout junction                             | 220  | 370                           | -280                    | -192                       | Rephasing                                    | Extension of LCA Part 1 claims due to completion of several major schemes. The new term consultant is to double check noise claims in line with new industry standard. | Green            |                               |         |
|   |  |                               |                         | -88                        | Real- Grant                                  | Review of the scheme has recommended minor sign and road marking changes.  |                  |                               |         |
| Orchard Way Railway bridge                              | 15,000                                       | 0                             | 0                       | 0                          |  |  | Green            |                               |         |
| Victoria Way  | 239  | 424                           | -405                    | -405                       | Rephasing                                    | Extension of LCA Part 1 claims due to completion of several major schemes. The new term consultant is to double check noise claims in line with new industry standard. | Green            |                               |         |

| Budget Book Heading                    | Three year cash limit per budget book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k             | Project Status 1 | Explanation of Project Status | Actions |
|--|--|-------------------------------|-------------------------|----------------------------|--|--|------------------|-------------------------------|---------|
| Westwood Relief Strategy-Porthole Lane | 0  | 800                           | -285                    | -285                       | Rephasing                                    | Rephasing to reflect revised profiling of project. | Green            |                               |         |
| <b>Total</b>                           | 193,789                                      | 77,144                        | -17,391                 | -17,391                    |  |  |                  |                               |         |

## 1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

**CUSTOMER & COMMUNITIES DIRECTORATE SUMMARY**  
**OCTOBER 2013-14 MONITORING REPORT**

1. **REVENUE**

|     |                               |                |                             |                   |                                |
|-----|-------------------------------|----------------|-----------------------------|-------------------|--------------------------------|
| 1.1 |                               | Cash Limit     | Variance Before Mgmt Action | Management Action | Net Variance after Mgmt Action |
|     | <b>Directorate Total (£k)</b> | <b>+76,033</b> | <b>-3,263</b>               | <b>-</b>          | <b>-3,263</b>                  |

1.2 **Table 1** below details the revenue position by A-Z budget:

| Budget Book Heading                                      | Cash Limit |          |         | Variance | Explanation | Management Action/<br>Impact on MTFP  |
|--|------------|----------|---------|----------|-------------|---|
|  | Gross      | Income   | Net     | Net      |             |   |
|  | £'000      | £'000    | £'000   | £'000    | £'000       |   |
| <b>Customer &amp; Communities portfolio</b>              |            |          |         |          |             |   |
| Strategic Management & Directorate Support budgets       | 3,112.8    | -978.0   | 2,134.8 | -121     | -55         | Quarter 2 reported position   |
|  |            |          |         |          | -66         | Movement from Quarter 2   |
| <u>Support to Frontline Services:</u>                    |            |          |         |          |             |   |
| - Communication & Consultation                           | 3,004.6    | -11.0    | 2,993.6 | -33      |             |   |
| <u>Other Services for Adults &amp; Older People</u>      |            |          |         |          |             |   |
| - Social Fund (Kent Support & Assistance Service - KSAS) | 3,469.0    | -3,469.0 | 0.0     | -1,046   | -1,001      | Lower than anticipated demand for awards since inception of this new pilot scheme. In accordance with Key Decision 12/01939, funding for KSAS awards is to be ring fenced for two years (2013-14 & 2014-15), therefore committed roll forward will be requested for any underspend at year end. |
|  |            |          |         |          | -45         | Movement from Quarter 2   |



| Budget Book Heading                           | Cash Limit |          |          | Variance | Explanation | Management Action/<br>Impact on MTFP   |  |
|---|------------|----------|----------|----------|-------------|--|--|
|   | Gross      | Income   | Net      | Net      |             |  |  |
|   | £'000      | £'000    | £'000    | £'000    | £'000       |  |  |
| - Supporting People                           | 24,856.5   | 0.0      | 24,856.5 | -1,385   | -1,067      | Primarily due to effective contract management, with variations negotiated with providers where contracts were under-utilised or demand was lower than anticipated   | Demand and capacity will be reviewed throughout the year to ensure they remain sufficient and with a view to achieving a permanent reduction/saving. |
|   |            |          |          |          | -376        | A realignment of the profile and regularity of contract payments, differing to the initial budget assumptions, which results in a lower cost in 2013-14.             |  |
|   |            |          |          |          | -608        | Cessation of Floating Support in Lieu (FSIL) of Accommodation contracts in November 2013.  | This saving is expected to be ongoing and the full year effect will be reflected in the 2014-17 MTFP   |
|   |            |          |          |          | +516        | Following the cessation of FSIL above, additional one-off Floating Support Services were commissioned until March 2014 to align with the Troubled Families Programme |  |
|   |            |          |          |          | +150        | New one-off commission in relation to support for rough sleepers (Hostels Plus).   |  |
|   | 28,325.5   | -3,469.0 | 24,856.5 | -2,431   |             |  |  |
| <u>Children's Services:</u>                   |            |          |          |          |             |  |  |
| - Youth Service                               | 8,611.0    | -2,365.8 | 6,245.2  | +118     | -127        | Staff vacancies  |  |
|   |            |          |          |          | +195        | Other minor variances which are individually below £100k   |  |
|   |            |          |          |          | +50         | Movement from Quarter 2  |  |
| - Youth Offending Service                     | 5,419.7    | -2,424.6 | 2,995.1  | -110     | +64         | Quarter 2 reported position  |  |
|   |            |          |          |          | -174        | Movement from Quarter 2 due to a number of small changes   |  |
|   | 14,030.7   | -4,790.4 | 9,240.3  | +8       |             |  |  |
| <u>Community Services:</u>                    |            |          |          |          |             |  |  |
| - Arts Development (incl Turner Contemporary) | 2,128.8    | 0.0      | 2,128.8  | -38      | -34         | Quarter 2 reported position  |  |
|   |            |          |          |          | -4          | Movement from Quarter 2  |  |

| Budget Book Heading                                 | Cash Limit |           |          | Variance | Explanation |  | Management Action/<br>Impact on MTFP   |
|---|------------|-----------|----------|----------|-------------|--|--|
|   | Gross      | Income    | Net      | Net      | £'000       |  |  |
|   | £'000      | £'000     | £'000    | £'000    | £'000       |  |  |
| - Community Learning Services                       | 14,444.3   | -14,673.6 | -229.3   | +3       | +2          | Quarter 2 reported position  |  |
|   |            |           |          |          | +1          | Movement from Quarter 2  |  |
| - Community Safety                                  | 659.2      | -284.9    | 374.3    | +12      |             |  |  |
| - Community Wardens                                 | 2,652.4    | 0.0       | 2,652.4  | -70      | -69         | Quarter 2 reported position  |  |
|   |            |           |          |          | -1          | Movement from Quarter 2  |  |
| - Contact Centre & Citizen's Advice Help Line       | 3,816.1    | -1,411.4  | 2,404.7  | +329     | +573        | The integration of new services into the Contact Centre was due to deliver savings of £573k in 2013-14. This has been re-phased to align with the replacement of the Web Platform and the implementation of the Customer Service Strategy and is now expected to be delivered in 2014-15. Offsetting savings within the directorate have been identified to mitigate the impact of this in the current year. | This saving is already reflected within the base budget for 2014-15.   |
|   |            |           |          |          | -117        | Other minor variances which are individually below £100k   |  |
|   |            |           |          |          | -127        | Movement from Quarter 2 : including -£53k staffing vacancies following changes to the Out of Hours service from 1 November and -£19k computing costs to be recharged to KSAS   |  |
| - Gateways  | 2,515.1    | -370.0    | 2,145.1  | -27      | -2          | Quarter 2 reported position  |  |
|   |            |           |          |          | -25         | Movement from Quarter 2  |  |
| - Libraries, Registration & Archives Services (LRA) | 18,832.0   | -5,149.7  | 13,682.3 | -560     | -120        | Increased Registration income for both wedding ceremonies conducted in 2013/14 & from premises' licences   | Income cash limits and national trends will be reviewed and taken into account in setting future years' budgets. |
|   |            |           |          |          | +61         | Scoping costs for replacement of a number of LRA computer systems, which may result in a capital programme bid if a viable project solution is found.  |  |

| Budget Book Heading                       | Cash Limit     |                 |              | Variance     | Explanation |   | Management Action/<br>Impact on MTFP |
|---|----------------|-----------------|--------------|--------------|-------------|---|--------------------------------------|
|   | Gross<br>£'000 | Income<br>£'000 | Net<br>£'000 | Net<br>£'000 |             |   |                                      |
|   |                |                 |              |              | £'000       |   |                                      |
|   |                |                 |              |              | -95         | Other minor variances which are individually below £100k  |                                      |
|   |                |                 |              |              | -406        | Movement from Quarter 2: including early delivery of savings in anticipation of 2014-15 budget reductions   |                                      |
| - Local Healthwatch & Complaints Advocacy | 1,340.6        | -766.0          | 574.6        | 0            |             |   |                                      |
| - Other Community Services                | 5,319.1        | -5,319.1        | 0.0          | 0            |             |   |                                      |
| - Sports Development                      | 1,881.3        | -1,093.0        | 788.3        | -46          | -45         | Quarter 2 reported position   |                                      |
|   |                |                 |              |              | -1          | Movement from Quarter 2   |                                      |
| - Supporting Employment                   | 1,085.9        | -335.0          | 750.9        | -84          | -1          | Quarter 2 reported position   |                                      |
|   |                |                 |              |              | -83         | Movement from Quarter 2   |                                      |
|   | 54,674.8       | -29,402.7       | 25,272.1     | -481         |             |   |                                      |
| <u>Environment:</u>                       |                |                 |              |              |             |   |                                      |
| - Country Parks                           | 1,493.8        | -990.7          | 503.1        | -3           | -17         | Quarter 2 reported position   |                                      |
|   |                |                 |              |              | +14         | Movement from Quarter 2   |                                      |
| - Countryside Access (incl PROW)          | 2,670.6        | -1,014.4        | 1,656.2      | +1           | +6          | Quarter 2 reported position   |                                      |
|   |                |                 |              |              | -5          | Movement from Quarter 2   |                                      |
|   | 4,164.4        | -2,005.1        | 2,159.3      | -2           |             |   |                                      |
| <u>Local Democracy:</u>                   |                |                 |              |              |             |   |                                      |
| - Community Engagement                    | 735.3          | 0.0             | 735.3        | 0            |             |   |                                      |
| - Local Scheme & Member Grants            | 1,256.0        | 0.0             | 1,256.0      | 0            |             |   |                                      |
|   | 1,991.3        | 0.0             | 1,991.3      | 0            |             |   |                                      |
| <u>Public Health:</u>                     |                |                 |              |              |             |   |                                      |
| - Drug & Alcohol Services                 | 19,027.3       | -17,775.5       | 1,251.8      | -1,226       |             | Delay in commencement of some of the pooled partnership projects. These underspends are treated differently depending on how they are funded, as shown below: |                                      |
|   |                |                 |              |              | -1,140      | - Public health funded element (see transfer to reserves below)   |                                      |
|   |                |                 |              |              | -17         | Movement from Quarter 2   |                                      |

| Budget Book Heading                            | Cash Limit       |                  |                 | Variance      | Explanation |   | Management Action/<br>Impact on MTFP |
|--|------------------|------------------|-----------------|---------------|-------------|---|--------------------------------------|
|  | Gross<br>£'000   | Income<br>£'000  | Net<br>£'000    | Net<br>£'000  |             |   |                                      |
|  |                  |                  |                 |               | £'000       | -68 - KCC funded element, for which roll forward will be required to fund our obligation to the partnership |                                      |
|  |                  |                  |                 |               |             | -1 Movement from Quarter 2  |                                      |
|  |                  |                  |                 |               |             | -20 Local Area Single Assessment & Referral (LASAR) Service   |                                      |
|  |                  |                  |                 |               |             | +20 Movement from Quarter 2 - Underachievement of income  |                                      |
| - Tfr to(+)/from(-) Public Health reserve      |                  |                  |                 | +1,157        | +1,140      | transfer to Public Health reserve of underspending against public health grant                              |                                      |
|  |                  |                  |                 |               |             | +17 Movement from Quarter 2   |                                      |
| - Drug & Alcohol Services base funded variance |                  |                  |                 | -69           |             |   |                                      |
| <u>Regulatory Services:</u>                    |                  |                  |                 |               |             |   |                                      |
| - Coroners                                     | 2,867.3          | -475.0           | 2,392.3         | -37           | -14         | Quarter 2 reported position   |                                      |
|  |                  |                  |                 |               |             | -23 Movement from Quarter 2   |                                      |
| - Emergency Planning                           | 778.5            | -169.0           | 609.5           | -30           | -33         | Quarter 2 reported position   |                                      |
|  |                  |                  |                 |               |             | +3 Movement from Quarter 2  |                                      |
| - Trading Standards (incl Kent                 | 3,916.9          | -785.8           | 3,131.1         | -67           | -154        | Staffing vacancies  |                                      |
|  |                  |                  |                 |               |             | +82 Other minor variances   |                                      |
|  |                  |                  |                 |               |             | +5 Movement from Quarter 2  |                                      |
|  | 7,562.7          | -1,429.8         | 6,132.9         | -134          |             |   |                                      |
| <b>Total C&amp;C portfolio</b>                 | <b>135,894.1</b> | <b>-59,861.5</b> | <b>76,032.6</b> | <b>-3,263</b> |             |   |                                      |
| <b>Assumed Mgmt Action</b>                     |                  |                  |                 |               |             |   |                                      |
| - C&C portfolio                                |                  |                  |                 |               |             |   |                                      |
| <b>Total Forecast <u>after</u> mgmt action</b> | <b>135,894.1</b> | <b>-59,861.5</b> | <b>76,032.6</b> | <b>-3,263</b> |             |   |                                      |

## 2. CAPITAL

2.1 The Customer & Communities Directorate has a working budget for 2013-14 of £6,182k. The forecast outturn against the 2013-14 budget is £4,420k giving a variance of -£1,762k.

2.2 **Table 2** below details the C&C Capital Position by Budget Book line.

| Budget Book Heading   | Three year cash limit per Budget Book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance             | Project Status <sup>1</sup> | Explanation of Project Status | Actions |
|---|--|-------------------------------|-------------------------|----------------------------|--|---|-----------------------------|-------------------------------|---------|
| <b>Rolling Programmes</b>   |  |                               |                         |                            |  |   |                             |                               |         |
| Country Parks Access and Development  | 0  | 193                           | 0                       | 0                          |  |   | Green                       |                               |         |
| Library Modernisation Programme - adaptations and improvements to existing facilities | 1,380  | 840                           | -335                    | -335                       | Rephasing                                    | Rephasing to 14/15 due to review of Service | Green                       |                               |         |
| Management and Modernisation of Assets - Vehicles                                     | 380  | 292                           | 0                       | 0                          |  |   | Green                       |                               |         |
| Public Rights of Way - Structural Improvements  | 2,449  | 1,030                         | 0                       | 0                          |  |   | Green                       |                               |         |
| Public Sports Facilities Improvement - Capital Grant                                  | 300  | 100                           | 0                       | 0                          |  |   | Green                       |                               |         |
| Small Community Projects - Capital Grants   | 1,500  | 500                           | 0                       | 0                          |  |   | Green                       |                               |         |

| Budget Book Heading                                  | Three year cash limit per Budget Book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance   | Project Status <sup>1</sup> | Explanation of Project Status  | Actions |
|--|--|-------------------------------|-------------------------|----------------------------|--|---|-----------------------------|--|---------|
| Village Halls and Community Centres - Capital Grants | 600  | 321                           | -125                    | -125                       | Rephasing                                    | 2 external projects rephased to 14/15 due to delays in sourcing additional funding, 1 project withdrawn and grant will need to be reallocated.  | Amber-Delayed               | 2 external projects rephased to 14/15 due to delays in sourcing additional funding, 1 project withdrawn and grant will need to be reallocated. |         |
| <b>Individual Projects</b>                           |  |                               |                         |                            |  |   |                             |  |         |
| Community Learning and Skills Service Re-provision   | 457  | 482                           | -482                    | -482                       | Rephasing                                    | Project has been deferred to 14/15 pending decision on lease extension.   | Green                       |  |         |
| Gateways - Continued Rollout of Programme            | 2,192  | 1,198                         | -662                    | -662                       | Rephasing                                    | Customer Relationship Manager (CRM) - rephasing to 14/15 & 15/16 - delays due to the ICT infrastructure investment and the need to align requirements to the single customer record. Swanley Gateway - approval to spend agreed recently received hence spend realigned to 14/15. | Green                       |  |         |
| Libraries Invest to Save                             | 0  | 5                             | -5                      | -5                         | Real - Prudential                            |   | Green                       |  |         |
| New Community Facilities at Edenbridge               | 0  | 69                            | 0                       | 0                          |  |   | Green                       |  |         |
| Tunbridge Wells Library                              | 0  | 288                           | 0                       | 0                          |  |   | Green                       |  |         |

| Budget Book Heading                                   | Three year cash limit per Budget Book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance  | Project Status <sup>1</sup> | Explanation of Project Status | Actions |
|---|--|-------------------------------|-------------------------|----------------------------|--|----------------------------------|-----------------------------|-------------------------------|---------|
| Replacement and Enhancement of Core Website           | 455  | 309                           | 0                       | 0                          |  |                                  | Green                       |                               |         |
| Gravesend Library                                     | 0  | 5                             | -5                      | -5                         | Real - prudential                            |                                  | Green                       |                               |         |
| Ashford Gateway Plus                                  | 0  | 1                             | 0                       | 0                          |  |                                  | Green                       |                               |         |
| Kent Library and History Centre                       | 0  | 188                           | -148                    | -148                       | Real - Underspend                            | Underspend on Public Realm work. | Green                       |                               |         |
| Ramsgate Library - Insurance Betterment               | 0  | 0                             | 0                       | 0                          |  |                                  | Green                       |                               |         |
| Youth Reconfiguration                                 | 0  | 83                            | 0                       | 0                          |  |                                  | Green                       |                               |         |
| Cheesemans Green Library, Ashford                     | 350  | 0                             | 0                       | 0                          |  |                                  | Green                       |                               |         |
| Dartford and Gravesham NHS Trust Capital Contribution | 0  | 128                           | 0                       | 0                          |  |                                  | Green                       |                               |         |
| Winter Gardens Rendezvous Site - Prelim Works         | 100  | 100                           | 0                       | 0                          |  |                                  | Green                       |                               |         |
| Integrated Youth Service - Youth Hub Reprovision      | 1,100  | 50                            | 0                       | 0                          |  |                                  | Green                       |                               |         |
| <b>Total</b>  | <b>11,263</b>                                | <b>6,182</b>                  | <b>-1,762</b>           | <b>-1,762</b>              |  |                                  |                             |                               |         |

### 1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

**BUSINESS STRATEGY & SUPPORT DIRECTORATE SUMMARY**  
**PUBLIC HEALTH SUMMARY**  
**OCTOBER 2013-14 MONITORING REPORT**

**1. REVENUE**

|     |                   |             |   |                                   |  |
|-----|-------------------|-------------|---|-----------------------------------|--|
| 1.1 |                   | Cash Limit  | Variance Before transfer to Public Health Reserve | Transfer to Public Health Reserve | Net Variance after transfer to Public Health Reserve |
|     | <b>Total (£k)</b> | <b>+384</b> | <b>-815</b>                                       | <b>+450</b>                       | <b>-365</b>  |

1.2 **Table 1** below details the revenue position by A-Z budget:

| Budget Book Heading                                    | Cash Limit      |                  |              | Variance    | Explanation |  | Management Action/<br>Impact on MTFP |
|--|-----------------|------------------|--------------|-------------|-------------|--|--------------------------------------|
|  | Gross           | Income           | Net          | Net         |             |  |                                      |
|  | £'000           | £'000            | £'000        | £'000       | £'000       |  |                                      |
| <b>Adult Social Care &amp; Public Health portfolio</b> |                 |                  |              |             |             |  |                                      |
| <u>Public Health:</u>                                  |                 |                  |              |             |             |  |                                      |
| - Public Health Management & Support                   | 441.3           | -57.0            | 384.3        | -365        | -365        | Underspend against KCC budget as costs are reflected against the grant in the service lines below, mainly Public Health Staffing & Related Costs |                                      |
| - Children's Public Health Programmes                  | 6,346.4         | -6,346.4         | 0.0          | 0           |             |  |                                      |
| - Drug & Alcohol Services                              | 662.7           | -662.7           | 0.0          | 0           |             |  |                                      |
| - Healthy Weight                                       | 2,516.4         | -2,516.4         | 0.0          | 0           |             |  |                                      |
| - NHS Health Check Programme                           | 2,321.8         | -2,321.8         | 0.0          | 0           |             |  |                                      |
| - Other Public Health Services                         | 5,746.1         | -5,746.1         | 0.0          | 0           |             |  |                                      |
| - Public Health Staffing & Related Costs               | 4,585.5         | -4,585.5         | 0.0          | -450        | -450        | <i>PH grant variance: slippage on recruitment and vacancy savings</i>  |                                      |
| - Sexual Health Services                               | 12,538.6        | -12,538.6        | 0.0          | 0           |             |  |                                      |
| - Stop Smoking Services & Interventions                | 2,688.0         | -2,688.0         | 0.0          | 0           |             |  |                                      |
| - Tobacco Control                                      | 600.0           | -600.0           | 0.0          | 0           |             |  |                                      |
|  | <b>38,446.8</b> | <b>-38,062.5</b> | <b>384.3</b> | <b>-815</b> |             |  |                                      |



| Budget Book Heading                               | Cash Limit      |                  |              | Variance    | Explanation |  | Management Action/<br>Impact on MTFP |
|---|-----------------|------------------|--------------|-------------|-------------|--|--------------------------------------|
|   | Gross           | Income           | Net          | Net         |             |  |                                      |
|   | £'000           | £'000            | £'000        | £'000       | £'000       |  |                                      |
|   |                 |                  |              |             |             |  |                                      |
| <i>- tfr to(+)/from(-) Public Health reserve</i>  |                 |                  |              | <b>+450</b> | <b>+450</b> | <i>Transfer of underspend on staffing to reserve</i> |                                      |
|   |                 |                  |              |             |             |  |                                      |
| <b>Total ASC&amp;PH portfolio (Public Health)</b> | <b>38,446.8</b> | <b>-38,062.5</b> | <b>384.3</b> | <b>-365</b> |             |  |                                      |

**BUSINESS STRATEGY & SUPPORT DIRECTORATE SUMMARY**  
**BUSINESS STRATEGY AND SUPPORT (EXCL. PUBLIC HEALTH) SUMMARY**  
**OCTOBER 2013-14 MONITORING REPORT**

1. **REVENUE**

|     |                   |                |                             |                   |                                |
|-----|-------------------|----------------|-----------------------------|-------------------|--------------------------------|
| 1.1 |                   | Cash Limit     | Variance Before Mgmt Action | Management Action | Net Variance after Mgmt Action |
|     | <b>Total (£k)</b> | <b>+79,315</b> | <b>+366</b>                 | <b>-594</b>       | <b>-228</b>                    |

1.2 **Table 1** below details the revenue position by A-Z budget:

| Budget Book Heading                             | Cash Limit     |                 |                | Variance | Explanation   | Management Action/<br>Impact on MTFP                |
|---|----------------|-----------------|----------------|----------|---|---|
|   | Gross          | Income          | Net            | Net      |   |   |
|   | £'000          | £'000           | £'000          | £'000    | £'000   |   |
| <b>Regeneration &amp; Enterprise portfolio</b>  |                |                 |                |          |   |   |
| Directorate Management & Support                | 172.2          | 0.0             | 172.2          | +3       |   |   |
| Development Staff & Projects                    | 5,043.7        | -1,333.7        | 3,710.0        | -3       |   |   |
| <b>Total R&amp;E portfolio</b>                  | <b>5,215.9</b> | <b>-1,333.7</b> | <b>3,882.2</b> | <b>0</b> |   |   |
| <b>Finance &amp; Business Support portfolio</b> |                |                 |                |          |   |   |
| Finance & Procurement                           | 18,707.1       | -7,375.8        | 11,331.3       | -231     | -585 Appointments to the structure made last year at bottom of grade, budget set at mid-point of grade; the Division is also carrying a number of vacancies.<br><br>+145 Under-recovery of income by Schools Financial Services<br><br>+81 Other minor variances<br><br>+128 Movement from Quarter 2 due to a number of small changes | These budgets will be realigned in the 2014-17 MTFP |
| - <i>Transfer to(+)/from(-) DSG reserve</i>     |                |                 |                | 0        |   |   |

| Budget Book Heading   | Cash Limit      |                 |                 | Variance    | Explanation |   | Management Action/<br>Impact on MTFP |
|---|-----------------|-----------------|-----------------|-------------|-------------|---|--------------------------------------|
|   | Gross           | Income          | Net             | Net         |             |   |                                      |
|   | £'000           | £'000           | £'000           | £'000       | £'000       |   |                                      |
| Local Democracy:  |                 |                 |                 |             |             |   |                                      |
| - Grants to District Councils                                       | 703.0           | 0.0             | 703.0           | 0           |             |   |                                      |
| - Other Local Democracy costs incl. County Council Elections        | 741.2           | 0.0             | 741.2           | 0           |             |   |                                      |
| - Support for Local Council Tax Support Schemes                     | 1,253.0         | 0.0             | 1,253.0         | -3          |             |   |                                      |
| <b>Total F&amp;BS portfolio</b>                                     | <b>21,404.3</b> | <b>-7,375.8</b> | <b>14,028.5</b> | <b>-234</b> |             |   |                                      |
| <b>Business Strategy, Performance &amp; Health Reform portfolio</b> |                 |                 |                 |             |             |   |                                      |
| Strategic Management & Directorate Support budgets                  | 3,093.3         | -4,520.0        | -1,426.7        | -4          |             |   |                                      |
| Governance & Law  | 10,245.1        | -12,407.9       | -2,162.8        | +188        | +188        | Movement from Quarter 2 due to +£49k of increased agency costs and +£139k reduction in external income  |                                      |
| Business Strategy   | 3,254.1         | -56.7           | 3,197.4         | -208        | -87         | Rolled forward funding from 12-13 for Health Reform to support the development of seven new Health and Wellbeing Boards to be aligned with the NHS Clinical Commissioning Groups is to be spent over the period June 2013 to May 2015, therefore roll forward will be required. |                                      |
|   |                 |                 |                 |             | -112        | Other minor variances   |                                      |
|   |                 |                 |                 |             | -9          | Movement from Quarter 2   |                                      |

| Budget Book Heading       | Cash Limit |          |          | Variance | Explanation | Management Action/<br>Impact on MTFP  |   |
|---------------------------|------------|----------|----------|----------|-------------|---|---|
|                           | Gross      | Income   | Net      | Net      |             |   |   |
|                           | £'000      | £'000    | £'000    | £'000    | £'000       |   |   |
| Property & Infrastructure | 30,959.4   | -5,247.3 | 25,712.1 | +1,420   | +1,665      | New external property opportunities together with the need to protect and respond to the requirements of front line services and new service pressures, have resulted in a revised New Ways of Working programme plan. The revised plan, recognising service pressures, encompasses changes to the previously assumed timelines for moving out of some of our larger leasehold buildings, hence creating a pressure within the Corporate Landlord estate. | The revised timelines to the New Ways of Working programme plan including service pressures, have been costed and the related savings will need to be re-phased in the 2014-17 MTFP.                                |
|                           |            |          |          |          | +918        | Statutory testing (primarily legionella, asbestos and electrical) and additional maintenance costs due to the poor state of repair of the buildings transferred across to Corporate Landlord.   | This will need to be addressed as a pressure in the 2014-17 MTFP.   |
|                           |            |          |          |          | -750        | Use of non-ringfenced DfE capital grant to fund revenue expenditure which cannot be capitalised   | The use of this grant will need to be quantified each year dependent on expected eligible spend. The current year assumes £750k and any expected future variations from this will need to be addressed in the MTFP. |
|                           |            |          |          |          | -400        | Additional income from Kent Commercial Services for leasing of property at commercial rates   |   |
|                           |            |          |          |          | -252        | Additional demands to support the capital programme have resulted in additional capitalisation of staff time (eg ELS Basic Need Programme)  |   |
|                           |            |          |          |          | -107        | Savings realised from the Park and Ride ticket scheme   | This saving will be reflected in the 2014-17 MTFP   |

| Budget Book Heading                    | Cash Limit     |                 |              | Variance     | Explanation | Management Action/<br>Impact on MTFP  |
|--|----------------|-----------------|--------------|--------------|-------------|---|
|  | Gross<br>£'000 | Income<br>£'000 | Net<br>£'000 | Net<br>£'000 |             |   |
|  |                |                 |              |              | +346        | Other minor variances, incl. spend on utilities, cleaning, grounds maintenance & agency staff.  |
| Human Resources                        | 16,883.1       | -6,197.0        | 10,686.1     | -569         | -185        | Underspend against training budget following approval of all directorate workforce development plans.   |
|  |                |                 |              |              | -112        | Additional income generated through providing recruitment services to schools   |
|  |                |                 |              |              | -55         | Other minor variances   |
|  |                |                 |              |              | -217        | Movement from Quarter 2 due to - £141k re-phasing of training programmes funded from the Independent Sector, rolled forward from 2012-13, which is being spent over the period July 2013 to January 2015, therefore roll forward will be required again to 2014-15; -£76k of other small changes. |
| Information & Communication Technology | 35,540.9       | -16,399.1       | 19,141.8     | -13          | +1,875      | Costs associated with the Integrated Children's System (ICS)  |
|  |                |                 |              |              | -1,875      | Drawdown from the IT Asset Maintenance Reserve to fund the costs of ICS   |
|  |                |                 |              |              | +400        | Pressure resulting from expenditure on Thin Client. Thin client computing essentially moves the point of processing from the end user device to a central server enabling users to access applications via any device capable of displaying an internet browser.                                  |
|  |                |                 |              |              | -400        | Drawdown from IT Asset Maintenance Reserve for Thin Client costs.   |

| Budget Book Heading                                     | Cash Limit       |                  |                 | Variance    | Explanation | Management Action/<br>Impact on MTFP  |
|---|------------------|------------------|-----------------|-------------|-------------|---|
|   | Gross            | Income           | Net             | Net         |             |   |
|   | £'000            | £'000            | £'000           | £'000       | £'000       |   |
|   |                  |                  |                 |             | -419        | One off rebate from BT for changes to circuit use.                              |
|   |                  |                  |                 |             | +400        | Alternative provision of telephony through unified communications.              |
|   |                  |                  |                 |             | -37         | Other minor variances   |
|   |                  |                  |                 |             | +43         | Movement from Quarter 2   |
|   |                  |                  |                 |             |             |   |
| - Transfer to(+)/from(-) DSG reserve                    |                  |                  |                 | 0           |             |   |
| <b>Total BSP&amp;HR portfolio</b>                       | <b>99,975.9</b>  | <b>-44,828.0</b> | <b>55,147.9</b> | <b>+814</b> |             |   |
| <b>Democracy &amp; Partnerships portfolio</b>           |                  |                  |                 |             |             |   |
| Finance - Internal Audit                                | 1,175.9          | -34.0            | 1,141.9         | -110        | -104        | Taking time to recruit to staffing vacancies due to specialist nature of posts. |
|   |                  |                  |                 |             | +30         | Other minor variances   |
|   |                  |                  |                 |             | -36         | Movement from Quarter 2   |
| Business Strategy - International & Partnerships        | 854.1            | -173.0           | 681.1           | -64         |             |   |
| Democratic & Member Services                            | 3,937.6          | -74.7            | 3,862.9         | -40         |             |   |
| Local Democracy:  |                  |                  |                 | 0           |             |   |
| - Other Local Democracy costs: County Council Elections | 570.0            | 0.0              | 570.0           | 0           |             |   |
| <b>Total D&amp;P portfolio</b>                          | <b>6,537.6</b>   | <b>-281.7</b>    | <b>6,255.9</b>  | <b>-214</b> |             |   |
|   |                  |                  |                 |             |             |   |
| <b>Total BSS Controllable (excl. Public Health)</b>     | <b>133,133.7</b> | <b>-53,819.2</b> | <b>79,314.5</b> | <b>+366</b> |             |   |
|   |                  |                  |                 |             |             |   |

| Budget Book Heading                            | Cash Limit       |                  |                 | Variance    | Explanation |   | Management Action/<br>Impact on MTFP |
|--|------------------|------------------|-----------------|-------------|-------------|---|--------------------------------------|
|  | Gross            | Income           | Net             | Net         |             |   |                                      |
|  | £'000            | £'000            | £'000           | £'000       | £'000       |   |                                      |
| <b>Assumed Management</b>                      |                  |                  |                 |             |             |   |                                      |
| - R&E portfolio                                |                  |                  |                 |             |             |   |                                      |
| - F&BS portfolio                               |                  |                  |                 |             |             |   |                                      |
| - BSP&HR portfolio                             |                  |                  |                 | -594        | -367        | The Directorate is wholly committed to delivering a small underspend by the end of the financial year, to allow for the roll-forward within Business Strategy, and will continue to consider all options to ensure this happens. This includes Property Group Managers being tasked with delivering in year savings and efficiencies in non-critical areas of expenditure to reduce the overall pressure within the division. |                                      |
|  |                  |                  |                 |             | -227        | Movement from Quarter 2 - there are ongoing contractual negotiations which are anticipated to deliver a one-off saving this year. If this, or other savings do not materialise, then the re-phasing for which roll forward requirements have been identified will need to be managed within the 2014-15 budget allocations.   |                                      |
| - D&P portfolio                                |                  |                  |                 |             |             |   |                                      |
| <b>Total Forecast <u>after</u> mgmt action</b> | <b>133,133.7</b> | <b>-53,819.2</b> | <b>79,314.5</b> | <b>-228</b> |             |   |                                      |

## 2. CAPITAL

2.1 The working budget for the Business Strategy & Support Directorate for 2013-14 is £71,622k. The forecast outturn against the 2013-14 budget is £66,762k giving a variance of - £4,860k.

2.2 **Table 2a** below details the Business Strategy, Performance & Health Reform Capital Position by Budget Book line.

| Budget Book Heading                  | Three year cash limit per budget | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k  | Project Status <sup>1</sup> | Explanation of Project Status | Actions |
|--------------------------------------|----------------------------------|-------------------------------|-------------------------|----------------------------|--|---|-----------------------------|-------------------------------|---------|
| <b>Rolling Programmes</b>            |                                  |                               |                         |                            |  |   |                             |                               |         |
| Corporate Property Strategic Capital | 7,950                            | 2,530                         | -750                    | -750                       | Real - grant                                 | Property group has used £750k of the DFE local authority capital maintenance grant currently shown here, to cover revenue expenditure as the grant rules allow us to do this. | Green                       |                               |         |
| Disposal Costs                       | 910                              | 250                           | 0                       |                            |  |   | Green                       |                               |         |
| Modernisation of Assets              | 9,521                            | 4,888                         | 0                       |                            |  |   | Green                       |                               |         |
| <b>Individual Projects</b>           |                                  |                               |                         |                            |  |   |                             |                               |         |
| Connecting with Kent                 | 532                              | 361                           | 0                       |                            |  |   | Green                       |                               |         |
| HR Recruitment Management System     | 125                              | 125                           | 0                       |                            |  |   | Green                       |                               |         |
| HR System Development                | 226                              | 113                           | -47                     | -47                        | Rephasing                                    |   | Green                       |                               |         |
| Innovative Schemes Fund              | 3,000                            | 1,000                         | 0                       |                            |  |   | Green                       |                               |         |
| New Ways of Working                  | 24,000                           | 19,934                        | 0                       |                            |  |   | Green                       |                               |         |



| Budget Book Heading                              | Three year cash limit per budget book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k                 | Project Status <sup>1</sup> | Explanation of Project Status   | Actions |
|--|--|-------------------------------|-------------------------|----------------------------|--|--|-----------------------------|---|---------|
| Sustaining Kent - Maintaining the Infrastructure | 270  | 1,917                         | 0                       |                            |  |  | Green                       |   |         |
| ORACLE Release 12                                | 0  | 230                           | 0                       |                            |  |  | Green                       |   |         |
| ORACLE Self Service Development                  | 0  | 44                            | 0                       |                            |  |  | Green                       |   |         |
| Property Asset Management System                 | 0  | 297                           | 0                       |                            |  |  | Green                       |   |         |
| Enterprise Resource Programme                    | 0  | 877                           | 35                      | 35                         | Real - prudential                            | To be funded from underspend in E&E capital programme. | Amber                       | Synchronised sign on and (elements of) remote access work streams cannot be delivered until server refresh has completed. |         |
| Integrated Children's Systems                    | 0  | 748                           | 0                       |                            |  |  | Green                       |   |         |
| Total  | 46,534                                       | 33,314                        | -762                    | -762                       |  |  |                             |   |         |

2.3 **Table 2b** below details the Regeneration and Economic Development Capital Position by Budget Book line.

| Budget Book Heading                    | Three year cash limit per budget | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k  | Project Status <sup>1</sup> | Explanation of Project Status | Actions |
|--|----------------------------------|-------------------------------|-------------------------|----------------------------|--|---|-----------------------------|-------------------------------|---------|
| <b>Individual Projects</b>             |                                  |                               |                         |                            |  |   |                             |                               |         |
| Broadband                              | 23,500                           | 2,650                         | -1,000                  | -1,000                     | Rephasing                                    | Due to delays at a national level in finalising the BDUK procurement framework and the UK state aid notification with the EU. | Green                       |                               |         |
| Dover Priory Station Approach Road     | 0                                | -3                            | 0                       |                            |  |   | Green                       |                               |         |
| Empty Property Initiative              | 7,500                            | 3,710                         | 0                       |                            |  |   | Green                       |                               |         |
| Eurokent Road (East Kent)              | 65                               | 84                            | -64                     | -64                        | Rephasing                                    |   | Green                       |                               |         |
| Folkestone Heritage Quarter            | 380                              | 402                           | -300                    | -300                       | Rephasing                                    | Re-alignment of budget to agree with updated project plan, this has not effected the completion date.                         | Green                       |                               |         |
| Incubator Development                  | 0                                | 262                           | -86                     | -86                        | Rephasing                                    |   | Green                       |                               |         |
| LIVE Margate                           | 6,800                            | 6,508                         | 0                       |                            |  |   | Green                       |                               |         |
| Managed Work Space - The Old Rectory   | 160                              | 174                           | 0                       |                            |  |   | Green                       |                               |         |
| Marsh Million                          | 0                                | 100                           | 0                       |                            |  |   | Green                       |                               |         |
| No Use Empty - Rented Affordable Homes | 750                              | 750                           | 0                       |                            |  |   | Green                       |                               |         |

| Budget Book Heading                                | Three year cash limit per budget book (£000) | 2013-14 Working Budget (£000) | 2013-14 Variance (£000) | Variance Break-down (£000) | Rephasing / Real Variance and Funding Stream | Explanation of In-Year Variance >£100k   | Project Status 1 | Explanation of Project Status | Actions |
|--|--|-------------------------------|-------------------------|----------------------------|--|--|------------------|-------------------------------|---------|
| Old Town Hall                                      | 94   | 25                            |                         |                            |  |  |                  |                               |         |
| Regeneration Fund Projects                         | 5,061  | 3,555                         | 0                       |                            |  |  |                  |                               |         |
| Regional Growth Fund including Expansion East Kent | 37,200                                       | 14,384                        | -1,500                  | -1,500                     |  | Re-phasing is due to changes to the draw down rules for the Journey Time Improvement element of the scheme, which has affected the timing of the claims.   |                  |                               |         |
| Rural Broadband Demonstration Project              | 1,897  | 1,568                         | -1,148                  | -1,148                     | Rephasing                                    | Spend will be incurred on four or five local schemes over the next two years with the remainder of the funding being kept as a contingency. The rephasing is not expected to impact on the completion date of the overall project. | Green            |                               |         |
| Swale Parklands                                    | 0  | 65                            | 0                       |                            |  |  | Green            |                               |         |
| TIGER  | 20,000                                       | 4,000                         | 0                       |                            |  |  | Green            |                               |         |
| Tram Road/Tontine Street Road Works                | 0  | 74                            | 0                       |                            |  |  | Green            |                               |         |
| Total  | 103,407                                      | 38,308                        | -4,098                  | -4,098                     |  |  |                  |                               |         |

## 1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

**FINANCING ITEMS SUMMARY**  
**OCTOBER 2013-14 MONITORING REPORT**

**1. REVENUE**

|     |                   |                 |                             |                   |                                |
|-----|-------------------|-----------------|-----------------------------|-------------------|--------------------------------|
| 1.1 |                   | Cash Limit      | Variance Before Mgmt Action | Management Action | Net Variance after Mgmt Action |
|     | <b>Total (£k)</b> | <b>+124,575</b> | <b>-6,868</b>               | <b>-</b>          | <b>-6,868</b>                  |

1.2 **Table 1** below details the revenue position by A-Z budget:

| Budget Book Heading                             | Cash Limit |        |          | Variance | Explanation | Management Action/<br>Impact on MTFP   |
|---|------------|--------|----------|----------|-------------|--|
|   | Gross      | Income | Net      | Net      |             |  |
|   | £'000      | £'000  | £'000    | £'000    | £'000       |  |
| <b>Finance &amp; Business Support Portfolio</b> |            |        |          |          |             |  |
| Carbon Reduction Commitment Levy                | 400.0      | 0.0    | 400.0    | -190     | -190        | Anticipated underspend in line with 2012-13 outturn  |
| Contribution to/from Reserves                   | -6,430.0   | 0.0    | -6,430.0 | -1,178   | +1,870      | Council Tax Transitional Support Grant was expected to be received in 2012-13 and transferred to reserves for use in 2013-14, however it was not received until 2013-14, hence shows as income against Other Financing Items below and not a transfer from reserves. |
|   |            |        |          |          | -2,275      | Drawdown from Prudential Equalisation - Minimum Revenue Provision (MRP) Smoothing Reserve to cover the increase in MRP as a result of more assets being completed in 2012-13 than expected (see net debt charges below).   |
|   |            |        |          |          | -618        | Drawdown from Insurance Reserve to cover forecast overspend against the Insurance Fund.  |
|   |            |        |          |          | -155        | Movement from quarter 2 relating to further pressure on the Insurance Fund (see Insurance Fund A-Z line below)   |

| Budget Book Heading                           | Cash Limit |          |           | Variance | Explanation |  | Management Action/<br>Impact on MTFP  |
|---|------------|----------|-----------|----------|-------------|--|---|
|   | Gross      | Income   | Net       | Net      |             |  |   |
|   | £'000      | £'000    | £'000     | £'000    | £'000       |  |   |
| Underspend rolled forward from previous years | -5,000.0   | 0.0      | -5,000.0  | 0        |             |  |   |
| Insurance Fund                                | 4,679.0    | 0.0      | 4,679.0   | +773     | +618        | An increase in the outstanding claims provision for new reserved losses in the first quarter of the year, together with an anticipated shortfall in corporate and premium income compared to claims expenditure and premium costs.   |   |
|   |            |          |           |          | +155        | Movement from quarter 2 (see contributions to/from reserves A-Z line above)  |   |
| Modernisation of the Council                  | 3,500.0    | 0.0      | 3,500.0   | 0        |             | £1.5m of this budget is requested to be vired to Business Strategy to cover the initial costs of Facing the Challenge. If other Modernisation of the Council costs in year exceed the remaining budget, these will be met from the Workforce Reduction reserve, in line with usual practice. |   |
| Net Debt Charges (incl Investment Income)     | 128,537.2  | -8,648.0 | 119,889.2 | +512     | +1,553      | Shortfall in interest on cash balances in view of lower than anticipated interest rates expected on future deposits  | A change to the treasury strategy to expand the range of types of investment which can be made was approved by Cabinet in September, which is expected to increase investment income. |
|   |            |          |           |          | -2,760      | Savings on debt charges as no new borrowing in first six months or in foreseeable future   |   |

| Budget Book Heading | Cash Limit |        |         | Variance | Explanation | Management Action/<br>Impact on MTFP  |  |
|---------------------|------------|--------|---------|----------|-------------|---|--|
|                     | Gross      | Income | Net     | Net      |             |   |  |
|                     | £'000      | £'000  | £'000   | £'000    | £'000       |   |  |
|                     |            |        |         |          | +2,275      | Increase in MRP. In recent years, we have adopted the asset life method of calculating MRP, which provides authorities with the option of applying MRP over the life of the asset once it is in operation. MRP is based on capital expenditure incurred in the previous year and therefore cannot be calculated until the previous year's accounts have been finalised and audited. This very complex calculation has recently been completed and this increase is due to a number of projects being completed earlier than anticipated, which has increased the percentage of MRP to be charged. This includes a number of aborted capital costs which had to be written off last year as there was no asset life to apportion the costs over. | We are currently reviewing our MRP policy and the outcome of that review will be presented to County Council at its Budget Meeting next month. This could potentially affect our current year's MRP and if so, and if the revised policy is approved, the impact on this year's spend will be reported to Cabinet in the spring. |
|                     |            |        |         |          | -556        | Movement from Quarter 2 - further savings on debt charges and an anticipated lower increase in MRP than reflected in the previous forecast (see above), as a result of the current review of MRP policy.  |  |
| Other               | 1,231.8    | -36.0  | 1,195.8 | -2,183   | -1,870      | Council Tax Transitional Support Grant as mentioned above   |  |
|                     |            |        |         |          | -313        | Underspending following a review of local authority subscriptions & centrally held allocations, together with small underspends on items such as levies.  | -£293k of this is a permanent saving and will be reflected in the 2014-17 MTFP   |

| Budget Book Heading   | Cash Limit       |                 |                  | Variance      | Explanation  | Management Action/<br>Impact on MTFP   |
|---|------------------|-----------------|------------------|---------------|--|--|
|   | Gross            | Income          | Net              | Net           |  |  |
|   | £'000            | £'000           | £'000            | £'000         | £'000  |  |
| Unallocated   | 3,675.0          | 0.0             | 3,675.0          | -4,506        | Additional unexpected government funding announced since the budget was set, as follows:<br>-1,491 refund in respect of 2012-13 academies funding transfer<br>-1,391 New Homes Bonus adjustment grant<br>-1,791 Extended Rights to Free Travel<br>+167 Other smaller changes in funding levels including Council Tax Freeze grant and Education Services Grant (ESG). A shortfall against the revised allocation of ESG is now anticipated as a result of schools converting to academies during the financial year. | The majority of this funding is one-off, with the exception of Extended Rights to Free Travel, where we have been notified of an allocation of £1,518k for 2014-15. Cabinet agreed that this funding is held centrally to offset any potential shortfall in meeting our savings target this year and if we do achieve a balanced position that this is transferred to reserves to help offset anticipated funding cuts in 2014-15. |
| <b>Total F&amp;BS portfolio</b>                                     | <b>130,593.0</b> | <b>-8,684.0</b> | <b>121,909.0</b> | <b>-6,772</b> |  |  |
| <b>Business Strategy, Performance &amp; Health Reform portfolio</b> |                  |                 |                  |               |  |  |
| Contribution to IT Asset Maintenance Reserve                        | 2,352.0          | 0.0             | 2,352.0          | 0             |  |  |
| <b>Democracy &amp; Partnerships portfolio</b>                       |                  |                 |                  |               |  |  |
| Audit Fees  | 314.0            | 0.0             | 314.0            | -96           | -96  | Forecast based on anticipated fees as notified by our external auditors  |
| <b>Total Controllable</b>   | <b>133,259.0</b> | <b>-8,684.0</b> | <b>124,575.0</b> | <b>-6,868</b> |  |  |

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**By:** Paul Carter  
Leader

Barbara Cooper  
Director of Economic Development

**To:** Cabinet – 22 January 2014

**Subject:** Unlocking the Potential: Going for Growth:  
The Kent and Medway Growth Plan

**Classification:** Unrestricted

**Electoral divisions:** All

### Summary

This paper introduces *Unlocking the Potential: Going for Growth*, the draft Kent and Medway Growth Plan and explains its relationship with the South East Local Enterprise Partnership's Strategic Economic Plan and potential future Government and European funding.

It invites comments on the draft *Unlocking the Potential* and sets out proposals for finalising the document, developing a 'Commissioning Plan' to guide the investment of future resources as they become available and updating other strategies.

Cabinet is recommended to note this report.

## 1. Background

- 1.1. Last year, the Government asked Local Enterprise Partnerships (LEPs) to develop Strategic Economic Plans setting out their ambitions for growth and their priorities for investment from the Government's new Local Growth Fund and European structural and investment funds. At the same time, it was agreed last year that a new version of *Unlocking the Potential*, Kent and Medway's growth strategy, would be prepared alongside and consistent with the South East LEP's strategic economic plan.
- 1.2. The Government asked for a draft Strategic Economic Plan to be submitted by 19 December. The LEP therefore submitted a first draft of its plan, *Innovation driving Prosperity* by this date. A first draft of *Unlocking the Potential: Going for Growth*, the Kent and Medway component of the Plan, was completed at the same time and was submitted to Government as part of the LEP's package of proposals.

## 2. ***Unlocking the Potential: Going for Growth: The current draft***

- 2.1. The current draft of *Unlocking the Potential: Going for Growth* is attached with this report as Annex 1. Consistent with previous discussions at Economic Development Cabinet Committee, Kent and Medway Economic Partnership, Kent Council Leaders and Business Advisory Board, it focuses on the three key themes of:
- **Places for Growth**, unlocking jobs and homes in those locations with the capacity and appetite for growth;
  - **Business for Growth**, focusing on growth in key business sectors to drive forward innovation, investment and jobs;
  - **Skills for Growth**, maximising the potential of the Kent and Medway workforce, with a central role for employers.
- 2.2. The draft includes proposals for funding from the Local Growth Fund of £575 million over six years from 2015/16 and £70 million from European Structural Funds over seven years from 2014. This request represents Kent and Medway's proposed 'share' of funds allocated to the South East LEP and is reflected in the overall South East LEP strategic economic plan. The draft of *Unlocking the Potential* breaks down the high-level investment request as follows:
- **Transport Investment Programme (£358.7 million)**, focused on transport proposals that will unlock housing and employment growth and additional private sector funding. An indicative schedule of priority transport schemes has been prepared and was discussed at the December meeting of KMEP.
  - **Skills and Employment programme (£65 million)**, including Kent and Medway's allocation of European Social Fund monies and anticipated match funding from the Skills Funding Agency.
  - **Direct Business Finance (£57.5 million)**, offering loan or equity finance to businesses with the potential for growth – building on the existing schemes offered by Expansion East Kent, TIGER and Escalate, with the goal of unlocking additional private finance.
  - **Land Development (£51.9 million)**, creating a fund to invest in bringing forward sites for jobs and homes. Recognising the diversity of the market and variable viability across Kent and Medway, it is envisaged that such a fund would operate on both commercial and gap funding based models.
  - **Skills Capital Fund (£20 million)**, investing in further and vocational educational facilities, especially in those parts of Kent and Medway where there has been less investment in new provision in recent years.
  - **Business Support (£15 million)**, offering direct support to businesses for growth and innovation and building on existing services such as High Growth Kent.
  - **Marketing and Promotion (£7 million)**, promoting opportunities in key sectors and marketing Kent and Medway as a place in which to invest and do business.
- 2.3. It should be noted that at this stage, these indicative allocations remain notional, and reflect anticipated departmental investment into the Local Growth Fund (for example, the largest source of funding is from Department for Transport) and likely funding regulations as well as Kent and Medway priorities.

- 2.4. In addition to our funding proposals, *Unlocking the Potential* contains twenty **solutions for growth**, some of which require specific freedoms and flexibilities to be granted by central Government. The full list is set out on pages 49-66 of the draft and is summarised on page 10.

### **3. Finalising *Unlocking the Potential***

- 3.1. The Government has asked us to work to a tight timetable. The LEP must submit a revised Strategic Economic Plan by 31 March. Within the federal structure adopted by the LEP, *Unlocking the Potential* and Kent and Medway Economic Partnership will set out Kent and Medway's priorities for the Strategic Economic Plan, so locally, we need to work to the same timescales.
- 3.2. It is therefore envisaged that over the coming weeks, the draft of *Unlocking the Potential* will be considered by Economic Development Cabinet Committee as well as business representation bodies, other local authorities, sub-county partnerships and other bodies, with a revised strategy prepared for approval by KMEP prior to submission to Government in March. It is anticipated that the Government will also provide feedback shortly on the LEP's Strategic Economic Plan and *Unlocking the Potential*, which we will need to take into account in preparing the revised draft.
- 3.3. During spring and summer, a period of negotiation is anticipated between the LEP and Government regarding the specific allocation of Local Growth Fund monies. It is envisaged that the outcome of this will be reported to Cabinet in early autumn, along with the final version of *Unlocking the Potential*.

### **4. Developing a Commissioning Plan**

- 4.1. At this stage, the investment requests and proposed solutions in *Unlocking the Potential* are high level. However, it is anticipated that Government will provide indicative allocations of Local Growth Fund by the autumn. As the allocation of LGF is competitive, it is important that further work is done to work out the detail of our investment proposals.
- 4.2. It is therefore proposed that Kent and Medway Economic Partnership develops a '**Commissioning Plan**', setting out how the Partnership seeks to invest funds devolved to it from the South East LEP, within the parameters of the indicative allocations set out in *Unlocking the Potential*. Development of the full Commissioning Plan is likely to take longer than 31 March and some aspects will depend on central Government guidance which we are still awaiting. In due course, further work will also need to take place to clarify governance arrangements linked with KMEP's intended future role in allocating and monitoring the use of public funds. However, while there are several unknown factors at this stage, starting to provide greater detail is important to our final submission, and a Commissioning Plan will be critical to KMEP's (and KCC's) future role in influencing funding.
- 4.3. The development of the Commissioning Plan will clearly need to involve a number of KCC directorates, building on extensive input to date in the development of *Unlocking the Potential* from across the authority.

## **5. Updating *Growth without Gridlock***

- 5.1. Alongside the development of *Unlocking the Potential*, work has also taken place to update *Growth without Gridlock*, the county's 20 year transport delivery plan. This reflects the significant anticipated investment in transport infrastructure that will come forward through the Local Growth Fund and the importance of transport investment in unlocking specific locations for growth and in delivering the county's longer term economic ambitions.
- 5.2. Consistent with the approach taken in *Unlocking the Potential*, the revised *Growth without Gridlock* is being developed as a joint Kent and Medway strategy, with the collaboration of the Kent Districts and it is envisaged that it will be endorsed by Kent and Medway Economic Partnership later this year.
- 5.3. A draft of *Growth without Gridlock* is attached as Annex 2 for comment.

## **6. Recommendations**

- 6.1. Cabinet is recommended to note this report, in particular the drafts of *Unlocking the Potential: Going for Growth* (Annex 1) and *Growth without Gridlock* (Annex 2).

### **Report author**

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12 January 2014

# Unlocking the Potential: Going for Growth

Kent and Medway's Growth Plan:  
Opportunities, challenges and solutions

## What do you think?

This Growth Plan is open for consultation and discussion – and we'd like to know what you think.

Comments are welcome – please email [UnlockingThePotential@kent.gov.uk](mailto:UnlockingThePotential@kent.gov.uk) or visit [www.kmep.org.uk](http://www.kmep.org.uk)

before 31 January 2013

# Contents

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**Foreword:  
Unlocking the Potential for Growth** 5

**1. Places for Growth** 11

**2. Business for Growth** 24

**3. Skills for Growth** 44

**4. The Deal for Growth** 49

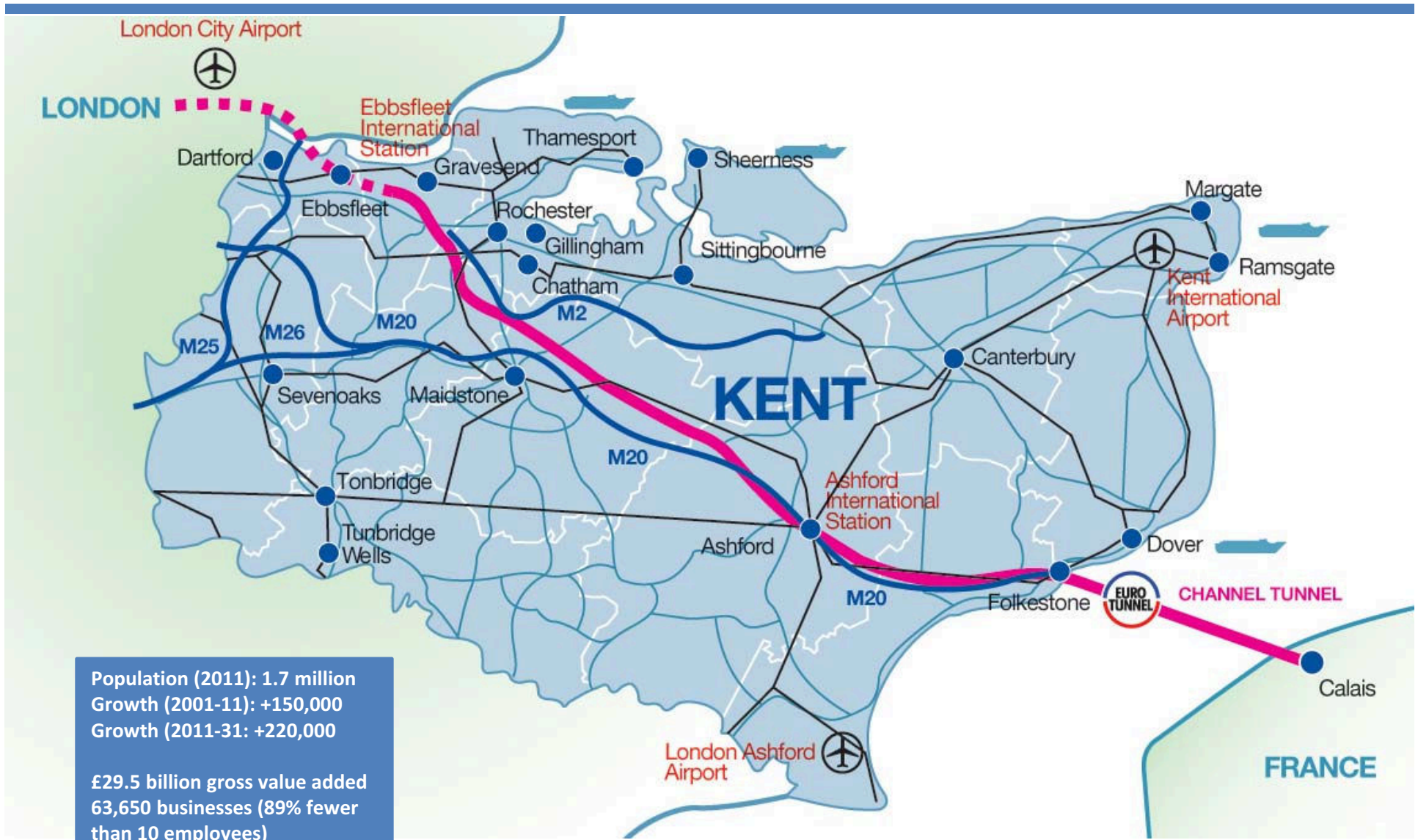
**Opportunities**

**Challenges**

**Solutions**

# Welcome / The Kent and Medway big picture

Page 152



Population (2011): 1.7 million  
 Growth (2001-11): +150,000  
 Growth (2011-31): +220,000

£29.5 billion gross value added  
 63,650 businesses (89% fewer than 10 employees)

Map courtesy of Locate in Kent



# Foreword / Unlocking the Potential for Growth

Welcome to *Unlocking the Potential: Going for Growth*, Kent and Medway's seven year growth plan. In Britain's gateway county, we have great potential for growth – and with business reporting renewed confidence as the economy returns to growth, now is the time to invest.

So this plan sets out our big opportunities for business growth – and the challenges that we must overcome. It identifies our solutions to unlock growth and sets out proposals for intelligent, market-led investment for jobs, homes and added value.

In this plan, we have set out the **opportunities, challenges and solutions** to meet the following objectives:

1. Deliver the **housing growth** that our economy needs. We aim to increase delivery to meet planned requirements – meaning an **additional 3,300 homes per year** for seven years above 2012/13 delivery levels (23,100 homes in total)
2. Create sustainable **private sector employment**. We aim to enable the creation of an **additional 40,000 jobs**, primarily by making it easier for businesses to secure finance and support, unlocking new development and promoting the county's opportunities.
3. Increase **economic value**. We aim to increase Kent and Medway's levels of productivity and innovation, leading to an additional **7,500 knowledge economy jobs** over seven years.

## Big opportunities

Kent and Medway is growing. Over the next twenty years, our population will increase by around 220,000 – equivalent to five towns the size of Tunbridge Wells.

With **London** on our doorstep, we are vital to the economic expansion of Britain's only world city and Europe's biggest city-region. The county offers some of the country's most important development sites. Our **strategic port, rail and road infrastructure** is vital in linking continental Europe with the rest of the UK. Recent investment in major transport infrastructure has brought Kent and Medway closer to markets and employment opportunities – with enormous opportunities presented to North and East Kent by **High Speed One**. With Kent and Medway an early adopter of national and local government investment in broadband, better connectivity is opening up new business opportunities, especially in rural parts of the county.

For much of the twentieth century, our economy was dominated by traditional industries such as paper making, shipbuilding, building materials, agriculture and domestic tourism – and historically it has lagged behind the rest of the South East.

But today, our economy is rapidly changing, with growing strengths in key sectors such as life sciences (for example at Discovery Park Enterprise Zone and Kent Science Park), creative and media industries (especially in West Kent, Folkestone and Margate), precision engineering and manufacturing (especially in Medway and Swale) increasingly R&D-intensive agricultural and horticultural activity and green technologies.

# Foreword / Unlocking the Potential for Growth

With few large companies, our economy is dominated by small and medium enterprises – creating a diverse and resilient economic base, and one which is increasingly innovative.

**We have had a strong relationship between business and local government for over a decade. We are building an environment conducive to private sector growth – with new infrastructure giving us capacity for expansion.**

## What we're already delivering

In Kent and Medway, we are making a strong commitment to growth – with local business and local councils working together with central Government.

Delivering England's most successful **Enterprise Zone** – with over 1,300 jobs at Discovery Park since EZ status was granted.

Delivering £65 million of the Government's **Regional Growth Fund** investment in North, East and West Kent. This will create over 8,000 jobs, with 2,090 already secured.

Delivering new solutions to **unlock housing growth** – such as the Kier Kent Initiative, using public sector land to bring forward institutional investment.

**Sharing the risk** with developers on major infrastructure costs to get development started in the Thames Gateway.

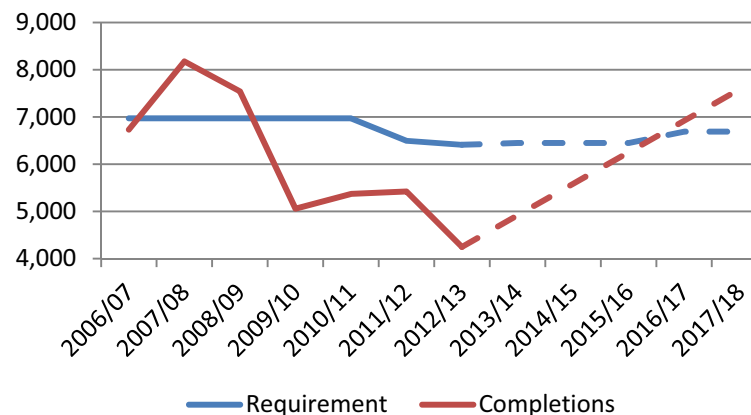
Delivering **integrated investment** in our coastal towns – linking housing market renewal and attracting new investment.

## Challenges

The expansion of jobs and homes in Kent and Medway is essential to the growth of the national economy.

However, in recent years, housing delivery has fallen substantially short of requirement. To meet forecast demand, we need to deliver almost 7,000 homes a year across Kent and Medway. Yet although planning permissions are in place, the impact of recession on viability in many places means that last year, we only delivered half of our requirement:

*Kent and Medway housing completions v. requirement*



Returning to a sustainable level of growth – for housing and employment - is essential if we are to meet the county's future needs.

# Foreword / Unlocking the Potential for Growth

From discussions with business, we have identified **four key factors** on which our return to growth depends:

- 1. Our ability to unlock major development sites.** In parts of the county – especially East Kent – the gap between the costs of the infrastructure to unlock growth and the receipts that these developments will yield is wide, even as the market returns. So we need solutions to reduce costs and bridge the viability gap.
- 2. The resilience of our strategic transport network.** We have benefited from significant investment in road and rail infrastructure. But as international traffic rises on major routes, our capacity will become increasingly limited. So we need to address bottlenecks on the strategic network. It is very welcome that the Government has now ruled out the least viable of the three options for a new motorway crossing of the Thames – and Government now must find new ways to finance delivery at the earliest opportunity.
- 3. Our skills potential.** Over the next twenty years, the Kent and Medway workforce will grow more slowly than the population as a whole – so we will need to increase productivity and drive forward our human resource potential – ensuring business has a real role in skills planning and getting more people into work.
- 4. The innovative capacity of our businesses.** In a competitive world, we need more businesses to invest in R&D, new products, goods and services. So we need to make it easier for businesses to unlock the finance and support that they need to expand.

## Solutions: Unlocking the Potential

Taking into account our big opportunities and the challenges that we face, this growth plan focuses on solutions to unlock growth – and the actions that we must take together.

Within this document, we have identified **20 key solutions**, focused on our three key themes of:

### Places for Growth

Solutions to unlock jobs and homes in places with the capacity and appetite for growth

### Business for Growth

Solutions to harness the opportunities of key business sectors to drive forward innovation, investment and jobs

### Skills for Growth

Solutions to maximise the potential of the Kent and Medway workforce, with employers at the heart of the system

Some of our proposals involve use of Government investment made available to us through the new Local Growth Fund. Some involve requests for changes to rules where we can reduce costs, cut bureaucracy and speed up delivery. **But all our proposed solutions are focused on achieving growth and delivering our three objectives of homes, jobs and business growth.**

# Foreword / Unlocking the Potential for Growth

## To unlock our potential, we will...

Invest in a **strategic transport programme for growth** focused on key employment and housing sites. We will seek devolution from Government to deliver some strategic schemes locally where it is cheaper to do so – and **we will ensure that all commitments to transport funding from the public sector are accompanied by developer commitments to build within a specified period.**

Bring forward sites for housing growth through a new **development fund** focused on opportunities for new forms of institutional investment in housing, and accompanied with a new role for Kent and Medway Economic Partnership in **commissioning the Homes and Communities Agency.**

Make it much easier for **SMEs in our key growth sectors to access loan finance and equity investment.** For every pound from the public sector we will secure £3 in private investment, linked with a better coordinated programme of support for firms with the potential for high growth and innovation and building on our successful RGF programmes.

Take bold steps to **tackle housing market failures and concentrations of deprivation** in parts of coastal Kent. We will act to remove poor quality housing at the same time as attracting new jobs and investment.

Invest in new, coordinated, innovative approach to **independent careers advice and guidance** accessible to all between the ages of 12 and 24 – with new incentives for training providers to meet local business needs.

## Working together

In Kent and Medway, we have a strong partnership between business and local government and we have a strong track record of delivery.

As part of the South East Local Enterprise Partnership – the largest LEP in England outside London – there are also many challenges and solutions that we share with our neighbours in Essex and East Sussex. So this plan is an integral part of the South East LEP’s strategy. But crucially, it sets out our shared ambitions, and our shared strategy for the county.

**We have the capacity and the appetite for growth.**

**We are vital to the growth of London, the South East and the UK.**

**We are focused on growth and we are committed to clear targets.**

**This is our strategy to unlock Kent and Medway’s potential.**

### Geoff Miles

Chairman, Kent and Medway Economic Partnership

### Paul Carter

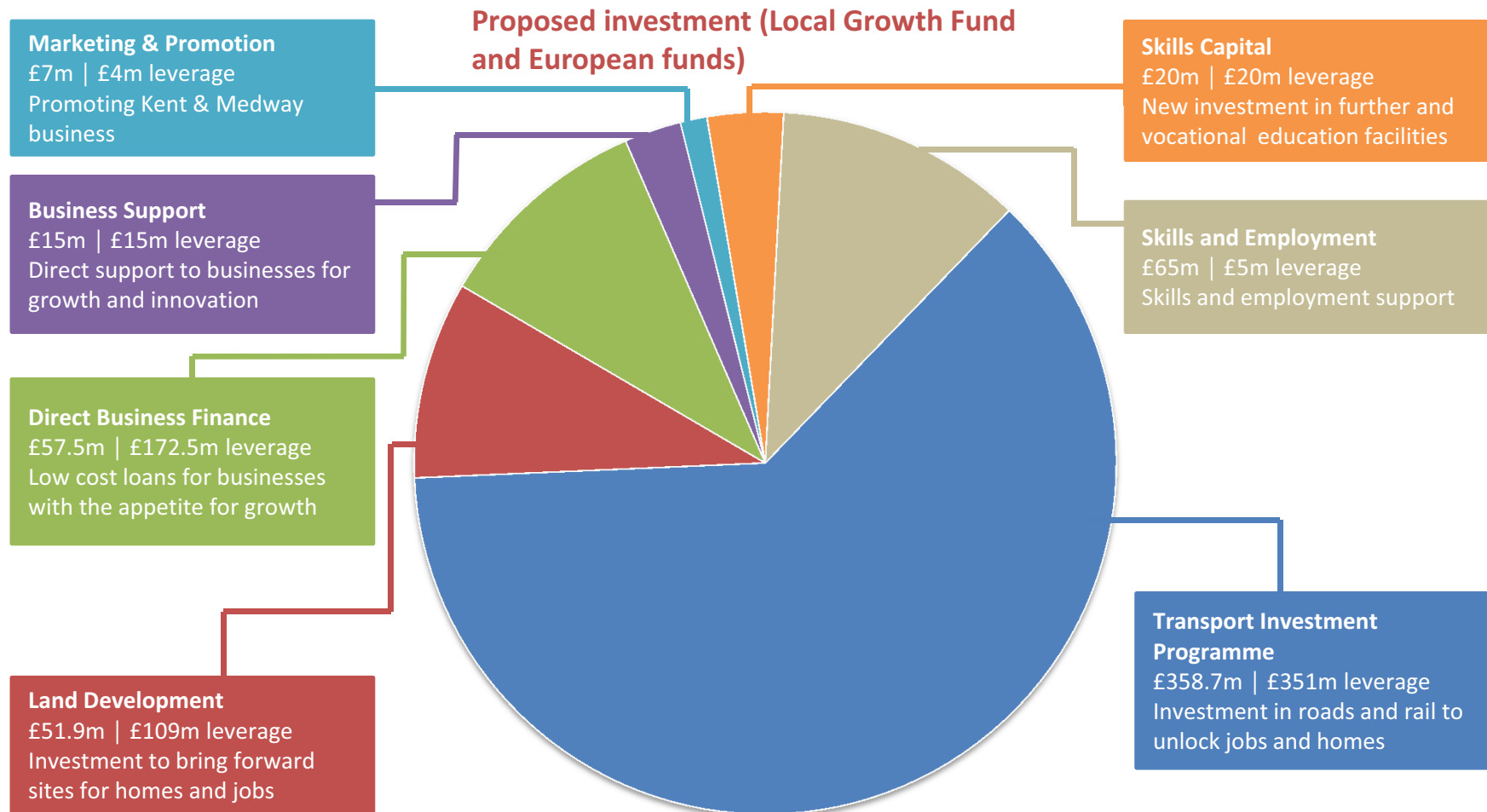
Leader, Kent County Council

### Cllr Rodney Chambers, OBE

Leader, Medway Council

# Summary / Investments

As part of the South East LEP's plans, our proposals for growth seek to use £575 million from the Local Growth Fund over six years from 2015/16 (including some funds managed directly by the LEP) and £70 million from the European Structural Funds over seven years from 2014/15. Our proposals will help to deliver 23,000 homes and 40,000 jobs and secure over £675 million in private finance:



# Summary / Solutions

We have identified **twenty solutions** to unlock growth in Kent and Medway.

Page 158

| Places for Growth  |   |  |
|--|---|--|
| <ol style="list-style-type: none"> <li><b>Transport Investment Programme</b> – investing in transport to unlock jobs and homes</li> <li><b>Selective devolution</b> of Highways Agency responsibilities for cheaper, quicker delivery</li> <li><b>Highways Agency</b> flexibility to open up growth sites</li> <li>New <b>Kent &amp; Medway Development Fund</b> to unlock sites for housing and jobs</li> <li>Consolidated <b>public sector assets</b> for economic growth</li> <li>A joined-up approach to current and historic <b>gap funding</b> decisions</li> <li>New role for Kent and Medway in <b>commissioning the Homes and Communities Agency</b></li> </ol> | <ol style="list-style-type: none"> <li>New incentives to attract <b>institutional investment</b> in housing</li> <li>A Kent and Medway Growth Framework – signed up to by all main <b>regulatory agencies</b> to prevent blockages to planned growth</li> <li>Local solutions to <b>deliver and restore housing</b>.</li> <li>Maximising the benefit of <b>High Speed One</b> – improving links to East Kent and reducing the costs of travel</li> <li>Tougher powers to deal with <b>poor quality housing stock</b> and landlords and tackle local concentrations of deprivation through ‘no go zones’ for the placement of vulnerable people</li> </ol> | <ol style="list-style-type: none"> <li>Co-ordinated support to business through a <b>Kent and Medway Business Hub</b></li> <li>Programme of <b>marketing and promotion</b> for Kent and Medway and its sub-county areas</li> </ol>   |
| Skills for Growth  |   |  |
|  | <ol style="list-style-type: none"> <li>Expanded <b>Kent and Medway Business Finance</b> programme offering low-cost loans to companies with the appetite for growth</li> </ol>  | <ol style="list-style-type: none"> <li>Employer-led approach to independent <b>careers information, advice and guidance</b></li> <li>Additional <b>higher apprenticeships</b>, supported through better information and financial incentives to business</li> <li>Reduced travel for 16-19 year olds – improving <b>access to learning and work</b></li> <li>New <b>Skills and Employment Responsiveness Fund</b> to address barriers to training</li> <li>Supported transition to work through <b>Assisted Apprenticeships</b></li> </ol> |
| Business for Growth  |   |  |

# Places for Growth/ Introduction

There is great potential to bring forward new homes and new jobs across Kent and Medway, with major sites for development to support a growing population. We must address the viability constraints that hold back some of our key locations for growth.

## Opportunities

**Capacity and appetite for growth** – especially in the Thames Gateway, Ashford, Maidstone and East Kent – with nationally significant **growth opportunities**  
Investment in **infrastructure** – especially High Speed One – is starting to transform business opportunities and perceptions

## Challenges

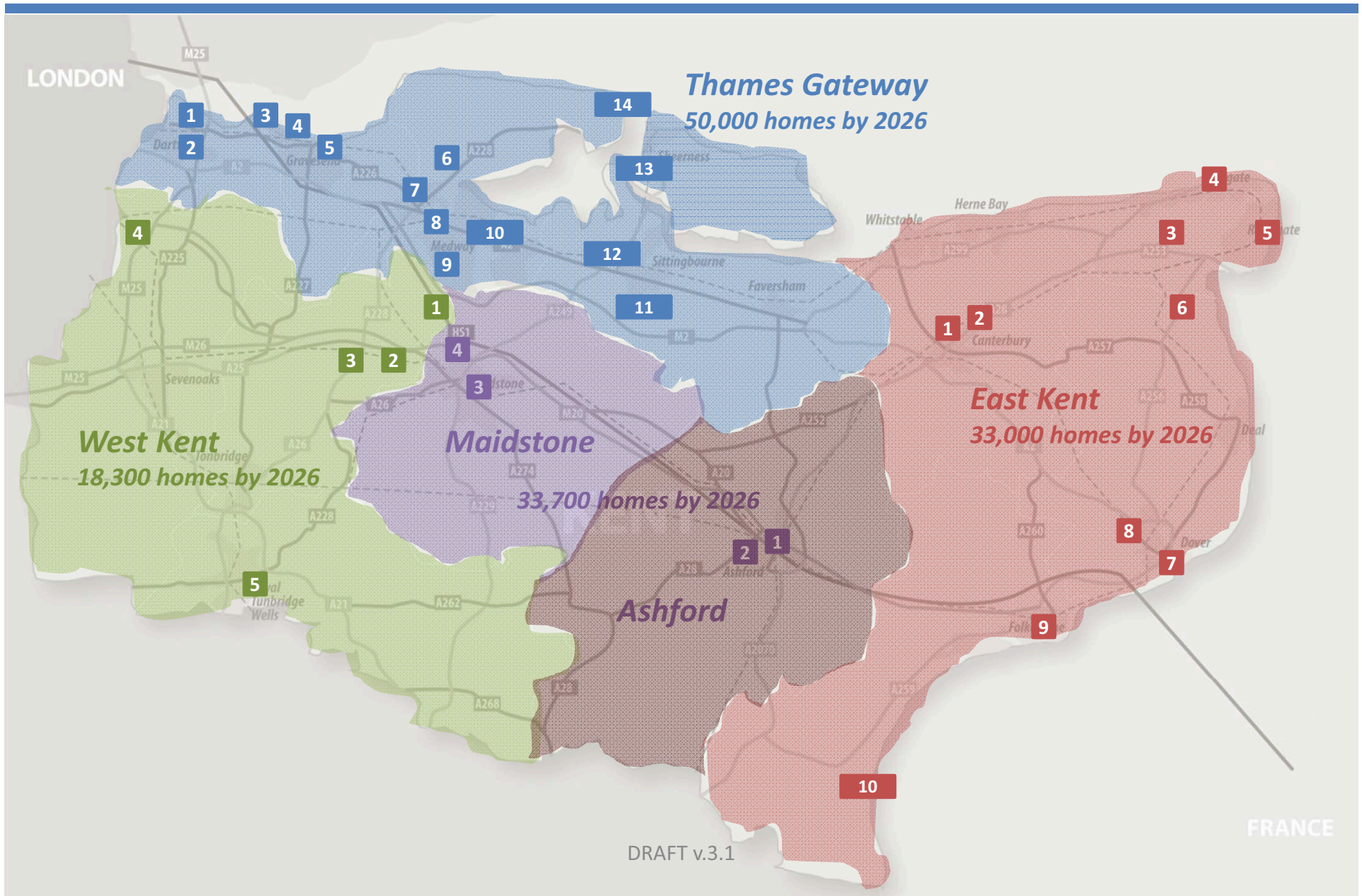
High **infrastructure costs** impacting on viability, especially as market has yet to fully return to growth  
Imbalance between **high capacity but weak viability** in the east of the county and limited capacity and higher viability in the west  
Constraints on **strategic transport network** impact on ability to bring forward key locations for growth  
**Risk aversion by major developers** – emergence of a high profit/ slow delivery equilibrium

## Solutions

Major investment in **transport infrastructure**  
Early action to bring forward strategic (Highways Agency) schemes where they impede growth  
Public sector-backed **Kent and Medway Development Fund** – providing investment  
New solutions to open up **housing delivery** – building on pilot work already underway to attract new institutional investment into the housing market  
Measures to tackle concentrations of deprivation and housing market failure in coastal Kent, including much stronger enforcement powers to **remove poor quality housing** and tackle benefit traps, ensuring that our investments in economic growth are reinforced with investments to tackle disadvantage

The following pages set out the opportunities and challenges that we face in each part of the county, and the solutions that we propose.

# Places for Growth / The opportunity





# Places for Growth / The opportunity

| Thames Gateway                    |
|-----------------------------------|
| 1. Dartford Northern Gateway      |
| 2. Ebbsfleet Valley               |
| 3. Swanscombe Peninsula           |
| 4. Northfleet Embankment          |
| 5. Gravesend Riverside            |
| 6. Lodge Hill                     |
| 7. Strood                         |
| 8. Rochester Riverside            |
| 9. Rochester Airfield             |
| 10. Chatham/ Chatham Maritime     |
| 11. Kent Science Park             |
| 12. Sittingbourne                 |
| 13. Queenborough and Rushenden    |
| 14. Medway Superhub               |
| Coastal East Kent                 |
| 1. Canterbury Knowledge City      |
| 2. A28 Corridor                   |
| 3. Manston/ Thanet Central Island |

| 4. Margate                             |
|--|
| 5. Port of Ramsgate                    |
| 6. Discovery Park Enterprise Zone      |
| 7. Dover Port and Waterfront           |
| 8. Whitfield                           |
| 9. Folkestone Town Centre and Seafront |
| 10. Romney Marsh                       |
| Ashford and Maidstone                  |
| 1. Ashford Commercial Quarter          |
| 2. Chilmington                         |
| 3. Maidstone Town Centre and Growth    |
| 4. Maidstone Medical Campus/ M20 J7    |
| West Kent                              |
| 1. Peters Village                      |
| 2. East Malling Research               |
| 3. Kings Hill                          |
| 4. Fort Halstead                       |
| 5. Tunbridge Wells                     |

# Places for Growth / Thames Gateway Kent

50,000 homes; by 2026. Target housing delivery: 14,660 to 2017/18

Page 162



## *Chatham Maritime*

*From a former dockyard to a flagship business, university and residential location*

DRAGAGES

# Places for Growth / Thames Gateway Kent

50,000 homes by 2026. Target housing delivery: 14,660 to 2017/18

Page 163

| Opportunities  | Challenges   | Solutions  |
|--|--|--|
| <p><b>The UK's leading economic growth zone</b><br/>From the City to Sheerness – rebalancing London's opportunities to the east with the biggest economic renewal area in Europe.</p> <p><b>Building on transformational investment</b><br/>With Ebbsfleet just 17 minutes from central London by High Speed One – and Medway transformed into a university city in less than two decades.</p> <p><b>Nationally-significant growth locations</b><br/>Ebbsfleet Valley – 10,000 homes and 20,000 jobs transforming a former chalk quarry into a new residential and commercial community next to Ebbsfleet International station.</p> <p>Swanscombe Peninsula – up to 27,000 jobs at a proposed international leisure park on a formerly contaminated brownfield site.</p> <p>Exceptional quality, shovel-ready waterfront development, including at Rochester and Chatham.</p> <p><b>Opportunities in high value sectors</b> – for example at Kent Science Park.</p> | <p><b>Transport infrastructure</b><br/>High levels of growth and the number of sites in close proximity mean substantial extra transport investment – on the national network (A2 and M2) as well as on local roads.</p> <p><b>Viability constraints</b><br/>The pace of development is accelerating as the market improves – especially in Dartford. But further east, viability issues stall development places such as Queenborough and Rushenden, infrastructure costs (e.g. flood defence) are high, major developers are risk averse and credit constraints still impact on smaller developers</p> <p><b>Unfocused national agencies</b><br/>National regulatory agencies (such as Natural England) often take an excessively narrow view of development costs and benefits and fail to see the big picture.</p> <p><b>Perceptions and promotion</b><br/>The scale of transformation makes the Thames Gateway an ideal place to invest. But external perceptions have not yet caught up with the Thames Gateway's potential.</p> | <p><b>Strategic Transport Programme for Growth</b><br/>We will unlock development with a proposed programme worth £190 million for Thames Gateway Kent (of which £133 million will be sought from the Local Growth Fund).</p> <p><b>Deal for Growth with the Highways Agency and with developers</b><br/>We will use an additional £31 million of Local Growth Fund investment to bring forward HA schemes – <b>with no public funds to be used without developer commitment.</b></p> <p><b>Multi-agency Growth Framework</b><br/>We will seek agreement with DEFRA, DCLG, BIS and DfT to ensure that regulatory agencies reflect growth objectives.</p> <p><b>Kent and Medway Development Fund</b><br/>We will create a new fund as part of the LEP, to bring forward development, with public sector assets including incorporating the HCA's Economic Assets Programme.</p> <p><b>Promoting investment</b> We will develop a marketing campaign for the Thames Gateway aimed at attracting significant institutional investment in infrastructure and housing</p> |

# Places for Growth / Coastal East Kent

33,000 homes by 2026. Target housing delivery: 8,500 to 2017/18

## *Margate*

*With over 1 million visitors attracted to Turner Contemporary since 2011*



# Places for Growth / Coastal East Kent

33,000 homes by 2026. Target housing delivery: 8,500 to 2017/18

Page 165

| Opportunities   | Challenges  | Solutions  |
|---|---|--|
| <p><b>Closer to London than ever</b><br/>Journey times cut dramatically, with Canterbury and Folkestone now accessible to London via HS1 within an hour.</p> <p><b>Transformed cultural and tourism offer</b><br/>Building on better accessibility, cultural and creative industries in places such as Margate and Folkestone are growing rapidly – boosting the £1.4 billion visitor economy.</p> <p><b>Key sector opportunities for growth</b><br/>Discovery Park EZ is a centre for investment in pharmaceuticals and life science, with further strengths in the low carbon industries</p> <p><b>Large number of key sites</b>, many with infrastructure and services provided.</p> <p><b>Major university cluster</b><br/>University of Kent and Canterbury Christ Church and UCA combined make a major contribution to the local economy, supporting the business base.</p> <p><b>Nationally vital infrastructure</b><br/>Europe’s busiest passenger port at Dover - 12.7m passengers and 7m road haulage vehicles a year – with major expansion plans.</p> | <p><b>Many sites difficult to bring forward</b><br/>Commercial and residential land supply exists, with consent, but many sites not viable in current market conditions. So public intervention is essential to bring forward development where there is demand.</p> <p><b>Insufficient infrastructure capacity</b><br/>The expansion of the Port of Dover and continued long term growth in traffic mean that strategic solutions are needed to increase capacity on the A2 corridor.</p> <p><b>Exploiting the benefit of HS1</b><br/>In particular, journey times to Thanet remain lengthy and HS1 is costly – so it is important that we invest in the existing line to improve connections.</p> <p><b>Housing renewal is hampered by long-term structural problems</b><br/>The operation of the housing market – a legacy of the decline of traditional tourism and low values – reinforces concentrations of unemployment, impacting on the wider economy.</p> | <p><b>Transport infrastructure investment</b><br/>We will invest in improvements to the A2 and M2, linked with the delivery of a new Thames Crossing.</p> <p><b>Improved rail connections</b><br/>We will reduce journey times through targeted improvement of the existing network (linked with HS1) and a new parkway station in Thanet.</p> <p><b>Development funding to deliver key sites</b> -<br/>We will deliver gap funding solutions through the Kent and Medway Development Fund to overcome significant viability issues.</p> <p><b>Breaking concentrated deprivation</b><br/>We will seek new draconian powers to close down poor quality housing stock that puts residents at risk – reducing the benefit trap by capping placements of vulnerable families in designated ‘no go’ areas, restricting housing benefit payments to sub-standard landlords, and investing in housing renewal.</p> <p><b>Promoting investment and tourism</b><br/>We will increase East Kent’s attractiveness as a place to live and invest, capitalising on HS1 and the area’s quality of life</p> |

# Places for Growth / Ashford and Maidstone

33,700 homes by 2026. Target housing delivery: 11,400 to 2017/18



## *Ashford*

*Direct links to continental Europe and just 37 minutes to central London by high speed rail*

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# Places for Growth / Ashford and Maidstone

33,700 homes by 2026. Target housing delivery: 11,400 to 2017/18

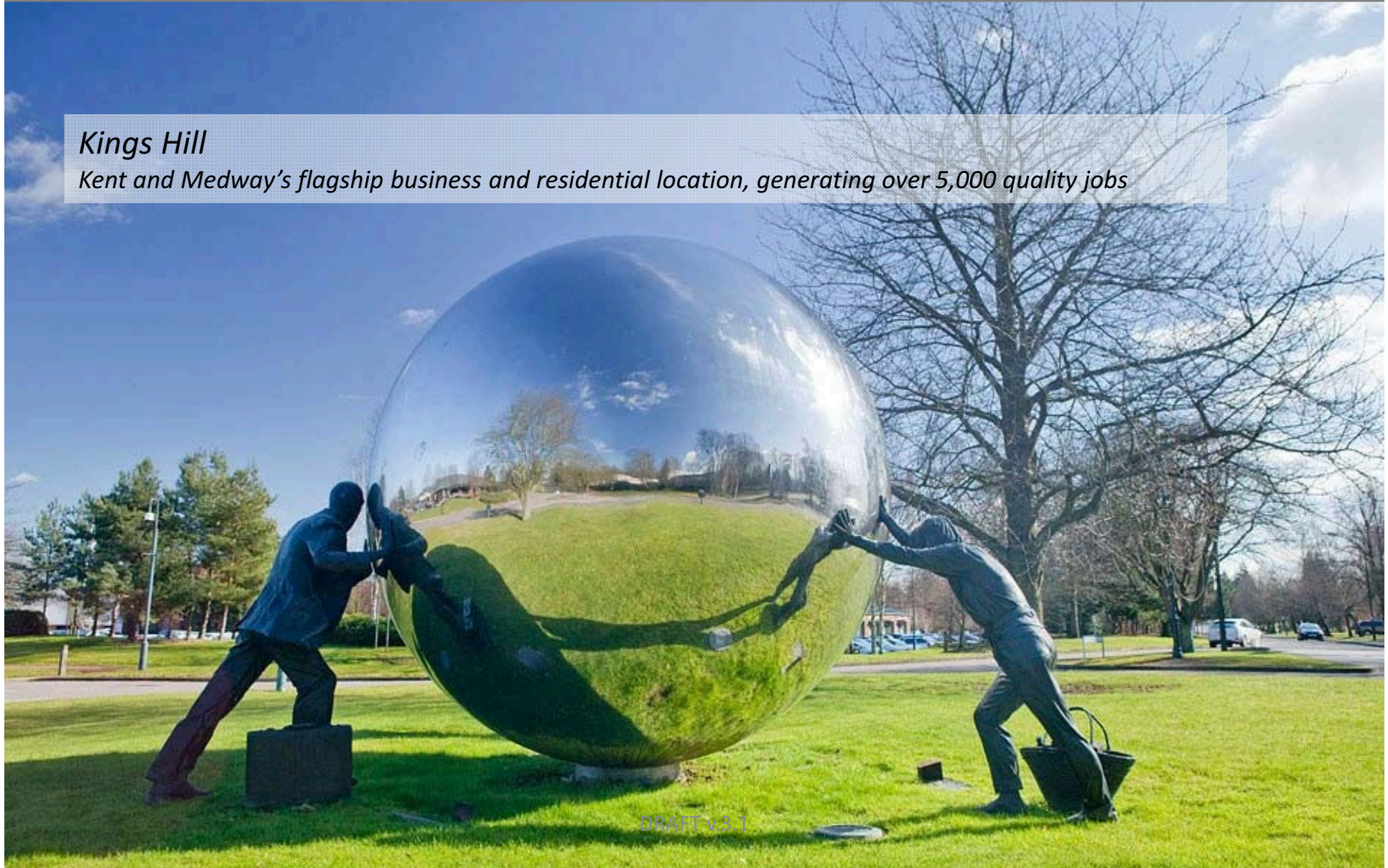
| Opportunities  | Challenges  | Solutions  |
|--|---|--|
| <p><b>Capacity for growth</b><br/>Ambition for growth in both districts, with significant sites with capacity for expansion. These include Chilmington Green and the area around M20 Junction 10 at Ashford and substantial housing and commercial growth in Maidstone.</p> <p><b>Clear developer appetite for investment</b> on major sites in both Maidstone and Ashford.</p> <p><b>Excellent connectivity to Ashford</b><br/>Ashford International only 37 minutes from central London by High Speed One, and good road connections via the M20.</p> <p><b>Key opportunities for employment growth</b><br/>Associated with the expansion of Ashford Commercial Quarter and Eureka Park, the development of Kent Institute of Medicine and Surgery at Maidstone and the growth of an increasingly dynamic creative economy.</p> <p><b>Strong links to wider economic area</b><br/>With both Ashford and (especially) Maidstone employment centres for East, North and West Kent.</p> | <p><b>Major strategic infrastructure constraints</b> blocking growth in key locations – for example, Junction 10a on the M20, which could deliver around 5,000 jobs.</p> <p><b>Congestion threatening existing economic performance</b> - especially in Maidstone, with significant pressure on existing transport infrastructure as a result of significant development having already taken place</p> <p><b>Unbalanced rail connectivity</b> - excellent services via HS1 from Ashford, but poor connections from Maidstone - and infrastructure constraints on future international services from Ashford.</p> <p><b>Need to attract higher value private sector activity</b>, with relatively high dependence on public sector employment in Maidstone and relatively low levels of non-public sector knowledge economy employment in both Maidstone and Ashford.</p> <p><b>Balancing rapid growth</b> - maintaining investment in town centres and quality of life alongside major commercial and residential development.</p> | <p><b>Targeted transport investment</b><br/>We will open up Junction 10a (with funding now agreed through the Local Transport Board) and address congestion pressures – including investment in signalling at Ashford International to safeguard future Eurostar services.</p> <p><b>Funding for land development</b><br/>We will create the Kent and Medway Development Fund to assist in bringing forward schemes that are close to market through recyclable funding solutions.</p> <p><b>Support for innovation and growth</b><br/>We will increase the growth potential of Mid Kent’s SME base – linked with the opportunities, challenges and solutions set out in the <b>Business for Growth</b> section and including extended access to low-cost business finance.</p> <p><b>Promoting opportunities</b><br/>We will invest in the promotion of key development opportunities in Ashford and Maidstone.</p> |

# Places for Growth / West Kent

18,300 homes by 2026. Target housing delivery: 3,750 to 2017/18

## *Kings Hill*

*Kent and Medway's flagship business and residential location, generating over 5,000 quality jobs*



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# Places for Growth / West Kent

18,300 homes by 2026. Target housing delivery: 3,750 to 2017/18

Page 169

| Opportunities   | Challenges   | Solutions   |
|---|--|---|
| <p><b>Strong, high value business base</b><br/>Over 16,000 small and medium enterprises in a diverse range of sectors, with particular strengths in creative and media (especially in Tunbridge Wells) and financial and business services.</p> <p>This is linked with a strong workforce skills base and high levels of knowledge economy employment.</p> <p><b>Important locations for growth</b><br/>In particular, Kings Hill is Kent’s flagship mixed use development, with over 5,000 jobs and 10,000 residents. Other key growth locations include Peters Village in the Medway Valley, Fort Halstead near Sevenoaks and the major town centres at Tonbridge and Tunbridge Wells.</p> <p><b>Strong demand and land values</b><br/>Developer demand is high, with West Kent seen as a desirable place to live and invest.</p> <p><b>Relatively good connectivity</b><br/>Good access to M25 and London infrastructure (e.g. Gatwick Airport); good rail links to Sevenoaks and Tunbridge Wells.</p> | <p><b>Limited development opportunities</b><br/>Very constrained capacity due to metropolitan green belt and other environmental designations – so limited delivery despite high demand.</p> <p><b>High levels of congestion</b>, especially in town centres, impacting on resilience of existing economy.</p> <p><b>Localised connectivity constraints</b>, in particular the poor quality of London services on the Maidstone line via West Malling.</p> | <p>Unlocking development in West Kent is unlikely to require significant public sector intervention to free up access to finance or pay for substantial infrastructure works.</p> <p>However, with capacity for growth constrained in West Kent, it will be important to ensure delivery in those locations that can be brought forward:</p> <p><b>Investment in sustaining West Kent’s economic base</b><br/>We will invest in measures to overcome congestion pressure points at Tonbridge and Tunbridge Wells through the Transport Investment Programme, alongside targeted investments to open up key sites (e.g. at Peters Village in the Medway Valley).</p> <p><b>Backing innovation and growth</b><br/>Focusing in particular on opportunities at key growth locations such as Fort Halstead and East Malling.</p> <p><b>New solutions to unlock housing</b><br/>For example, we will build on the Kier Kent Initiative at Sevenoaks to develop housing with a mix of tenures on public sector land.</p> |

# Places for Growth / Rural Kent



**Lamberhurst**  
*Kent and Medway's high-value land-based sector at the heart of an innovative rural economy*

# Places for Growth / Rural Kent

| Opportunities  | Challenges   | Solutions  |
|--|--|--|
| <p><b>High levels of economic activity</b><br/>Rural Kent accounts for over 36% of all businesses in the county (compared with 29% of its population). So the rural economy makes a disproportionately large contribution to Kent and Medway’s economic growth, providing jobs for urban as well as rural Kent.</p> <p><b>Diverse business base</b><br/>Overwhelmingly SME-dominated, with high levels of home-working in a range of sectors.</p> <p><b>Better digital connectivity</b><br/>With Kent and Medway among the first places in the country to deliver superfast broadband, rural business will be better able to respond to market demand – vitally important to the growing home-based sector.</p> <p><b>Quality of life</b><br/>A key reason why business wants to locate in rural Kent– with excellent quality of life underpinned by environmental designations alongside access to the South East’s infrastructure.</p> | <p><b>Housing affordability</b>, with high market prices reinforced by strong environmental constraints on bringing forward new supply.</p> <p><b>Isolation and concentrations of deprivation</b> in peripheral rural areas, such as Grain and the Isle of Sheppey, where distances from markets and jobs are significant.</p> <p><b>Constrained growth</b> due to need to balance environmental and economic demands – and the reliance of much of the rural economy on protecting environmental quality – but demand for additional homes to support local need.</p> | <p>Solutions to growth focus on balancing the vitality of the rural economy with environmental protection, including:</p> <p><b>Supporting the growth of Kent’s land based sector</b><br/>We will invest in the development of the sector’s innovative capacity, focusing on key assets such as East Malling Research.</p> <p><b>Completing the rollout of superfast broadband</b><br/>We will deliver BDUK rollout in Kent and Medway by 2015/16. Alongside this, we will deliver a programme to promote demand for new technology among SMEs.</p> <p><b>Promoting rural investment</b><br/>We will promote investment opportunities in rural Kent, linked with tourism, land-based industry, environmental quality and small business strength, as part of a coordinated county-wide approach.</p> |

# Business for Growth / Introduction

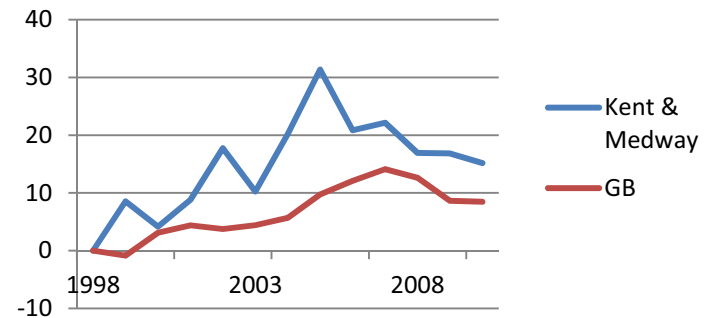
With a strong SME base and growing sector strengths, business in Kent and Medway will be leading the county's return to growth. So we must ensure that we have a positive environment for business expansion – where businesses with the appetite for growth can secure the finance, people and ideas to create jobs and prosperity.

**We have an entrepreneurial economy**, driven by thousands of small and medium-sized businesses. Of **63,650** businesses across the county, 89% employ fewer than ten people – and most of these employ fewer than five.

**We have a growing knowledge economy**. The number of people employed in the knowledge economy remains relatively small – reflecting Kent and Medway's traditional industrial legacy. But over the past 15 years, **it has grown at almost twice the national rate of growth**. If we can sustain and stabilise this rate of growth, we will increase our contribution to national growth and increase the number of higher-value jobs.

**We are benefiting from improved infrastructure**. As the previous chapter set out, High Speed One has transformed the travelling time between London and parts of Kent. Previously distant and peripheral, it is now quicker to reach Canary Wharf from Ebbsfleet than it is from Kensington – a huge opportunity for Kent business.

Knowledge economy growth (%) since 1998



**We have key sector strengths** in life sciences, creative and media industries, low carbon technology, land-based industry, manufacturing, construction, tourism, higher education and health and social care.

We have established a strong, long term relationship with our leading business sectors, through a continuing series of sector roundtables and a business survey. These have informed our analysis of opportunities, challenges and solutions set out on the following pages.

**We have an innovative approach to business support**. In a dynamic market, **most business finance and most innovation will be delivered by the market in open competition**.

We have used our sector knowledge to focus on targeted interventions where there are gaps in the market and a real role for the public and private sectors to work together, for example in delivering access to finance, business coaching for innovation and support for trade and investment.

# Business for Growth / Introduction

Businesses have told us that to unlock the growth potential of Kent and Medway’s businesses, we must tackle finance, skills and network constraints and focus on those sectors of the economy with the opportunity for long-term expansion.

## Opportunities

Diverse and resilient business base, dominated by SMEs  
Strengths in key sectors with long-term growth potential (and a strong understanding of our sector base)  
Access to large and affluent markets in London and the South East  
Return to growth reinforced by positive UK tax and regulatory environment

## Challenges

Capacity for growth, especially within innovative SMEs – including ability to access finance for expansion  
Workforce sustainability, with difficulties reinforced by outdated/inaccurate perceptions of sector opportunities  
Networking and supply chain challenges, especially among SMEs across dispersed geography

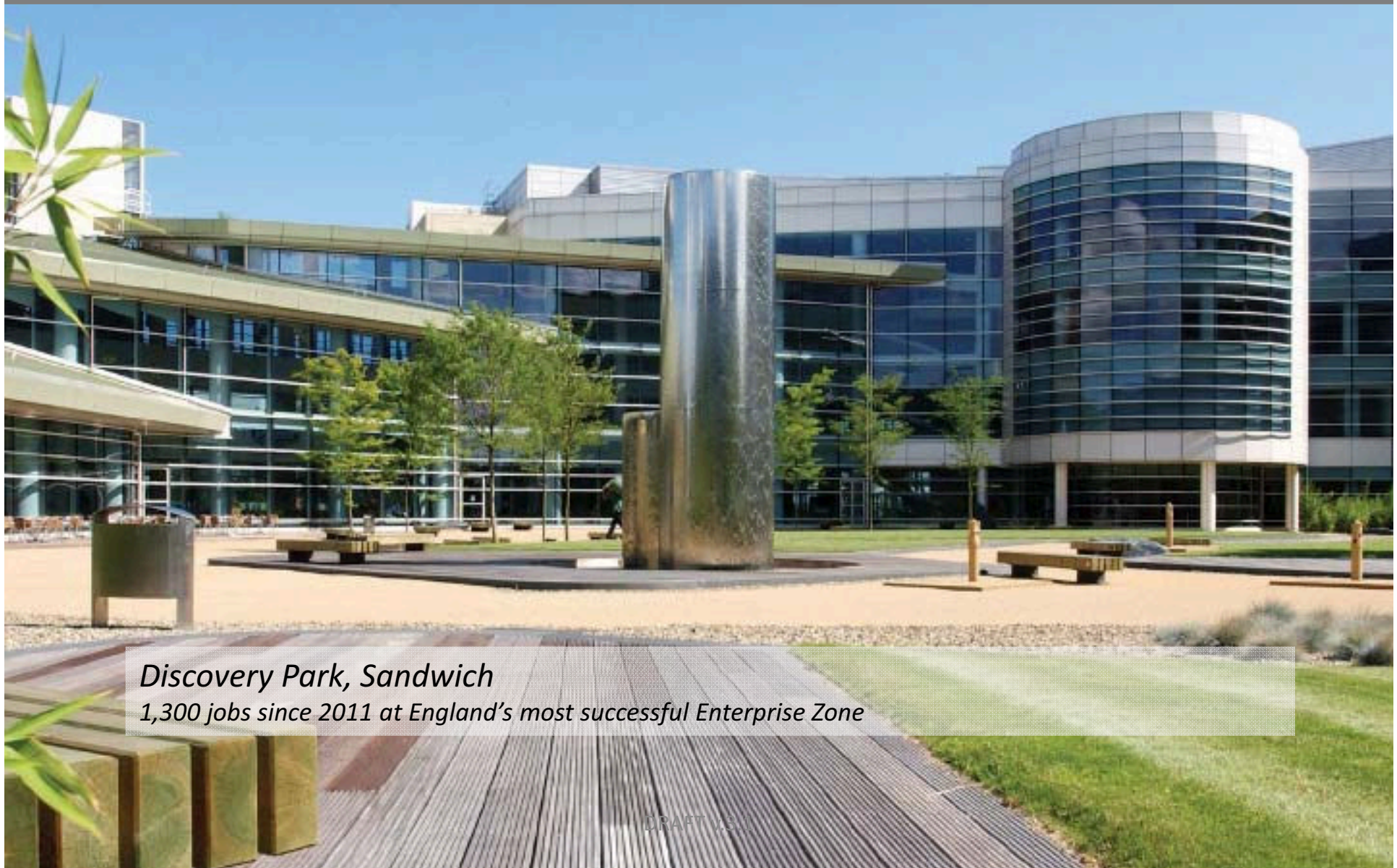
## Solutions

Support for **equity and debt finance to support business expansion**, product development and commercialisation, where this will unlock private investment. Building on our existing Regional Growth Fund schemes, we will create a **£100 million recyclable fund** offering finance on viable terms to SMEs  
Business coaching to support capacity for **growth and innovation** – with improved links between capacity and commercialisation support offered locally, nationally and by the university sector  
Greater employer involvement – especially through sector networks – in identifying **workforce skills needs** and in promoting opportunities to prospective employees  
Business-led network development to promote opportunities for commercial collaboration

The following pages set out the opportunities and challenges that faced by each of our key growth sectors, and the solutions that we propose to unlock our business potential.

# Business for Growth / Life Sciences

Currently: 6,000 jobs; 126 businesses. Target: 20% job increase by 2018



*Discovery Park, Sandwich  
1,300 jobs since 2011 at England's most successful Enterprise Zone*

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# Business for Growth/ Life Sciences

Currently: 6,000 jobs; 126 businesses. Target: 20% job increase by 2018

## Opportunities

### UK national advantage

Britain's pharmaceutical sector is the world's fourth largest, underpinned by a favourable regulatory and tax environment for R&D.

### Changing global market

Multinationals such as Pfizer and GSK moving away from integrated R&D and production operations – leading to opportunities for smaller businesses.

### Significant concentrations of activity,

including Sandwich (Discovery Park), Sittingbourne (Kent Science Park) and Dartford (Crossways), as well as in Medway and Ashford – and new opportunities with the development of the Maidstone Medical Campus.

### Strong legacy from former major employers

Such as the former Pfizer site at Discovery Park, and a significant skills base from former multinational employees based in the county.

### Proximity to research base

Bioscience and pharmacy presence at University of Kent, and easy access to London research institutions.

## Challenges

### Risks and costs of innovation

R&D outsourcing is a big opportunity for SMEs – but the costs and risks of life science R&D are high, and the equity gap for smaller innovative businesses is recognised as a national problem.

### Perceived distance from the life science R&D core

The sector has significant concentrations in locations such as Cambridge and Oxford. With HS1, Kent and Medway is the same journey time from London – but we need to do more to change investor perceptions .

### Retaining and growing the skills base

Part of our skills base is our legacy from major employers such as Pfizer. We need to retain this mobile workforce, while ensuring that the significant opportunities in the sector attract new entrants.

### Linking with the knowledge base

There are relatively few life science spin-outs in Kent and Medway, and no university medical school (a key part of the life science innovation system in many places).

## Solutions

### Improving access to finance

We will use public sector financial support alongside private investment to bridge the equity gap.

### Promoting Kent and Medway

We will take a sector-focused approach to investment opportunities – in particular in marketing Discovery Park Enterprise Zone and Kent Science Park as key life science clusters.

We will **increase support to innovative businesses**, both through the expansion of High Growth Kent and its links with Growth Accelerator and by developing much stronger connections with university business support (including with leading universities in London and beyond).

### Developing a life science network

Kent and Medway's life science cluster is somewhat dispersed. We will support the establishment of a private sector-driven network to support collaboration between SMEs and the research base.

# Business for Growth / Creative and Media

Currently: 14,000 jobs; 4,100 businesses. Target: 20% job increase by 2018

## School for Creative Start-ups

The School for Creative Start-ups is an interactive support programme based in Folkestone and backing new start businesses. Starting this year, it currently supports 86 start-ups from across the county.

*Francesca Rowan joined the programme with a theatre business, but quickly decided that she could make more of her current interior design business. Since she has made the transition, she has already secured an £80,000 contract with Goodnestone Park, a Stately Home in Kent.*

## Creative Quarter, Folkestone

*Creativity and better connectivity leading to growth*

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# Business for Growth/ Creative and Media

Currently: 14,000 jobs; 4,100 businesses. Target: 20% job increase by 2018

## Opportunities

### UK national sector strength

Creative industries account for about 4.3% of national employment – but over 10% of UK exports, reflecting strengths in areas such as software and publishing.

### Very strong sector growth

Creative industry employment increased 85% over past decade.

### Strong locations for growth

Especially in West Kent (notably Tunbridge Wells), with strengths in Ashford, Canterbury and a growing presence in East Kent.

**Strong focus on fast-growing sub-sectors,** through programmes such as Medway’s Recreate initiative, with software and digital media (accounting for 48% of the county’s total creative workforce).

### Relevant higher education base

Especially through the University for the Creative Arts at Medway.

### Connectivity improvements

Especially better digital connections following broadband rollout, supporting opportunities in rural Kent.

## Challenges

### Dispersed and often isolated businesses

Lack of connectivity and weak business networks identified by business as a barrier to growth – for example, inhibiting the ability of businesses to collaborate in seeking joint procurement opportunities.

### Capacity to manage growth

Small and micro businesses are faced with the challenge of responding to very rapid staff and turnover growth.

### Sustaining young businesses

Creative businesses are innovative and often high risk – with a challenge of survival and securing the right finance in their early years.

### Securing the right skills for the future

A particular challenge for software and digital media businesses, with businesses reporting difficulties in securing new staff with the right level of specialist computing skills.

## Solutions

### Supporting better networks

We will support Creative Kent and other networks - bringing the creative sector together to compete for contracts and market and promote opportunities.

### Innovation and growth

We will target business coaching and growth support to creative businesses, through the High Growth Kent network and through access to loan and equity finance.

### Informing the skills market

We will provide a stronger business voice to further and higher education providers in articulating changing industry skill needs.

# Business for Growth / Low Carbon

Currently: 21,000 jobs. Target: 20% jobs increase by 2017/18

## *London Array*

*The world's largest wind farm off the North Kent coast*



# Business for Growth / Low Carbon

Currently: 21,000 jobs. Target: 20% jobs increase by 2017/18

## Opportunities

### Rapid sector growth

As energy and environmental costs rise, opportunities grow in energy efficiency and carbon reduction. Nationally, sector growing by 4-5% per year across renewable energy, retrofit, waste management and environmental technologies.

### Comparative advantage

Relatively high low carbon and energy employment in Kent and Medway compared with other regions.

### Offshore wind and CORE designation

Kent and Medway is designated as a Centre for Offshore Renewable Engineering (CORE), including the world's largest wind farm at London Array and the potential for manufacturing in Medway and Swale.

### Government support

The UK low carbon market is one of the world's largest and Government make a significant range of incentives and support schemes available to promote growth.

### Strong local supply chain opportunities

Especially in areas such as retrofit and low carbon construction.

## Challenges

### Attracting larger investments

Especially in offshore wind, where the sector is dominated by a limited number of large businesses with high initial investment costs.

### Developing the supply chain

The sector is diverse and fragmented – and many potential suppliers unaware of the scale of the potential.

### Raising demand

The sector will be stimulated by increased demand for new solutions from businesses and households. But potential consumers don't always understand product availability or potential cost savings.

### Costs of innovation

Environmental technology SMEs face high costs and risks (as with other R&D-intensive businesses) and access to finance and support is often a barrier.

### Securing the right skills

Specialist skills are in high demand – but changing industry demand not always articulated.

## Solutions

### Improving access to finance

We will use targeted public sector support to unlock private investment in SMEs in the low carbon sector.

### Understanding the market

We will support the growth of the market by helping potential suppliers understand likely areas of growth and by incentivising residential and commercial demand for energy efficiency.

### Building networks

We will support the growth of the Kent Wind Energy and Low Carbon Kent supply chain networks to enable Kent and Medway SMEs to access new business opportunities, linking them directly with business support.

### Improving skills intelligence

We will increase employer involvement in making the Kent and Medway workforce – and potential workforce – aware of job opportunities in the sector.

# Business for Growth / Land-based



*Thanet Earth*  
*Using technology to increase UK food production*

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# Business for Growth / Land-based

| Opportunities  | Challenges  | Solutions  |
|--|---|--|
| <p><b>Comparative advantage in horticulture</b><br/>Kent contains some of the UK’s most productive agricultural land, accounting for two-thirds of national top fruit production (apples, pears, etc) and about a third of strawberry production.</p> <p><b>Strong sector identity</b><br/>The Garden of England, with a long agricultural history and brand.</p> <p><b>Changing markets and crop production</b><br/>Rising transport costs and changing consumer preference mean demand for home production, at the same time as new export markets are developed.</p> <p><b>Research and skills base</b><br/>East Malling Research one of the country’s most important institutions for horticultural R&amp;D; National Fruit Collection at Brogdale near Faversham and specialist land-based education offered through Hadlow College.</p> <p><b>Extensive supply chain links</b><br/>Strong impact of sector on wider business services and supply chain – total Kent food chain worth £2.6 billion.</p> | <p><b>Purchaser strength</b><br/>Strong pressure on costs and margins by small number of dominant retail purchasers in the market.</p> <p><b>Rising resource costs and constraints</b><br/>In particular, pressure on water resources is a key issue for Kent, given intensive use by horticulture sector and long-term supply pressures.</p> <p><b>Underexploited branding</b><br/>Despite the potential of the Kent brand, its value is not always levered to its full extent.</p> <p><b>R&amp;D base undervalued</b><br/>Despite natural strengths, Kent’s agricultural research base has historically not been valued as highly.</p> <p><b>Outdated sector perceptions</b><br/>In particular, perceptions of the land-based sector as a career choice are often uninformed, with a lack of recognition of the sector’s technological and organisational sophistication.</p> | <p>Although public assistance to the land based sector is restricted by state aid rules, there is a strong partnership in place with the sector, including through Kent Rural Board.</p> <p><b>Improving perceptions</b><br/>We will improve access to sector skills and careers information.</p> <p><b>Supporting branding and marketing</b><br/>Building on Produced in Kent, we will support sector-led efforts to develop the Kent brand and local producer networks.</p> <p><b>Developing access to R&amp;D</b><br/>We will support the expansion of Kent and Medway’s R&amp;D base and focus efforts on enabling businesses to access and finance research. In particular, we will support efforts to address rising resource costs (especially water scarcity) where they impact on Kent’s horticulture sector.</p> |

# Business for Growth / Manufacturing

Currently: 44,700 jobs; 3,535 businesses



*Manufacturing and Engineering Expo 2013, Chatham  
Promoting opportunities and technology in Kent and Medway*

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# Business for Growth / Manufacturing

Currently: 44,700 jobs; 3,535 businesses

## Opportunities

### Substantial existing sector presence

Manufacturing accounts for 10% of Kent and Medway’s GVA (£2.85 billion) – and is particularly important in Medway and Swale.

### High and rising productivity

GVA contribution has remained high, although employment has fallen over time.

### Some large employers...

For example, BAE Systems at Rochester, Delphi at Gillingham, Hitachi at Ashford, Cummins at Ramsgate, Knauf at Sittingbourne.

### ... But mostly a diverse SME base

With diversity and lack of reliance on any major anchor at the centre of the supply chain a source of resilience.

### Higher education engineering strengths

Especially through School of Engineering at University of Greenwich at Medway.

### Land capacity

Extensive availability of suitable premises for manufacturing, especially in North and East Kent.

## Challenges

### High levels of competition

Strong cost competition from overseas placing increasing pressure on UK sector to raise productivity and innovative capacity.

### Sensitivity to input prices

In some parts of the sector, rising energy costs are likely to be a significant issue.

### Relatively dispersed activity

Despite concentrations in North Kent, local supply chain links and export levels are quite weak, reflecting lack of dominant ‘anchor’ employers.

### Ageing workforce

Specialist skills and knowledge hard to replace and difficulties in recruiting new staff with the right skills.

### Costs of development and expansion

Access to finance a barrier to expanding production, especially for SMEs.

### Outdated sector perceptions

Negative perceptions of mass manufacturing fail to take account of higher-value state of the modern industry.

## Solutions

### Developing R&D collaboration

We will promote the development of stronger sector-based networks, including facilities for collaboration in design and development.

### Supporting innovation and productivity improvements

We will improve access to innovation and growth support, building on the work of High Growth Kent and national organisations.

### Improving access to finance

We will extend access to finance where it will unlock private sector investment. We will make best use of Government’s proposed Assisted Area designations in Thanet /Dover and Medway/Swale.

### Improving business ownership of skills

We will build on the experience of Swale Skills Centre at Sittingbourne and proposed University Technical College in Chatham to increase relevant skills supply.

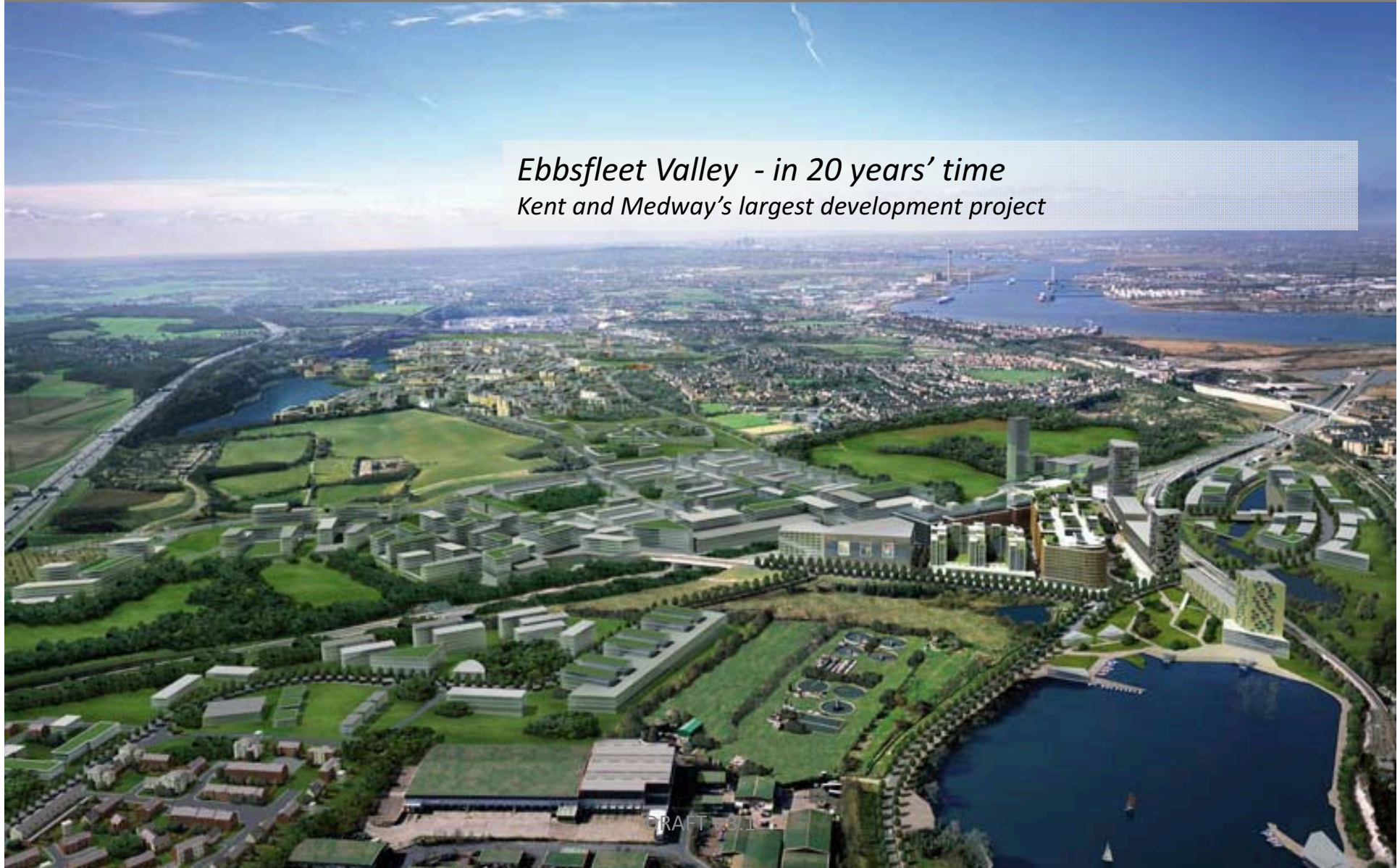
### Changing perceptions

We will improve careers guidance to promote opportunities in manufacturing .

# Business for Growth / Construction

Currently: 36,000; 8,200 businesses

*Ebbsfleet Valley - in 20 years' time*  
*Kent and Medway's largest development project*





# Business for Growth / Construction

Currently: 36,000 jobs; 8,200 businesses

## Opportunities

### Major new development opportunities

With the need to deliver around 7,000 homes a year to support anticipated demand, including very major commercial and residential schemes.

### Return to growth in property market

Initiatives such as Help to Buy have stimulated market demand, and there is a greater appetite to develop (at least in places closer to M25).

### Demand for retrofit

As energy costs rise and Government incentives are offered, demand for energy efficiency measures is rising, offering opportunities for the local construction sector.

### Proximity to markets

Easy access to London and wider South East market – generally the most buoyant in the UK.

### Extensive supply chain links

Industry tends to have extensive and local supply chains, meaning significant multiplier effect on local economy.

## Challenges

### Impact of recession

8,000 jobs were lost in the construction sector in Kent and Medway between 2009 and 2012 – 18% of the workforce. This is a considerable shrinkage – leading to capacity constraints as the market returns to growth.

### Demand and price volatility

As demand returns, inflation in materials costs rise.

### Difficulty in accessing finance

Especially for smaller developers, as demand volatility makes private investors risk-averse.

### Skills supply

Difficulties in responding to rising demand due to earlier contraction – and shortage of new sustainable construction skills.

### Regulatory and resource costs

Costs of regulation generally seen as higher in the UK than in parts of continental Europe. Water and energy costs rising.

## Solutions

### Access to finance for smaller developers

As part of the Kent and Medway Business Finance programme, we will make additional products available offering access to finance where this will help unlock private investment.

### Public-private sector relationship

We will maintain and build on Kent Developers' Group as a forum for local authorities and developers.

### Better skills opportunities

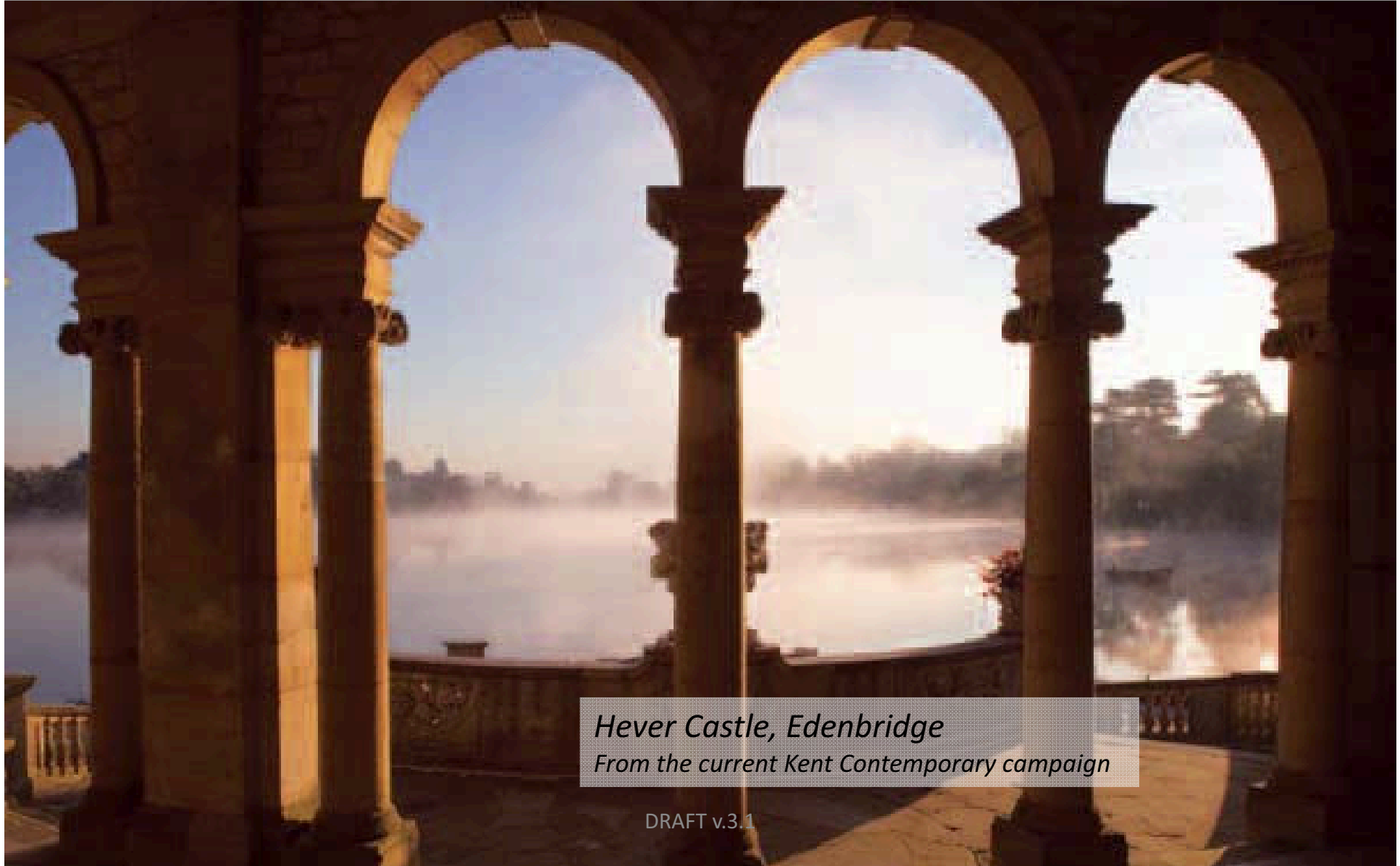
We will invest in facilities such as SusCon at Dartford and Swale Skills Centre at Sittingbourne, where they are developing new, higher-value skills. We will also aim to change perceptions of the opportunities in the sector among new entrants to the jobs market.

### Kent and Medway Development Commitment

We will support project delivery through a new principle in the allocation of capital funding to infrastructure schemes – requiring developers to formally commit to delivery if infrastructure funds are allocated.

# Business for Growth / Tourism

Currently: 40,000 jobs; 3,500 businesses



*Hever Castle, Edenbridge  
From the current Kent Contemporary campaign*

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# Business for Growth / Tourism

Currently: 40,000 jobs; 3,500 businesses

## Opportunities

### Strong tourism product offer

Including internationally-renowned historical assets (such as Canterbury Cathedral), coastal tourism and a strong rural offer underpinned by environmental and landscape quality. This is reinforced by investment in new attractions, environmental quality and effective marketing and development by Visit Kent.

### Major future opportunities

For example, the proposed Paramount theme park development in North Kent.

### Proximity to markets

Especially to London and Northern Europe – with accessibility greatly improved by High Speed One. Visitor trips account for some £2.7 billion of expenditure annually.

### Resilience through recession

Overseas numbers continued to rise during the downturn and domestic demand also increased.

### Significant supply chain opportunities

With close links between the tourism sector and the county’s key creative and land-based industries, as well as with retail.

## Challenges

### Fragmentation – but shared interests

There are many thousand micro tourism and hospitality businesses – but all depend on the quality of the wider offer. So there is a key challenge in maintaining the quality of the Kent brand.

### Market competition

High competition between visitor destinations, placing a premium on quality and value for money.

### Staff recruitment and retention

With employment in the sector historically seen as lower-value, there is a need to raise awareness of the range of opportunities in the sector.

## Solutions

### Marketing and promotion

We will continue our investment in Visit Kent to promote the county, ensuring a consistent, quality brand.

### Supporting business growth

We will offer sector-specific support to tourism and hospitality businesses, including financial support, with the aim of supporting micro enterprises and raising product quality.

### Improving employer direction of skills provision

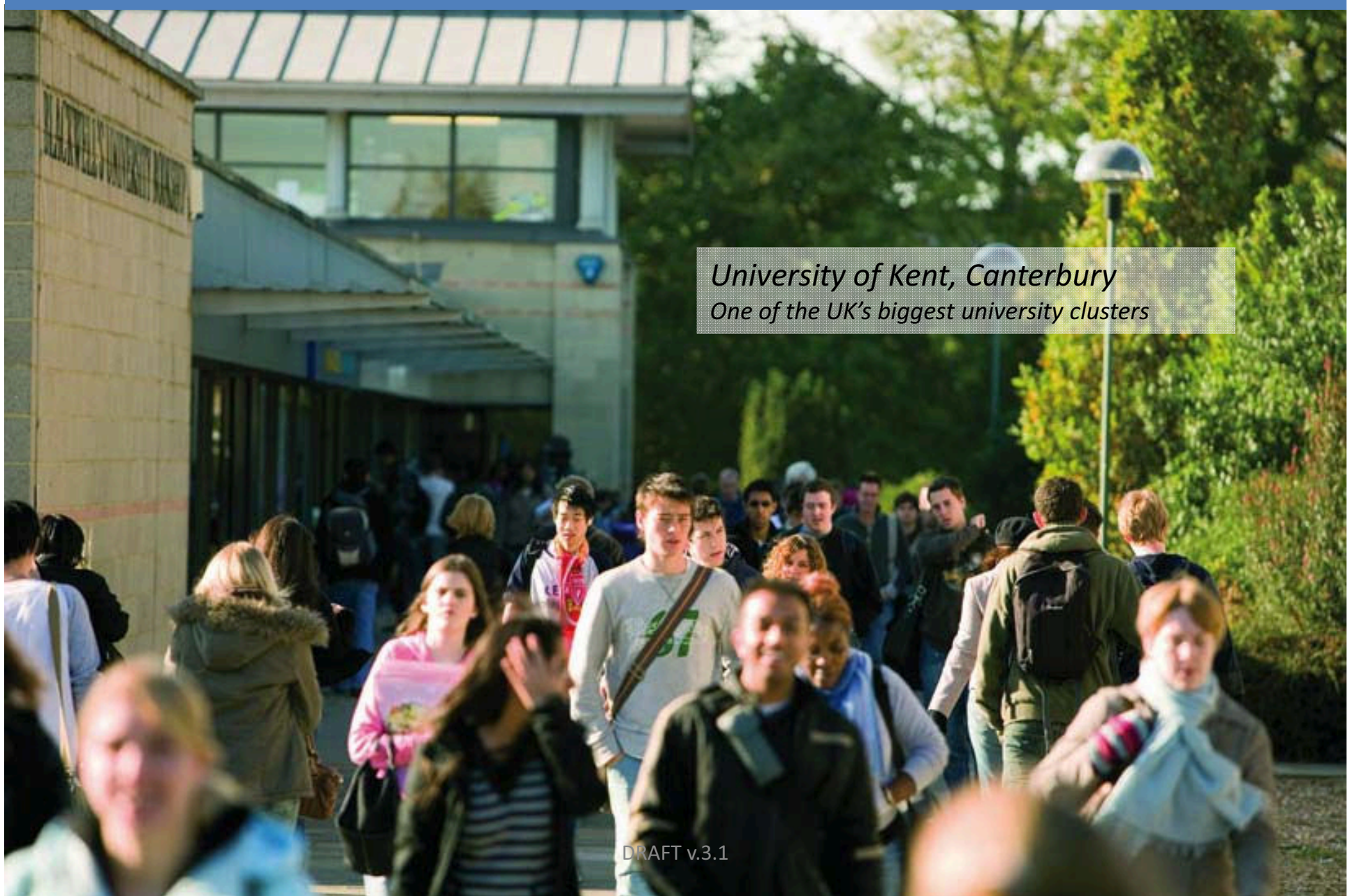
We will establish a Tourism and Hospitality Guild to help employers recruit and retain, which we will expand and roll out.

## Developing quality



Before Nicola Liddiard decided to open Brook Farm B&B in Woodchurch, near Ashford, she had no experience in the hospitality sector. So before starting, she got in touch with Visit Kent’s Quality Programme, who supported her from planning her business start to the actual opening – securing a Visit Britain 5 star silver rating at the start and becoming part of Kent’s quality visitor offer.

# Business for Growth / Higher Education



*University of Kent, Canterbury*  
*One of the UK's biggest university clusters*

# Business for Growth / Higher Education

| Opportunities   | Challenges   | Solutions  |
|---|--|--|
| <p><b>Large university presence</b><br/>Four universities (University of Kent, Canterbury Christ Church University, University of Greenwich and University for the Creative Arts), with 45,000 students and recent expansion.</p> <p><b>Concentrations of activity</b><br/>Mainly at Canterbury (70% of the county’s university student population) and Medway, with significant contribution to local economy.</p> <p><b>Linking university expertise with business</b><br/>Especially encouraged following the Witty Review of university links with local growth and building on universities’ current innovation products.</p> <p><b>Commercial application of university research</b><br/>Within multiple areas of university activity, but especially in areas of key local sector strength (such as engineering/ University of Greenwich and biosciences/ University of Kent).</p> | <p><b>High and increasing competition</b><br/>Both for research funding and for students (including international students who bring substantial revenue).</p> <p><b>Innovation and business support offer not always joined up</b> across universities, local authorities and providers and national programmes.</p> <p><b>Local growth contribution not always understood</b><br/>In particular, universities are often seen as suppliers of skills to the local economy, but they are also economic drivers in their own right.</p> <p><b>Physical capacity for business expansion</b><br/>With space for spin-outs and start-ups on campus at Canterbury and Medway limited.</p> | <p><b>Joining up business support activities</b><br/>We will link together university-based support programmes with other locally-available initiatives to give the best possible advantage to Kent and Medway-based university start-ups. This will be linked with a joint marketing programme.</p> <p><b>Linking access to finance</b><br/>We will use Kent and Medway’s business loan products to support university start-ups and spin-outs, and will develop a joint equity investment product alongside the private sector for university-based start-ups, where businesses have strong growth potential.</p> <p><b>Developing facilities for growth</b><br/>We will consider the demand for additional incubator and innovation facilities linked with Kent and Medway universities on or off campus, ensuring that they have clear gateway and time-limit policies and support businesses with real growth and innovation potential.</p> |

# Business for Growth / Other key sectors

Page 190

|                                 | Opportunities   | Challenges   | Solutions  |
|---------------------------------|---|--|--|
| Health and Social Care          | Rising demand as population ages.<br>Greater variety of provision.<br>New application of telecare/ telehealth technology.                                       | Future viability of funding models and pressures on cost.<br>Recruitment and retention of quality staff.   | Access to finance to support new social enterprises.<br>'Futureproofing' housing in new developments to reduce future costs. |
| Financial and business services | Proximity to London jobs and business market.<br>New technology-driven services<br>Locations for future growth (e.g. Ebbsfleet)                                 | Vulnerability to offshoring, especially back-office functions.<br>Limited potential for local influence over sector development.                   | Access to finance and innovation support for SMEs at innovative end of sector (e.g. advanced data services)                  |
| Transport and logistics         | Existing strengths in distribution<br>Nationally-important operators (e.g. Port of Dover, Eurotunnel) with expansion plans.<br>Rising trade and freight volumes | Rising energy and environmental costs.<br>Ageing workforce.  | Support for major expansion plans within Strategic Transport Programme.  |
| Retail                          | Increasing link with wider leisure and tourism industry<br>Key national retail destination at Bluewater<br>Potential driver of local growth                     | Vulnerability of traditional model to internet shopping.<br>Continued difficult conditions for town centres, especially in second-order locations. | Focused business support as part of wider town centre renewal strategies.  |

# Business for Growth / Already investing

Kent and Medway businesses are taking advantage of growth opportunities...

## Finance

Kent and Medway benefits from a range of access to finance products, to help companies with growth potential unlock private sector investment.

This includes over £60 million secured through the Government's **Regional Growth Fund** supporting the Expansion East Kent, TIGER and Escalate schemes, in addition to local investment in established programmes such as Medway's **Partners for Growth**



**HV Wooding** is a precision engineering company in Hythe. With clients including CERN and Rolls-Royce, the firm has strong growth potential– but needed additional finance to support expansion. A £1.1 million loan from **Expansion East Kent** is funding new production capacity, creating 16 jobs in the next 12 months.

## Growth

**High Growth Kent** provides coaching to businesses with high growth potential.

This year, **East Kent Cartons** approached High Growth Kent, concerned about losing their competitive edge. Their machinery was inefficient with regular downtime.



They needed to invest in a new 6 colour printer for quicker production time but the new machine would not fit in their existing premises. Their HGK coach helped them raise the finance they needed and they have now identified new premises, purchased new machinery and introduced a new shift pattern. East Kent Cartons is now looking at 30% growth in turnover and a bright future.

DRAFT v.3.1

## Trade

Exporting is a proven route to business growth. The **Two Seas Trade** programme helps Kent and Medway businesses enter new markets.

**Blends for Friends** is a West Kent firm making specialist tea blends for corporate clients and the catering sector.



Last year, Two Seas Trade helped Blends for Friends make new business contacts in Belgium. Following their success at the TAVOLA food and drink fair in Kortrijk, Blends for Friends secured new business in Belgium worth £40,000. This year, turnover is expected to rise by £100,000, and the firm is successfully doing business with a top-end Belgian catering firm.

# Skills for Growth / Introduction

**Growth in key sectors and increasing employment opportunities demand a skilled, motivated and creative workforce. So we must be innovative, flexible and responsive – engaging employers in designing approaches to skills and the information, advice and guidance that supports it.**

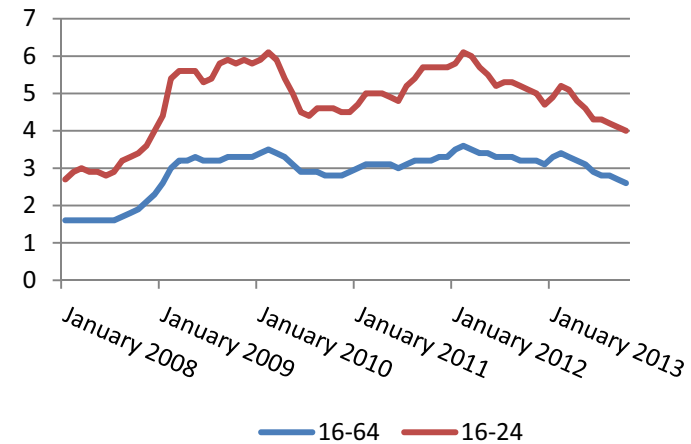
**We have major opportunities for new employment.** Growth is forecast in key sectors, major new developments offer prospects for large-scale job creation and opportunities in London – in commuting distance for much of the county – are set to increase. We also have an increasingly strong understanding of our sector skills needs.

**Employment levels are rising.** The recent recession saw a much smaller rise in unemployment than previous downturns, and unemployment is now falling – both among the workforce overall and among people aged 18-24. With greater flexibility, the labour market should be able to respond as employment opportunities develop. So we must create stimulating approaches to skills development in our growth sectors.

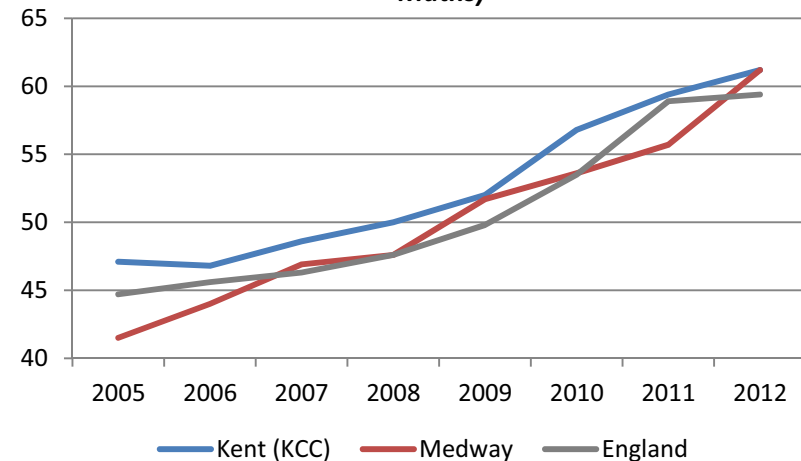
**Our workforce is becoming better skilled.** Workforce skills still lag behind the national average, but long term improvement is fairly consistent. This will be enhanced by developing creativity, entrepreneurship and innovation within the workforce.

**School attainment levels are improving.** GCSE results have improved consistently over the past decade, but **Kent and Medway now outperform England as a whole** – and although results have levelled off nationally, they have kept on rising in the county.

*Jobseekers' Allowance claimant count (%) since 2008  
Kent and Medway*



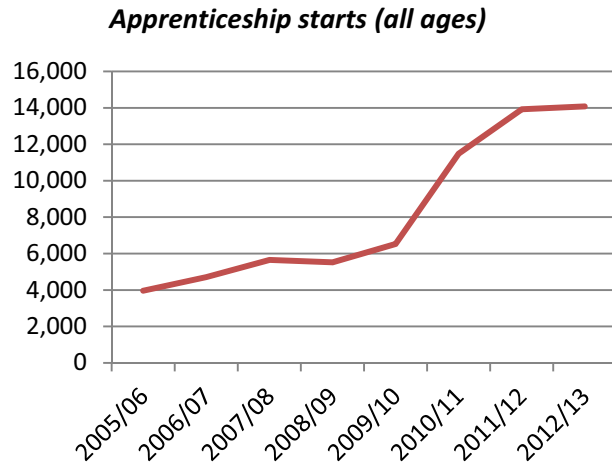
*% gaining 5+ GCSEs as grades A\*-C (inc English and Maths)*





# Skills for Growth / Introduction

**Apprenticeships are increasing.** There has been a consistent rise in the number of apprentices in Kent and Medway. Medway Council, KCC and the Kent Districts play an active role in promoting and brokering apprenticeship opportunities.



Increasing the number of apprentices means working to raise employer demand by promoting opportunities, reducing the costs to SMEs and focusing on the availability of opportunities in our growth sectors.

It also means raising the supply of potential apprentices, ensuring that young people are aware of the available opportunities, understand how they can take advantage of them and have the skills they need.

Some of the services we currently offer in Kent and Medway include:

## GAPS

Medway Council’s flagship apprenticeship scheme, the GAPS project has helped over 200 people into apprenticeships since 2011 and helped Medway achieve a rate of apprenticeships almost 11 times higher than the national average. Working with over 140 SMEs in Medway, GAPS has set up and filled apprenticeships and helped businesses access training and financial support. Employers have praised the programme for ‘providing bright and willing to learn employees’

## Kent Employment Programme

Following rising youth unemployment, the Kent Employment Programme was set up as a flexible grant fund to help local businesses take on young people who had been unemployed for three months or more as apprentices. Developing strong relationships with Jobcentre Plus and Work Programme providers, the Kent Employment Programme has helped business recruit 500 apprentices so far.

## Assisted Apprenticeships

Assisted Apprenticeships help care leavers, young parents, those from troubled families and other vulnerable young people find sustainable employment. Each category has an identified champion working with the young people, while KCC provides support to the employer. This successful model has resulted in 106 young people accessing apprenticeships since 2011.

# Skills for Growth / Challenges and solutions

| Opportunities  | Challenges   | Solutions  |
|--|--|--|
| <p><b>Building on success</b><br/>With attainment levels rising steadily and successful initiatives underway to increase choice in vocational learning, increase apprenticeships and training in higher level technical skills and in growth sectors, with involvement employers.</p> <p><b>Policy clarity</b><br/>The Government is clear that the skills system should be market-led and demand-responsive. This provides a clear context for our local, demand side-focused response.</p> | <p><b>Tightening labour market over the long term</b><br/>There will be fewer working age people as a proportion of the population , leading to pressure to increase productivity and skills levels.</p> <p><b>Mismatch between opportunities and perceptions</b><br/>In a demand-led system, we must ensure that demand is well-informed. But frequently, perceptions of many sector opportunities are outdated and inaccurate.</p> <p><b>Reported skills shortages</b><br/>About 20% of employers in Kent and Medway report skills shortages, higher than the national average – and many continue to report concerns about work readiness and employability.</p> <p>There are more apprenticeship vacancies than there are young people to fill them, because many applicants do not have the vocational or work-ready skills to take up available opportunities.</p> | <p><b>Informing the market</b><br/>Working with key business sectors, we will develop a much stronger <b>independent information, advice and guidance system</b>, building on the successful Kent Choices4u platform and offering more accurate information on future employment opportunities. This will include a job matching service for those aged 16-24.</p> <p>We will link this with the development of a sector-based <b>Guild model</b>, giving businesses greater ownership of the delivery of information, advice and guidance to meet future sector needs.</p> <p><b>Increasing employer support</b><br/>Building on the successful <b>Kent Employment Programme</b> and <b>Employ Medway</b>, we will seek to offer financial assistance to employers recruiting higher apprentices in priority sectors.</p> <p>We will expand the KEP/ Employ Medway model to become a brokered service that supports SMEs, helps them to access their needs, provides support to enable sustained apprenticeship and job opportunities and supports the transition to work</p> |

# Skills for Growth / Challenges and solutions

| Opportunities  | Challenges   | Solutions  |
|--|--|--|
| <p><b>Economic recovery</b><br/>As youth unemployment starts to fall and employers become more willing to recruit, we need to ensure that there is an effective supply chain of young people with the right skills, capabilities and ambition.</p> <p>We also need an infrastructure that enables successful transition for adult workers moving from one career to another, especially in priority sectors.</p> <p><b>Strong partnerships</b><br/>The Kent and Medway Employment Learning and Skills Partnership Board brings together employers, providers and the KMEP – with the HE and FE sectors also represented directly on KMEP and with the Skills Funding Agency participating.</p> | <p><b>Concentrated worklessness</b><br/>Despite falling unemployment, access to the labour market is low in places, especially coastal and estuarial Kent and Medway and especially among 18-24 year olds.</p> <p>The requirement for English, maths and IT skills for most jobs means that vulnerable young people and adults risk becoming disenfranchised and struggle to access sustainable employment.</p> <p><b>Employer involvement and capacity</b><br/>Employer time to inform the market - and to benefit from apprentices – is often limited, especially in an economy dominated by SMEs.</p> | <p><b>Responding to employer demand</b><br/>We want to ensure that a system responsive to learner demand is also responsive to employer demand.</p> <p>So we will work with the Skills Funding Agency to examine the outcome of pilot projects which have offered incentives to providers meeting employer priorities, and we will consider how these can be applied in Kent and Medway, with potential pilots in the newly created Youth Employment Zone areas.</p> <p><b>Supporting access to learning and employment</b><br/>We will establish a Workforce Response Fund, financed by the European Social Fund, to be used flexibly to remove barriers for individuals, employers and providers in order to boost skills, employment and job creation. Building on Medway’s SUCCESS model, we will ensure that ‘soft skills are a key element of all training programmes</p> <p>We will seek to make it easier for young people to access work and learning by <b>extending reduced-cost travel</b> by public transport to 16-19 year olds.</p> |

# Skills for Growth / Already investing

## The Langton Star Centre

The Langton Star Centre, based within the Simon Langton Grammar School for Boys, provides a world class model for the promotion of research based science education within schools. Students are routinely involved in research activities in which they are the architects of the learning process and where they are able to work alongside academic and research scientists in pursuing authentic research projects.

In addition to research carried out in conjunction with CERN, work includes research into multiple sclerosis and genetic crop research on wheat.

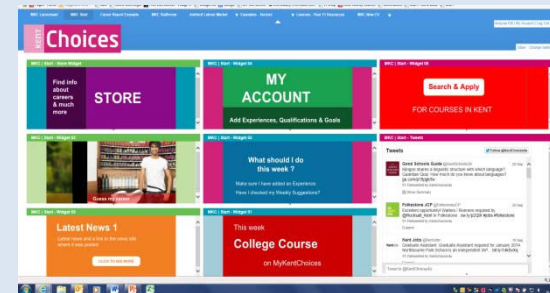


As a result, the school has more students taking A levels in maths, further maths, chemistry and physics than any other school in the UK and provides almost 1% of all the physics undergraduates in the UK.

## Kent Choices4u

Kentchoices4u.com is Kent's online applications and careers portal. Year 11s use the system to apply for courses and it contains information about careers and post 16 options.

The site is increasingly popular, with over 170,000 visits to the site, and over 11,000 young people making an application between September 2012 and May 2013. The site is the largest and most used of its type in the country.



We are piloting a fully interactive system to bring together web and computer-based resources and target them at young people. This will also contain a CV builder, interactive skills development portfolios and employability skills support.

Using the system, we will bring students and companies together. Companies will be able to place their employment/training offer within the site alongside resources to help young people to develop the skills and experiences they need to progress into employment.

# Deal for Growth / Our solutions

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We have identified 20 solutions for growth – including asks of Government and investment proposals – which we will progress as part of our Growth Deal.

Places for Growth: Solutions

Business for Growth: Solutions

Skills for Growth: Solutions

# Deal for Growth / Places for Growth: Transport

## Solutions to deliver growth without gridlock

### Solution 1: Strategic Transport Investment Programme

#### We have a clear plan for growth

In Kent and Medway, we are clear on what needs to be delivered **to accelerate growth**. Our bold and ambitious transport strategy, *Growth without Gridlock* sets out the infrastructure we need, linked with the key growth locations outlined in this Growth Plan. Our priorities include:

**A third Thames crossing constructed by 2020 as part of a new strategic national route** from Dover to the North, relieving the Channel Corridor. Improvements along the A2, A249 and delivery of a number of lorry parks are key features of this package.

**Unlocking our major growth locations** with improvements such as the M20 Junction 10a at Ashford, A2 off slips at Canterbury and A2 Bean and Ebbsfleet junctions in the Thames Gateway

**Securing significant investment in East Kent** through improving access options particularly by rail and relieving major bottlenecks such as Westwood Cross.

**Improving connectivity and cutting congestion in West Kent** through schemes such as the dualling of the A21 from Tonbridge to Pembury, the A228 Colts Hill Relief scheme and improved access to North Farm at Tunbridge Wells

... in addition to many more, shown on page 52

#### We will...

Invest in a **strategic transport investment programme for growth** to open up our key growth locations and address strategic transport constraints.

Our proposals are set out on the map overleaf. Combined, they will help to unlock over 40,000 homes over a twenty year period.

Many of the schemes identified already have developer and third party contributions : with a Local Growth Fund contribution of £358 million, we expect to secure £351 million in private funding.

However, we **will only invest public money in transport infrastructure where we have a solid commitment from the developer to build their commercial or residential development out in defined timescales**. We will agree a Kent and Medway Commitment with developers on schemes assisted by the Strategic Transport Programme to ensure clear growth outcomes for public investment

# Deal for Growth / Places for Growth: Transport

## Solutions to deliver growth without gridlock

### Solution 1: Strategic Transport Investment Programme

Much of the investment that we require is on the national strategic network.

So we will also **commit £64 million of Local Growth Fund to strategic Highways Agency and Network Rail schemes**, where these are essential to the county's economic growth. These include:

**Strategic improvements to the A2 and M2 corridors** opening up investment around Ebbsfleet Valley and in Swale.

**Relieving the pressure of international freight** through the provision of dedicated lorry parks.

**Improving access to East Kent by High Speed One** through a new parkway station at Thanet, building on approved investment in faster line speeds.

**Safeguarding international rail services at Ashford** through signalling works to accommodate modern rolling stock.

### We ask Government to...

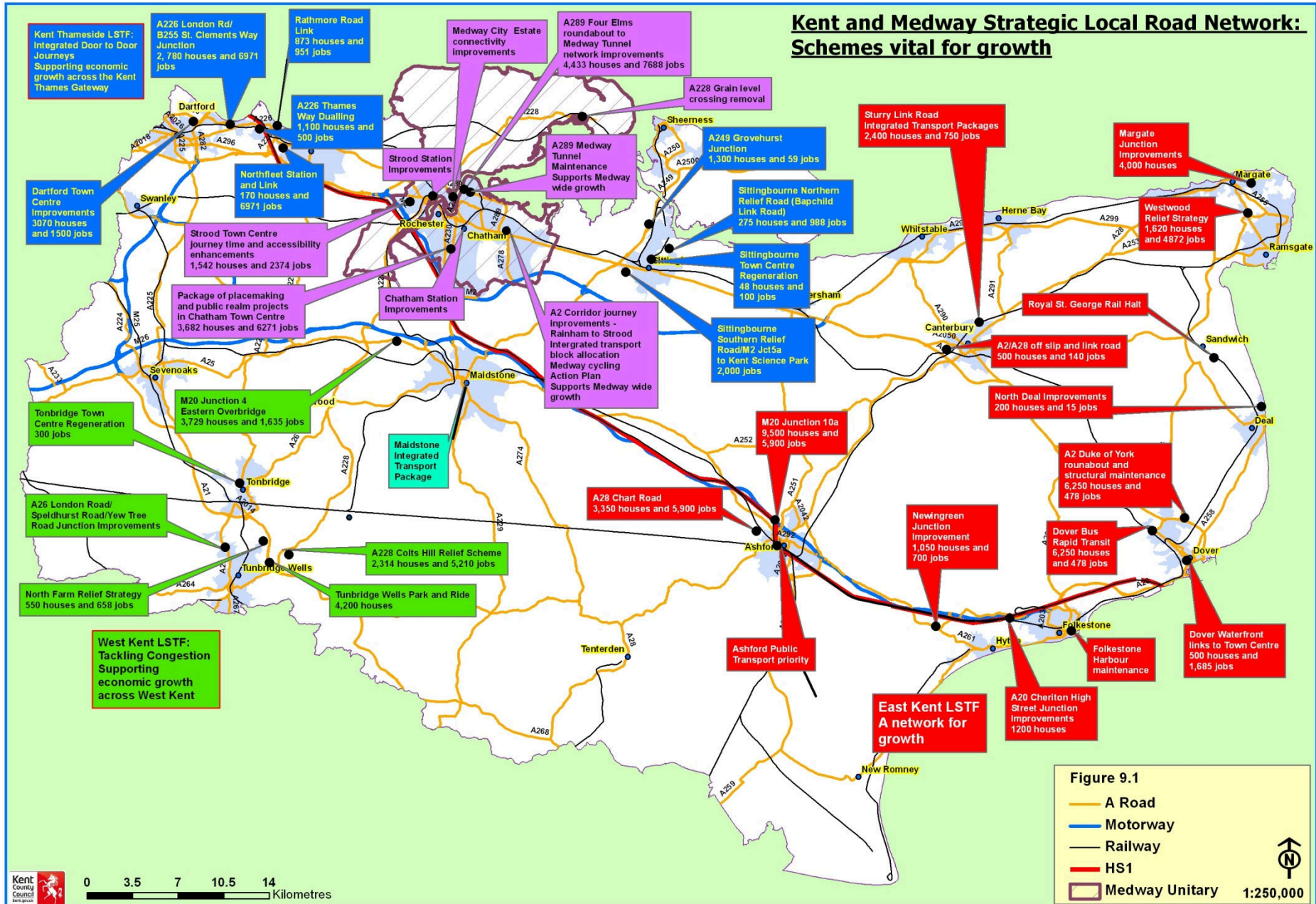
Work with us, via the Department for Transport, Network Rail and the Highways Agency, to deliver our strategic transport programme.

In exchange for our commitment of Local Growth Fund investment to support Highways Agency and Network Rail schemes, we **ask the Department for Transport to agree a timetable with the Kent and Medway Economic Partnership to bring these schemes forward within the Local Growth Fund investment period.**

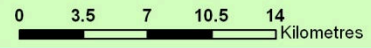
While welcoming the Government's commitment to rule out the unviable Option B for the Lower Thames Crossing we also ask for an **early final decision on the preferred route for the Crossing**, and commit to working with Government to secure investment to deliver the scheme by 2020.

**Outcomes:** Total jobs unlocked: 40,000. Total homes unlocked: 50,000. Leverage: £725 million.

# Kent and Medway Strategic Local Road Network: Schemes vital for growth



**Figure 9.1**  
 — A Road  
 — Motorway  
 — Railway  
 — HS1  
 — Medway Unitary  
 1:250,000





# Deal for Growth / Places for Growth: Transport

## Solutions to deliver growth without gridlock

### Transport Investment Programme: Investment breakdown

|                                | Total investment (£m) | Local Growth Fund (£m) |
|--------------------------------|-----------------------|------------------------|
| <b>Local strategic schemes</b> |                       |                        |
| Thames Gateway                 | 190.84                | 133.96                 |
| Coastal East Kent              | 121.00                | 53.15                  |
| Ashford and Maidstone          | 47.00                 | 28.69                  |
| West Kent                      | 74.86                 | 63.00                  |
| Kent County-wide               | 47.10                 | 16.20                  |
| <b>Highways Agency schemes</b> | <b>216.00</b>         | <b>56.00</b>           |
| <b>Network Rail schemes</b>    | <b>13.50</b>          | <b>7.75</b>            |
| <b>Total</b>                   | <b>710.30</b>         | <b>358.74</b>          |

# Deal for Growth / Places for Growth

## Solutions to deliver growth without gridlock

### Solution 2: Selective devolution

#### We will...

Investigate the potential for **selective devolution** of Highways Agency responsibilities where local management could result in cheaper and quicker delivery. We have already examined the opportunity for this in relation to the dualling of the A21 between Tonbridge and Pembury, where we estimate the cost of the scheme could be reduced from £130 million to £70 million.

#### We ask Government to...

Enter into a **dialogue with us through the Department of Transport during 2014/15 on the practicalities of a selective devolution scheme**, where this can result in cost savings to Treasury, faster scheme delivery and guaranteed delivery of homes and floorspace through the Kent and Medway Delivery Commitment.

**Outcomes:** To be confirmed subject to scheme

### Solution 3: Highways Agency flexibility

#### We will...

Commit through our Strategic Transport Programme to fund access from the **M2 motorway to Kent Science Park**, in order to support the expansion of the Park as a major centre for high-value employment. This will result in a cost reduction of over £80 million compared with the more expensive option of providing a new strategic route into Sittingbourne – although the direct job outputs will be similar.

#### We ask Government to...

Work with us through the Highways Agency to examine the case for providing flexibility to access this strategic developments from the motorway network.

**Outcomes:** 2,000 jobs

# Deal for Growth / Places for Growth

## Solutions to unlock sites for jobs and homes

### Solution 4: The Kent and Medway Development Fund

#### We will...

Create a **Kent and Medway Development Fund (KMDF)**, working together with our neighbours in the South East LEP.

Initially funded by the Local Growth Fund, the KMDF will respond to the need for patient finance to help deliver schemes to which the market is not yet fully ready to respond.

The KMDF will operate both a **fully recyclable** fund, focused on those schemes (mainly in Mid Kent and the Thames Gateway) that are close to market, and a **softer or gap funded** scheme focused on more marginal schemes. The KMDF will in every case be based on the Kent and Medway Delivery Commitment, with all public support dependent on a concrete developer commitment to build.

In the coming months, we will develop a comprehensive business case and investment strategy for the KMDF, with a pipeline of schemes based on the places for growth outlined in this plan, and including a full analysis of state aid implications.

#### We ask Government to...

Approve our request for **£51.9 million over six years from the Local Growth Fund** (of which we anticipate £22.5 million to be invested in the Fund in 2015/16).

At this stage, there are no operational freedoms or flexibilities that we believe we require to operate the KMDF. However, on the basis that we provide an initial business plan to the Department for Communities and Local Government no later than 1 March 2014, we ask that Government provides feedback on the principles of the Fund by the start of May, so that detailed work can proceed in developing the pipeline of schemes and the operation of the Fund.

**Outcomes:** Jobs: 2,375. Homes: 5,000. Private sector leverage: £110 million

# Deal for Growth / Places for Growth

## Solutions to unlock sites for jobs and homes

### Solution 5: Consolidated public sector assets

#### We will...

Create a better coordinated approach to public sector support for property development and regeneration. As part of the development of the KMDF, we will **pool part of the proceeds of publicly owned assets** in Kent and Medway to de-risk and prepare sites for the delivery of future housing and employment.

Alongside the development of the business plan for the KMDF, we will consider the potential return to public sector investors and will review the local public sector asset base.

#### We ask Government to...

Consider **pooling part of Government assets in Kent and Medway** to the KMDF pool, including Homes and Communities Agency Economic Property Assets currently managed through the Stewardship Model, subject to agreement on the eventual target return to Treasury.

Outcomes: To be confirmed

### Solution 6: Joined up gap funding

#### We will...

Consolidate our approach to capital investment within the Kent and Medway Development Fund. As part of this, we will seek to absorb historic grant and loan commitments from the former Thames Gateway Programme within the KMDF, subject to approval of its investment strategy.

#### We ask Government to...

Work with us to link outstanding commitments with the KMDF and ensure that historic funding constraints do not present barriers to investment in changed market conditions.

In particular, we ask for specific flexibility from DCLG regarding historic Thames Gateway investment in the strategic **Strood Riverside** site, where Government's first claim on eventual capital receipts currently make further local investment unviable. We ask DCLG to consider greater flexibility, allowing future capital receipts from the site to be shared between central Government, Medway Council and the KMDF, enabling additional investment to proceed.

Outcomes: To be confirmed

# Deal for Growth / Places for Growth

## Solutions to unlock sites for jobs and homes

### Solution 7: HCA commissioning

#### We will...

Seek a **new role for the Kent and Medway Economic Partnership in commissioning the Homes and Communities Agency** through the development of a five year rolling programme and annual commissioning plan.

Building on our excellent relationship with the HCA, we will examine the advantages of such a commissioning relationship based on the cost savings and likely increase in housing delivery involved in pooling separate HCA funding schemes and in more direct links between the Agency, local planning and housing authorities and developers.

#### We ask Government to...

Work with us through the HCA to examine the practical and financial case for local commissioning

**Outcomes:** To be confirmed

### Solution 8: New opportunities for investment

#### We will...

Seek to extend opportunities for private institutional investment in new models for housing development, creating a new mix between private rent, affordable housing and market ownership.

We will build on existing successful initiatives, such as the **Kier Kent** partnership, using investment from the Kent and Medway Development Fund to match private sector investment.

#### We ask Government to...

We do not require any specific freedoms or permissions from Government – and indeed, we are already getting on with delivery. However, through the work outlined in Solution 6 (HCA commissioning), we will seek to ensure that where new models of investment yield results, they are shared elsewhere in the South East LEP and beyond and supported by Government and the HCA.

**Outcomes:** To be confirmed

# Deal for Growth / Places for Growth

## Already investing in jobs and homes

### Case study: No Use Empty

No Use Empty was established in 2005 to bring homes back into use, supporting the work of district housing authorities with advice to property owners and loan assistance.

The scheme operates across Kent and has so far returned over 3,000 homes to use. Some £25 million has so far been invested, with a third from Kent County Council and the remainder from the private sector.

No Use Empty offers interest free loans of up to £175,000. Earlier this year, NUE launched a partnership with social housing provider AmicusHorizon to create affordable homes available for rent at 80% of market value.



Prince of Wales House in Dover was vacant for several years. With a £175k loan from No Use Empty, it now contains 35 apartments (11 shared ownership) – and the loan was repaid 9 months early.

### Case study: Kier Kent

In 2011, Medway Council, Kent County Council and the 12 Kent Districts adopted the **Kent and Medway Housing Strategy**, the first countywide housing strategy to be developed in England.

The Housing Strategy contained ambitious commitments to make better use of public sector land. So earlier this year, Kent County Council launched the **Kier Kent Initiative**.

This deal packages together KCC-owned sites in Sevenoaks, Canterbury and Swale, and brings in institutional investment to build homes for affordable, intermediate and private rent and open market sale, **enabling new affordable homes to be delivered without Government grant**.

We know that there are a growing number of institutions seeking investment opportunities in housing and there is the potential to expand mixed tenure schemes on public sector land and to raise interest in the potential of institutional investment in the private rented sector.

The first 172 homes completed under the Kier Kent Initiative will be completed by the end of 2015.

# Deal for Growth / Places for Growth

## Solutions to unlock sites for jobs and homes

### Solution 9: Pro-growth regulation

#### We will...

Building on the good practice that has been developed through our excellent relationship with the Environment Agency, we will ensure that **all key Government agencies with a regulatory or delivery role in growth are invited as non-voting participants on the Kent and Medway Economic Partnership**. This will include the HCA, Environment Agency, Natural England, Highways Agency, JobcentrePlus and the Skills Funding Agency – ensuring that there is a coordinated approach to growth strategy for Kent and Medway

#### We ask Government to...

Agree with us a **Growth Framework for the Kent and Medway Economic Partnership**, linked with this strategy, to which Natural England, the Highways Agency and other bodies must sign up. This will ensure that all those involved in the county's growth have the full picture of our – and Government's – shared aspirations as well as their departmental focus.

Outcomes: Contributes to overall outcomes

### Solution 10: Local housing solutions

#### We will...

Develop additional local authority housing. With government partially lifting the Housing Revenue Account debt cap, Ashford Borough has indicated that it will be able to develop 250 homes over the next five years, linked with market housing, with other local authorities also expressing interest.

We will also extend the successful **No Use Empty** programme in target locations, to offer support to owner occupiers where direct loan support can be matched by additional private funding.

#### We ask Government to...

We ask **DCLG and Treasury for a discussion on the practicality of further lifting the HRA debt cap**, linked with the success of delivery within existing powers and a commitment from participating local authorities to develop within a fixed timescale.

Outcomes: To be confirmed

# Deal for Growth / Places for Growth

## Solutions for coastal renewal

### Kent's Coastal Challenge

The Kent and Medway coast has great potential. Much has been achieved in recent years, as new investment has helped Turner Contemporary and Folkestone Creative Quarter open up new opportunities in the cultural, creative and tourism sectors. Accessibility to most coastal towns has been transformed through HS1– with further improvement on the way.



**Ramsgate Harbour.** We must build on coastal Kent's tourism and cultural assets at the same time as developing new solutions to reduce concentrations of deprivation.

Yet Kent's coastal and estuarial towns continue to face challenges that hold them back from reaching their full potential. Deep social problems in part of Thanet, Sheppey and elsewhere hamper growth and waste human potential and the full benefits of recent investment have yet to be realised. So we need to ensure that investment to reduce peripherality and promote business growth is accompanied by measures to break the cycle of deprivation and housing market failure.

### Solution 11: Maximising the benefit of HS1

#### We will...

Seek to develop measures that help to attract wealth and prosperity to coastal Kent, building on the area's advantages and mitigating some of the continued disadvantages of distance and travel costs. As part of this, we will invest some of our Strategic Transport Investment Programme in improved access to the HS1 network (including a **Thanet Parkway** station). We will also discuss with Southeastern the viability of measures to **reduce the high costs of peak travel on High Speed One**, with the aim of promoting East Kent as a place to live and invest.

#### We ask Government to...

We ask **Department for Transport, Network Rail and Southeastern Railway to continue to work with us to build the business case for further rail improvements** in East Kent and to identify options for reducing the 'rail price penalty'

**Outcomes:** To be confirmed



# Deal for Growth / Places for Growth

## Solutions for coastal renewal

### Solution 12: Reducing concentrated deprivation by dealing with poor quality housing

#### We will...

Seek to reduce demand for low quality, low cost housing by reducing the abnormal concentrations of deprivation within specific coastal towns. We have already **committed to capping the numbers of looked after children** placed into communities such as Cliftonville and Margate and we will commit to **overall limits on the volume of social housing** within designated zones.

We will also address the concentration of social challenges in Kent and Medway's coastal communities by tackling entrenched housing market failure.

We will **commit to using all methods in our power to combat poor quality housing stock**, including firm application of existing selective licensing regimes and the full use of housing market interventions such as the Live Margate renewal programme, while **seeking much stronger powers** to combat entrenched market and social failure.

Outcomes: To be confirmed

#### We ask Government to...

Much of the demand for low-cost, poor quality housing is generated outside Kent, and is a consequence of a lack of housing in London and elsewhere and extreme house price differentials at the lower end of the market.

So we **ask Government to work with us, together with other coastal areas in the South East and with the London Boroughs and the GLA to establish a strategic solution** to the negative consequences of benefit-driven migration.

We ask DCLG to make available **much tougher powers to deal with landlords of very poor quality housing stock**, including the ability of the local authority to **increase and retain the proceeds of fines** for non-compliance with selective licensing rules and **'no go zones'** for the continued placement of vulnerable families. We ask Government to enter into dialogue with us on the full menu of potential powers that may be made available.

Outcomes: To be confirmed

# Deal for Growth / Business for Growth

## Solutions for business expansion

### Solution 13: Kent & Medway Business Finance

#### We will...

Continue and extend the business finance products that we currently offer, including Expansion East Kent, TIGER, Escalate and Partners for Growth, within an overall **Kent and Medway Business Finance (KMBF) programme** covering all parts of the county.

All KMBF products will be recyclable and targeted towards businesses with the appetite for growth, the ability to unlock private finance as a result of KMBF investment, overall job creation and value generation through the development of new, or higher-value products and services. We will continue to work with the major banks and with other investors to maximise private sector leverage into the programme.

Before expanding the KMBF portfolio, **we will undertake a market assessment to establish likely demand** – considering the potential for targeted equity investment where this is matched by willing and appropriate commercial investors.

#### We ask Government to...

Approve our request to invest **£23.5 million over six years from our Local Growth Fund allocation**, to be partially matched with funds from the European Regional Development Fund as well as from the private sector. £10 million of this investment will be required in 2015/16.

We also ask Government, via its delivery agencies, to work with us in offering a **coordinated approach to business access to finance**, so that nationally managed specialist funds (such as the offshore wind supply chain grant managed by Manufacturing Advisory Service) is linked with local products and businesses are advised accordingly.

**Outcomes:** Jobs: 2,000. Leverage: £70.5 million.

# Deal for Growth / Business for Growth

## Solutions for business expansion

### Solution 14: Kent & Medway Business Hub

#### We will...

Establish the **Kent and Medway Business Hub**, bringing together investment by Kent County Council, Medway Council, the Kent Districts, national Government and future European funding sources – co-financing ERDF funds with the Local Growth Fund and local investment to ensure an integrated approach to business support and innovation.

#### We ask Government to...

Approve our allocation of £21 million over six years for the Kent and Medway Business Hub programme. We also seek to engage via BIS in a single coordinated discussion with us on **the integration of national programmes** with the Kent and Medway Business Hub, **including the proposed arrangements for opt-ins to national programmes** through European funding sources.

**Outcomes:** Jobs: 1,100. Leverage: £21 million

### Solution 15: Promoting Kent and Medway

#### We will...

Develop a programme for the **marketing and promotion** of business opportunities across Kent and Medway. As part of this, **we will maintain our commitment to promoting the county** as an location for inward investment through Locate in Kent and Visit Kent. We will work with Kent and Medway’s business sector groups to promote career choices and change inaccurate perceptions (linked with Solution 17 below). Building on the successful **Grow for It** campaign in East Kent, we will also work with our partners in South Essex and London to more effectively market the investment opportunities in the Thames Gateway.

#### We ask Government to...

We ask BIS to work with us via UKTI to promote Kent and Medway’s big investment opportunities – building on the existing memorandum of understanding with Locate in Kent to develop a more comprehensive joint approach to marketing the county.

**Outcomes:** To be confirmed

# Deal for Growth / Skills for Growth

## Solutions for business-focused skills

### Solution 16: Employer-led careers advice

#### We will...

Put in place a more **joined-up and creative approach to information, advice and guidance**. We will build on the Kent Choices4u platform and work with our key sectors to ensure that employers contribute towards the content, acting as business ambassadors and mentors so that information on careers options and routes is inspiring, practical and accessible through a variety of channels, linked with the National Careers Service.

We will give businesses greater ownership of the delivery of information, advice and guidance for their sectors. The sector-based **Guild model**, in which businesses establish employer-led bodies setting out skill needs, informing the curriculum and agreeing quality standards, provides a mechanism for this. We will build on the existing pilot in the hospitality sector to explore how it could be developed for other sectors.

#### We ask Government to...

We ask the **Skills Funding Agency** to work with us in developing our new approach, potentially as a national pilot.

**Outcomes:** To be confirmed

### Solution 17: Higher Apprenticeships

#### We will...

Encourage more higher apprenticeships, enabling employers to influence and secure the skills they need and increasing higher-level qualifications within the workforce. We will provide comprehensive careers guidance on what **higher apprenticeships are, how they can be accessed and what opportunities can lead to**. This will be developed through the Guild model.

We will build on the successful Kent Employment Programme model, introducing a grant programme to incentivise employees to offer higher apprenticeships in our priority growth sectors. Kent and Medway will become a Trailblazer for higher apprenticeships in local government and we will seek to incentivise universities to develop the higher apprenticeship model.

#### We ask Government to...

We do not need any specific freedoms or flexibilities from Government at this stage. However, we ask Government, via the Skills Funding Agency and the National Apprenticeship Service, to work with us in co-designing with Kent and Medway businesses a pilot to increase higher apprenticeship delivery.

**Outcomes:** To be confirmed

# Deal for Growth / Skills for Growth

## Solutions for business-focused skills

### Solution 18: Responding to employer demand

#### We will...

Encourage providers to respond to **local employer demand**, stimulating SME growth. Using existing information such as the Kent Post-16 District Datapacks, Labour Market Information tools, employer surveys and sector roundtables, the Kent and Medway Economic Partnership will maintain up-to-date analysis of the labour market, working with the SFA, and we will make this fully available to all schools, FE colleges and private providers, so that there is coordinated labour market information.

#### We ask Government to...

Help us ensure that this information is put to practical use to benefit business., especially SMEs. Pilots are currently taking place in Liverpool and Leeds to examine whether a system of financial incentives to providers for responding to locally expressed skills needs would be effective. **We ask to maintain a dialogue with the Government via the SFA during the pilot period to consider whether a future phase could be extended to Kent and Medway.**

Outcomes: To be confirmed

### Solution 19: Skills & Employment Response Fund

#### We will...

Create a fund (supported by ESF) to deliver targeted interventions that either address immediate barriers to accessing training or employment, or which pump prime new provision, especially where this delivers 'soft skills' and work readiness.

#### We ask Government to...

Allow a proportion of ESF funds to be set aside without any strings or stipulations over and above the standard ESF regulations, so that it can be entirely responsive and flexible in order to lift barriers to accessibility (for the individual) and planning (for the employer or provider).

Outcomes: To be confirmed

# Deal for Growth / Skills for Growth

## Solutions for business expansion

### Solution 20: Supported transition to work

#### We will...

Provide additional support for vulnerable young people and adults to ensure they acquire the necessary basic and 'soft' skills to access sustainable learning and employment opportunities.

This will build on Kent's **Assisted Apprenticeships** model, with activities targeting priority locations with high levels of unemployment.

Activities such as high quality work experience, internships, mentoring and coaching will be delivered with tailored support to the individual through accessible physical and virtual learning environments to ensure learners attain basic skills in English, maths, IT and employability skills to help them progress into further learning and employment opportunities.

#### We ask Government to...

Relax its rules regarding claiming benefits to allow unemployed young people and adults claiming Jobseekers' Allowance access learning and training opportunities, so that they are enabled to access sustainable employment.

This could include allowing claimants to access training of 16+ hours a week if this is an appropriate pathway to meaningful employment, or allowing unemployed 18-24 year olds to claim JSA while accessing a traineeship.

We ask Government, via DWP, to work with us in identifying the costs, benefits and practicalities of selective relaxations of JSA rules in order to design a **Kent and Medway pilot** scheme (in partnership with the rest of the South East LEP or other LEPs as appropriate).

To improve access to work and learning, we ask Government to consider the **extension of reduced-price travel** to 16-19 year olds.

**Outcomes:** To be determined

# Deal for Growth / Investments

In total, our proposals seek £505 million from the Local Growth Fund over six years from 2015/16 and £70 million from European structural funds from 2014/15. These figures are indicative at this stage:

*£ million*

|                                 | LGF          | EU Funds    | Match        | Total          |
|---------------------------------|--------------|-------------|--------------|----------------|
| <b>Places for Growth</b>        |              |             |              |                |
| Transport Investment Programme  | 358.7        |             | 351.5        | 710.2          |
| Kent & Medway Development Fund  | 51.9         |             | 109.0        | 160.9          |
| <u>Total</u>                    | <u>410.6</u> |             | <u>460.5</u> | <u>871.1</u>   |
| <b>Business for Growth</b>      |              |             |              |                |
| Kent & Medway Business Finance  | 32.5         | 25.0        | 172.5        | 230.0          |
| Kent & Medway Business Hub      | 5.0          | 10.0        | 15.0         | 30.0           |
| Marketing & Promotion Programme | 7.0          |             | 4.0          | 11.0           |
| <u>Total</u>                    | <u>44.5</u>  | <u>35.0</u> | <u>191.5</u> | <u>271.0</u>   |
| <b>Skills for Growth</b>        |              |             |              |                |
| Skills Capital Fund             | 20.0         |             | 20.0         | 40.0           |
| Workforce Development Fund      | 30.0         | 35.0        | 5.0          | 70.0           |
| <u>Total</u>                    | <u>50.0</u>  | <u>35.0</u> | <u>25.0</u>  | <u>110.0</u>   |
| <b>Total</b>                    | <b>505.1</b> | <b>70.0</b> | <b>676.5</b> | <b>1,252.1</b> |

We aim to increase housing delivery by 23,500 over the plan period, and to support delivery of around 40,000 jobs. We will set out our detailed outcomes in our full Growth Plan, to be prepared by the end of March 2014, with budget plans to be set out for each programme.

# Deal for Growth / Making it happen

**In Kent and Medway, we will deliver *Unlocking the Potential* through the Kent and Medway Economic Partnership. This page explains how this will work.**

## Governance

### 1. South East Local Enterprise Partnership

Kent and Medway is part of the **South East Local Enterprise Partnership**, and this Growth Plan is consistent with the Strategic Economic Plan that the LEP has prepared.

The South East LEP is unique. It is the only LEP in England covering several economic areas, and it includes almost all the major brownfield sites in the South East outside London, as well as virtually all the Greater South East's significant infrastructure schemes. It is therefore vital to forward opportunities in Kent and Medway and in Essex to ensure balanced growth – so it is common sense that we need to have a bold, joined-up strategic approach.

The LEP has a crucial role. Because of the scale and complexity of our development opportunities, the timing of specific infrastructure projects will depend on wider viability issues and market factors. So we will benefit from the ability to bring projects forward according to market conditions within a large programme, and the South East LEP Board and executive team will maintain high level oversight of this.

### 2. Kent and Medway Economic Partnership

Within the overall context of the LEP's Strategic Economic Plan, the Kent and Medway Economic Partnership will be responsible for the delivery of the objectives set out in this Growth Plan.

The KMEP Board, which consists of 11 business representatives, 8 local authority leaders, and 1 representative from each of higher and further education, will prepare a **Commissioning Plan** setting out in detail the programmes that will be delivered. The Commissioning Plan will cover Local Growth Fund, European Structural Fund and local funding sources.

We will prepare a draft Commissioning Plan in January/ February 2014 and will submit this to Government along with the final version of *Unlocking the Potential*. In the meantime, we will prepare and consult on an interim Commissioning Plan for the use of European structural funds, consistent with the LEP's European structural and investment funds strategy, so that we can begin to move projects forward as soon as funds become available.

### 3. Accountability

The KMEP is an informal partnership. To ensure full accountability for delivery, Kent County Council and Medway Council will share the accountable body role, depending on the programme or project.

## Transparency

KMEP Board intends to adopt local authority standards of transparency, and will be subject to the procedures of Kent County Council and Medway Council.



# Deal for Growth / Next steps

|               |   |  |
|---------------|---|--|
| December 2013 | Draft <i>Unlocking the Potential</i> published                                      | LEP publishes draft Strategic Economic Plan  |
| January 2014  | Consultation on <i>Unlocking the Potential</i><br>Draft Commissioning Plan prepared |  |
| February 2014 |   |  |
| March 2014    | Revised <i>Unlocking the Potential</i> published                                    | LEP produces revised Strategic Economic Plan |
| April 2014    | Discussions with Government on Growth Deal  |  |
| May 2014      |   |  |
| June 2014     | European Funds available  |  |
| April 2015    | Local Growth Fund available   |  |

# Deal for Growth / Working with partners

Kent and Medway’s business and local partnerships will also be crucial to the delivery of *Unlocking the Potential*. Across the county, we have strong partnerships with business and local government, including:

## Kent and Medway Economic Partnership

| Sub-County Partnerships         | Business Groups                      | Local Government     |
|---------------------------------|--------------------------------------|----------------------|
| Thames Gateway Kent Partnership | Business Advisory Board              | Kent Council Leaders |
| East Kent Regeneration Board    | District Business Forums             | Kent County Council  |
| West Kent Partnership           | Kent Developers’ Group               | Medway Council       |
| Kent Rural Board                | Sector Roundtables                   | Kent Districts       |
|                                 | TIGER/ Expansion EK/ Escalate Panels |                      |
|                                 | Chambers of Commerce                 |                      |
|                                 | Federation of Small Businesses       |                      |
|                                 | Institute of Directors               |                      |
|                                 | Sector bodies (e.g. EEF)             |                      |

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**Kent and Medway Economic Partnership**  
**[www.kmep.org.uk](http://www.kmep.org.uk)**

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# Growth without Gridlock in Kent and Medway

Page 221



|   |           |
|---|-----------|
| <b>Executive Summary</b>  |           |
| <b>The challenge and our opportunity</b>  | <b>5</b>  |
| <b>Our innovative funding plan</b>  | <b>7</b>  |
| <b>Thames Gateway – gearing up for growth: the essential need for a third Thames crossing</b> | <b>10</b> |
| <b>Channel Corridor – relieving the pressure</b>  | <b>15</b> |
| <b>West Kent – congestion and connectivity</b>  | <b>19</b> |
| <b>East Kent – radical solutions</b>  | <b>22</b> |
| <b>Ashford and Maidstone – enabling urban growth</b>  | <b>26</b> |
| <b>Bold steps for aviation</b>  | <b>28</b> |
| <b>Public transport – access to jobs, education and health</b>                                | <b>31</b> |
| <b>The complete picture – supporting growth across Kent and Medway</b>                        | <b>35</b> |
| <b>Appendix A – Our delivery record</b>   |           |
| <b>Appendix B – Our delivery programme to 2021</b>  |           |

Page 222

Growth without Gridlock in Kent and Medway (GwG) is the transport plan that supports Unlocking the Potential: Going for Growth, our seven year growth plan. It also updates on Kent County Council's innovative 20 year transport delivery plan launched in 2010.

**The growth potential of Kent and Medway is substantial.** We plan to deliver over 23,000 homes (3,300 per annum) and 40,000 new jobs to 2021. This is against a background of a population increase of around 220,000 over the next twenty years. We cannot achieve this without substantial transport improvements.

Page 223

**GwG is our strategic transport programme that will help deliver this growth.** It also updates on what we have achieved in the 3 years since the launch of our transport delivery plan.

In the last few years we have seen big changes in regional governance with the creation of Local Enterprise Partnerships (LEP) and more recently the devolution of significant funding into a Single Local Growth Fund (SLGF). This funding will be allocated to each LEP for spend on transport, housing and skills. It represents an exciting opportunity for us to deliver the improvements we need to help our 63,000 businesses thrive and grow and to deliver the housing growth we need.

**Kent and Medway are clear on what needs to be done to accelerate growth across our area. Transport is a key intervention in that equation.** GwG articulates our bold and ambitious programme that forms our transport bid for SLGF.

At the same time we will maximise other potential funding sources, including developing our own innovative funding streams where feasible.

## Our strategic transport priorities are:

A third Thames crossing constructed by 2020 which will open up the way to creating **a new strategic national route from Dover to the North** and to relieve the Channel Corridor. Improvements along the A2, A249 and delivery of a number of lorry parks will be key features of this package;

**Unlocking our major growth locations** with improvements such as the M20 Junction 10a at Ashford, A2 off slips at Canterbury and A2 Bean and Ebbsfleet junctions and M2 Junctions 3 and 5 in the Thames Gateway;

**Securing significant investment in East Kent** by relieving major bottlenecks such as Westwood Cross, supporting growth at Manston Airport and Discovery Park and improving access options particularly by rail, and;

**Improving connectivity and cutting congestion in West Kent** through schemes such as the A21 Dualling from Tonbridge to Pembury, the A228 Colts Hill Relief scheme and the North Farm Strategy.

A partnership approach is essential to delivering our ambitious transport programme. Many of the schemes already have developer and third party contributions. **We will only invest public money in this infrastructure where we have a solid commitment from the developer to build their development out in defined timescales.**

Delivering transport interventions that support growth is not new to us. Over the last few years we have implemented significant infrastructure improvements.

## What we've already delivered

Page 224

- East Kent Access Road, M20 Junction 9 and A20 Drivers roundabout upgrading, A2 slip road at Canterbury, bridge on the A228 at Stoke, Rushenden Relief Road, Sittingbourne Northern Relief Road and a new bridge on the A228n at Stoke.
- Identifying significant private sector interest in financing a new third Thames crossing, and successfully pressing the Department for Transport to keep this project moving forward.
- Presenting a realistic solution to UK aviation capacity opposing a hub airport in the Thames Estuary.
- Securing £24m for a new partial junction 10a on the M20 in Ashford and improvements on the A226 London Road in Dartford, £11.8m for rail journey time improvements between Ashford and Ramsgate, £5.3m for schemes at Westfield and North Farm to reduce congestion and £12.7m of reduced rate borrowing for delivery of a lorry park in Kent.

- Successfully influencing Government to introduce an HGV vignette and getting the A21 Tonbridge to Pembury Dualling back on the Highways Agency delivery programme.
- Delivery of high speed rail services to Deal and Sandwich, along with a Maidstone West to St Pancras service.
- A new bus station at Chatham Waterfront, public realm and accessibility improvements to Gillingham railway station and improvements to Rochester, Rainham and Strood railway stations.
- Securing Green Buses Funding for eleven hybrid electric buses and issuing over 27,000 Freedom Passes allowing easy and affordable bus travel to education for Kent's young people.

GwG articulates what we will do to make sure transport is playing its part in making Kent and Medway great places to live, work and do business by helping deliver on our very real growth potential.

This document details our key transport priorities for Kent and Medway, including a delivery programme, to 2021. It also outlines our longer terms transport objectives.



# The challenge and our opportunity

**DRAFT**

## The changing transport picture

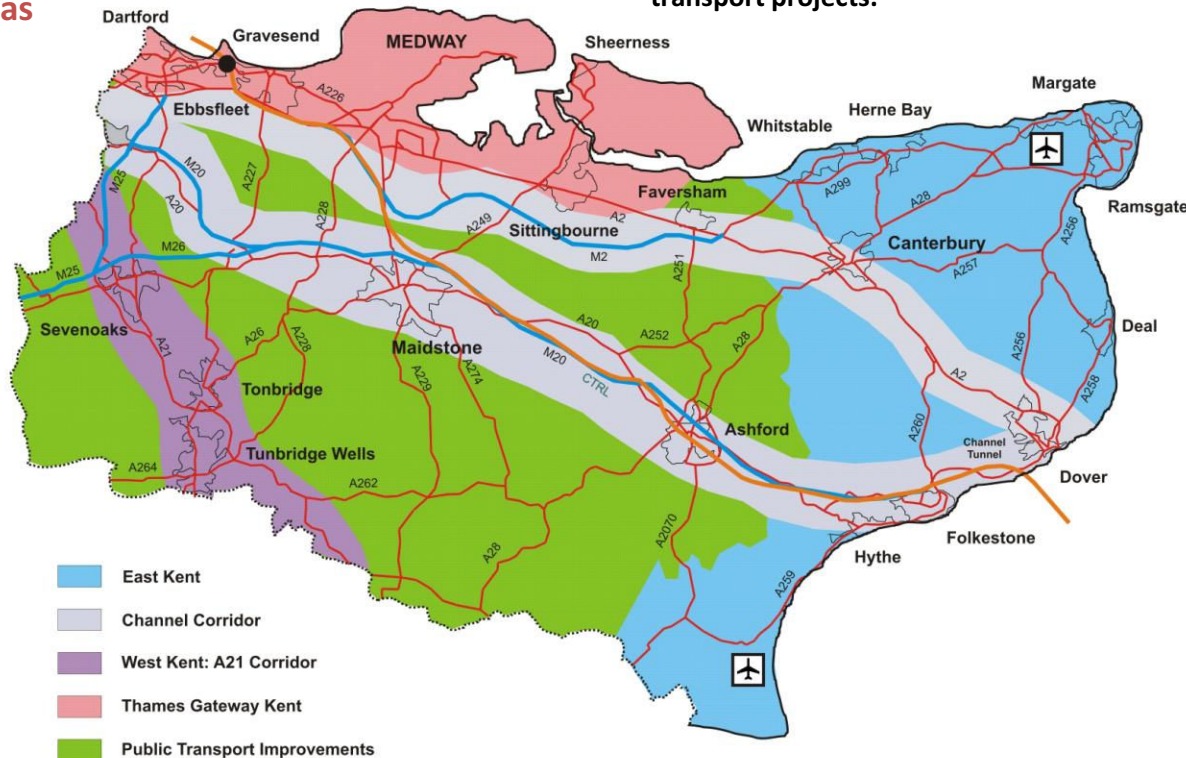
We have seen a huge period of change in the context local government operates within since our original GwG was launched in 2010. While it has been challenging to deliver the substantial transport improvements that we have during that time (see Appendix A), the most exciting thing for us now is that **we have a real opportunity to deliver in areas we did not think possible just a few years ago and to significantly increase that rate of delivery.**

While in reality much of the Single Local Growth Fund (SLGF) to be allocated to LEPs from 2015 and worth £2 billion a year, is not new money, it will enable delivery of transport, housing and skills projects vital for local growth. The geography of the South East LEP covers East Sussex, Essex, Kent, Medway, Southend and Thurrock and within that, the decision making on priorities has been devolved to the Kent and Medway level. This creates the essential link between local decision making and delivery of local priorities for growth.

**The Single Local Growth Fund (SLGF) will be the main “game in town” over the next few years when it comes to funding new transport projects.**

## Our priority areas

Page 225



# The challenge and our opportunity DRAFT

## To unlock our potential, we will...

**Take every opportunity in this changing world to be creative and bold in our approach to deliver what Kent and Medway really needs to boost its economy and deliver real growth and real jobs.** We want to be leaders in developing and delivering innovative transport solutions. An area we will further investigate in this respect is making the case for us to deliver Highways Agency projects where we know we can do this more quickly and cheaply than the Agency can.

GwG in Kent and Medway sets out our asks within each of our priority areas. We have also developed for the first time a complete delivery programme to 2021. This is provided in Appendix B.

## Our next steps will be to....

put a robust case forward to the LEP to secure the Single Local Growth Funding Kent and Medway needs to deliver its transport priorities for growth to 2021 and beyond.

continue to influence Government to reduce the processes and timescales involved in delivering infrastructure.

enter into dialogue with Government on the practicalities of selective devolution of Highways Agency responsibilities where local management could result in cheaper and quicker delivery.

Given our ambitious growth programme and the transport initiatives needed to deliver this, it is essential we secure a substantial proportion of SLGF. We know however, that we will also need to pursue other funding options and develop innovative new funding streams where we can.

## Road user charge for foreign HGVs

By listening to Kent County Council's robust case, the Government has committed to introducing a HGV road user charge by April 2014. This will see international lorries contributing towards the cost they impose on the UK road network while the scheme is designed to be largely cost neutral to UK hauliers.

Page 227

As the gateway to the UK from Europe, Kent suffers from the impacts of vast numbers of HGVs through the county every day. While this freight movement is vital to the UK economy, Kent and Medway bear the brunt of its impact. We believe therefore that **it is essential that an element of this HGV road user charge is committed to road infrastructure improvement across the county. Kent and Medway will continue to robustly press Government on this.**



## Single local growth fund

At around £2 billion nationally, the SLGF offers an exciting opportunity to fund largescale transport programmes delivering growth. We are therefore working hard in the run up to April 2015, when SLGF becomes available, to make sure Kent and Medway secure as much as possible for transport projects. The LEP has agreed devolved decision making to 'federated areas' which means we will receive our funding at the Kent and Medway level. The exception to this is a 15% allocation for pan-LEP initiatives.

## Community Infrastructure Levy

Community Infrastructure Levy (CIL) is similar to current S106 agreements, but is designed to be a faster, fairer and more transparent system.

**CIL will play a key part in contributing towards the delivery of transport initiatives needed to allow development to take place.**

In reality however, we are likely to have significant funding gaps between CIL generated by development and the infrastructure needed to support that development. This is particularly related to the demand and viability of the property market for the different geographies across Kent. For instance, CIL generated in West Kent is likely to be very much greater than would be enabled through CIL in East Kent.

**It is vital that Government understands the polarisation effect of CIL arising from enormous variability in housing market conditions and so affecting the ability of CIL to fund development related infrastructure.**

## Innovative funding options

We have been investigating innovative and entirely new sources of funding which could ultimately be used to fund strategic transport improvements.

For one proposal, a fuel loyalty card, we have been in discussion with the European Commission to understand more fully how this proposal fits within the European regulatory framework. This initiative would incentivise UK and international HGVs and other diesel vehicles to purchase fuel in the UK.

To achieve this, the fuel would be offered at reduced duty rates to eligible vehicles entering the UK from Europe thus making the price competitive with lower European fuel costs. Our research suggests that if 50% of eligible vehicles participated in the scheme, it would generate an additional £370 million annually for UK Treasury.

**We will continue to develop innovative funding initiatives with the aim of widening our options for funding infrastructure.** This includes investigating the feasibility of a Ports Landing Charge.

We support the principle of tolling in return for an improved level of service for freight. We will work with Government where tolling could provide clear benefits particularly for business. An example of this is the trip between Dover and the Midlands. Our work with the freight industry has established that a reduction in journey times and an increase in journey time reliability through a congestion free alternative to the existing Dartford Crossing is something the sector would be willing to pay for. The most logical way to do this would be through tolling.



Freight sector representatives such as the Freight Transport Association and the Road Haulage Association tell us that the provision of higher quality routes for strategic freight movements that reduce journey time while increasing the reliability of that journey time would be beneficial for their members and something they would be willing to pay for.

## Borrowing mechanisms

Kent County Council has been successful in its application for £12.7m reduced rate Public Works Loan Board borrowing. The application for the delivery of an overnight lorry park with an overflow facility to cater for an element of Operation Stack, was fully endorsed by the LEP.

## Our next steps will be to...

robustly put the case to Government to invest an element of the HGV road user charge in addressing the problems HGV traffic causes across Kent and Medway.

work to ensure decision making on Single Local Growth Funding is devolved to the Kent and Medway level and be ready to secure as much of the SLGF for Kent and Medway as possible

start a dialogue with Government on the issues the early roll out of Community Infrastructure Levy is highlighting, particularly that of viability in areas with a weak property market leading to a gap between development generated funding and infrastructure cost

continue to investigate innovative new funding mechanisms such as a UK Fuel Loyalty Card and a Ports Landing Charge. We will apply pressure on the Government to ensure Kent and Medway see the benefit of any new Kent derived funding stream.

maximise opportunities and work with the private sector to take up borrowing options to bring forward investment in transport infrastructure where a robust business case exists.

# Thames Gateway / Gearing up for growth

|                |   |
|----------------|---|
| <b>Issue</b>   | <b>Congestion at the Dartford to Thurrock crossing costs the UK economy £40m a year</b> with little network resilience and extreme vulnerability to incidents. Lack of high quality strategic transport route from Dover to Midlands and the North serving particularly longer distance freight. Considerable planned growth including London Gateway in the Thames Gateway will exacerbate this situation. |
| <b>Action</b>  | <b>Provision of a third Thames crossing</b> and delivery of a targeted package of measures to provide a new national strategic corridor between Dover and the Midlands while catering for the largescale growth planned across South East England. Delivery of a wider package of priority transport measures to unlock growth.   |
| <b>Outcome</b> | Over <b>60,000 jobs and 50,000 new homes</b> across North Kent. Significant cost savings to UK business with improved journey time reliability and network resilience for this key route between Dover, the Midlands and the North.   |
| <b>Cost</b>    | Third Thames crossing - £2.5 to £3bn from the private sector<br>£116m from the public/private sector for the Thames Gateway Kent transport package<br>£176m for wider priority transport package of which £125.3m is sought from the SLGF.  |

Page 230

## The essential need for a third Thames crossing

**The existing Dartford to Thurrock crossing is a major issue for business in congestion costs and unreliable journey times.**

This situation will simply be exacerbated by the opening in 2014/15 of London Gateway in Thurrock, a deep sea container port that will include Europe's largest logistics park as well as the considerable growth expected in the Thames Gateway.

A third Thames crossing will alleviate these issues and in the last few years KCC has continuously stressed the urgency of this project. We have succeeded in influencing the Government to carry out the development work to identify a deliverable crossing option as part of a strategic route between Dover, the Midlands and the North.

# Thames Gateway / Gearing up for growth

## Third Thames crossing route

Following a consultation by the Department of Transport on three crossing options, the Secretary of State announced in December 2013 that further investigatory work would be carried out on two possible corridors: one on the line of the existing crossing, and one to the East of Gravesend. **We will press Government to make an early final decision on the preferred route for the Crossing.**

Work by Kent County Council estimates that **between 23,000 and 32,000 new jobs, and 18,000 to 28,000 new homes could be unlocked by the construction of a new crossing** with significantly greater economic benefits being realised by the route to the East of Gravesend.

This option will also provide the greatest network resilience, journey time reliability and economic benefits as well as creating a new strategic route for long distance traffic. While this option would potentially have the greatest environmental impact, Kent County Council is clear that with careful route alignment and tunnelling, this impact could be substantially minimised.

**In conjunction with a new crossing, we would want to see a number of additional transport improvements** on the A2 including junction upgrades and dualling of the remaining single carriageway sections. Improvements to the A249 through Detling linking the M2 and M20 would also be necessary to create a new resilient strategic corridor.

## Financing a new crossing

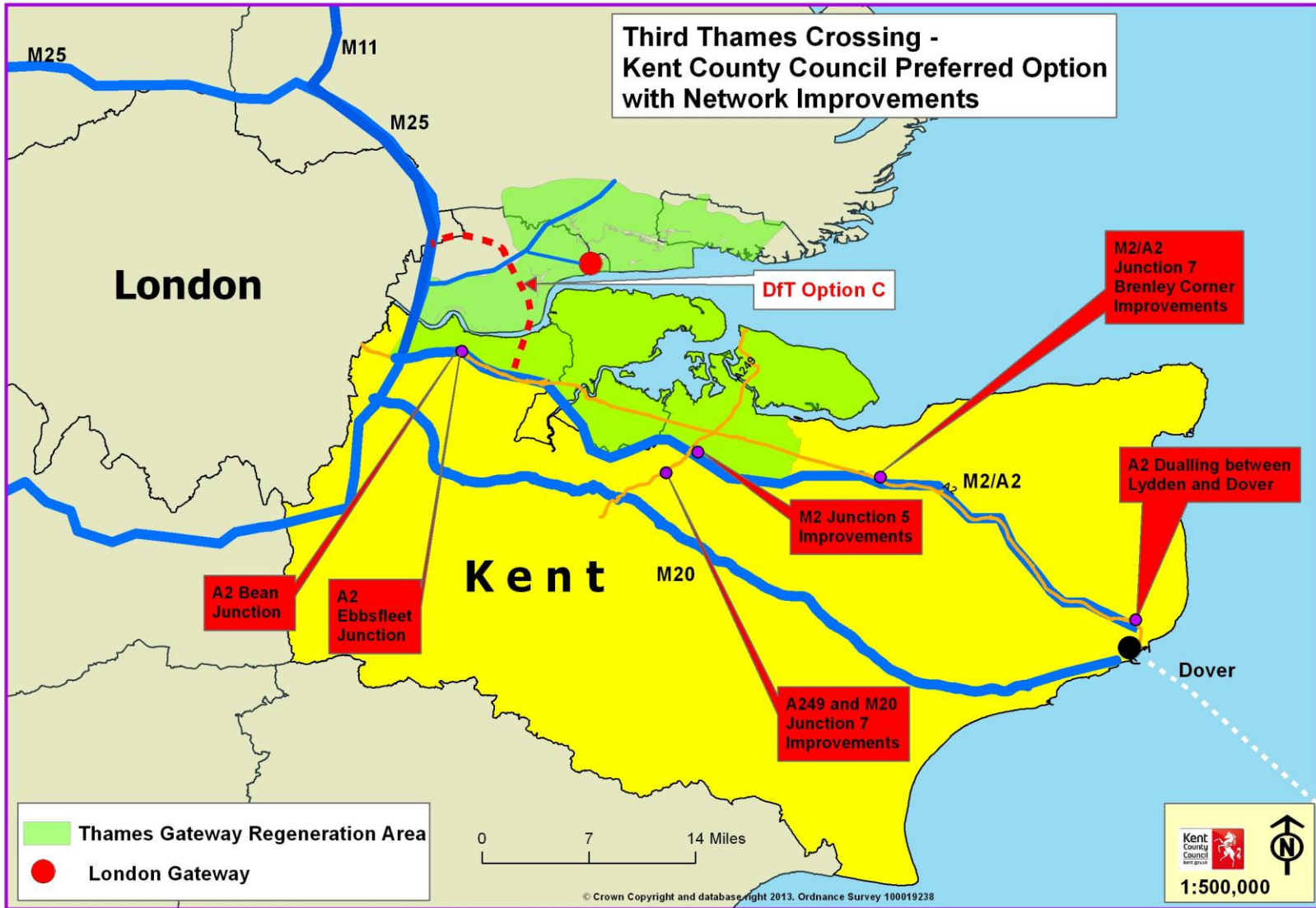
Following dialogue with the investment sector, Kent County Council is convinced that a project **such as a third Thames crossing could be delivered without public funding.**

**Kent County Council believes that it is vital a new crossing to the East of Gravesend along with a number of additional network improvements, is delivered by 2020.** We will work with Government to secure investment to deliver this scheme.



# Thames Gateway / Gearing up for growth

Page 232





# Thames Gateway / Gearing up for growth

## Other Thames Gateway, Kent transport interventions for growth

In addition to a third Thames crossing, a package of targeted transport interventions, the Kent Thameside Strategic Transport Programme, has been developed with partners to enable the substantial regeneration of the Thames Gateway to take place.

**A third Thames crossing and the Thames Gateway Kent development will not only benefit the local economy but will give a massive boost to UK plc.**

The transport interventions to support the **50,000 jobs and 60,000 new homes in the Thames Gateway**, Kent include a number of initiatives across Swale and Medway. These are:

- Sittingbourne Northern Relief Road (Bapchild Link)
- Improved access to Kent Science Park
- A249 Grovehurst Junction Improvement
- Sittingbourne Town Centre Regeneration
- A289 Four Elms Roundabout to Medway Tunnel
- Town centre placemaking and public realm improvements and station improvements at Strood and Chatham
- Improved connectivity to Medway City Estate.

## Growing Medway.....

# Thames Gateway / Gearing up for growth

## Our next steps will be to...

press Government for an early final decision on the preferred route for a third Thames crossing.

work with Government, local authorities and the Local Enterprise Partnership to ensure a third Thames crossing enables a new strategic corridor between Dover and the Midlands to the benefit of the local and national economies and will press for delivery by 2020.

further develop links with the investment sector and broker talks with Government to help facilitate a non-public funding model to deliver a third Thames crossing.

work with the Department for Transport and Highways Agency to press for early delivery of the A2 Bean and A2 Ebbsfleet junctions.

continue to progress the Kent Thameside Strategic Transport programme and other identified priorities across Thames Gateway, Kent in the short to medium term.

# Channel Corridor / Relieving the pressure

|         |   |
|---------|---|
| Issue   | Kent is the UK's front door and with freight through Dover predicted to double, it is vital to our economy to ensure the Channel Corridor operates efficiently at all times and is part of a resilient transport network.   |
| Action  | In addition to a third Thames Crossing, creation of a new strategic route from Dover to the Midlands and the North via bifurcation (splitting traffic between two routes) of port traffic through Kent and provision of solutions to Operation Stack and overnight lorry parking issues.  |
| Outcome | A resilient transport network saving business time and money. Will <b>reduce the freight impact on Kent and Medway and support the delivery of homes and jobs particularly in Dover, Ashford, Canterbury and Swale.</b>   |
| Cost    | Estimated £300m for various measures that will help deliver bifurcation including a number of junction improvements and sections of widening on the M2/A2 corridor. £40m for provision of two overnight lorry parks as part of a network of lorry parks across Kent and Medway. These would have an element of overflow parking to cater for Operation Stack. |

Page 235

## Bifurcating traffic through Kent

**87% of international road freight enters the UK through Dover** and we know that a significant proportion of that traffic heads to the Midlands or further north. At present the majority of traffic is directed along the M20/A20 and Dartford crossing route. We have considerable evidence to demonstrate the vulnerability of this route, particularly related to congestion and incidents on the crossing itself. This is estimated by the Department for Transport to cost the economy £40m a year.

**Bifurcating, or splitting the traffic on this corridor along with a third Thames crossing, is a radical solution that has the potential to offer massive benefits to Kent and the wider UK.** It is estimated that journey time savings for the trip between Dover and Junction 7 of the M11 using a new crossing to the East of Gravesend could be valued at £40m per year.

# Channel Corridor / Relieving the pressure

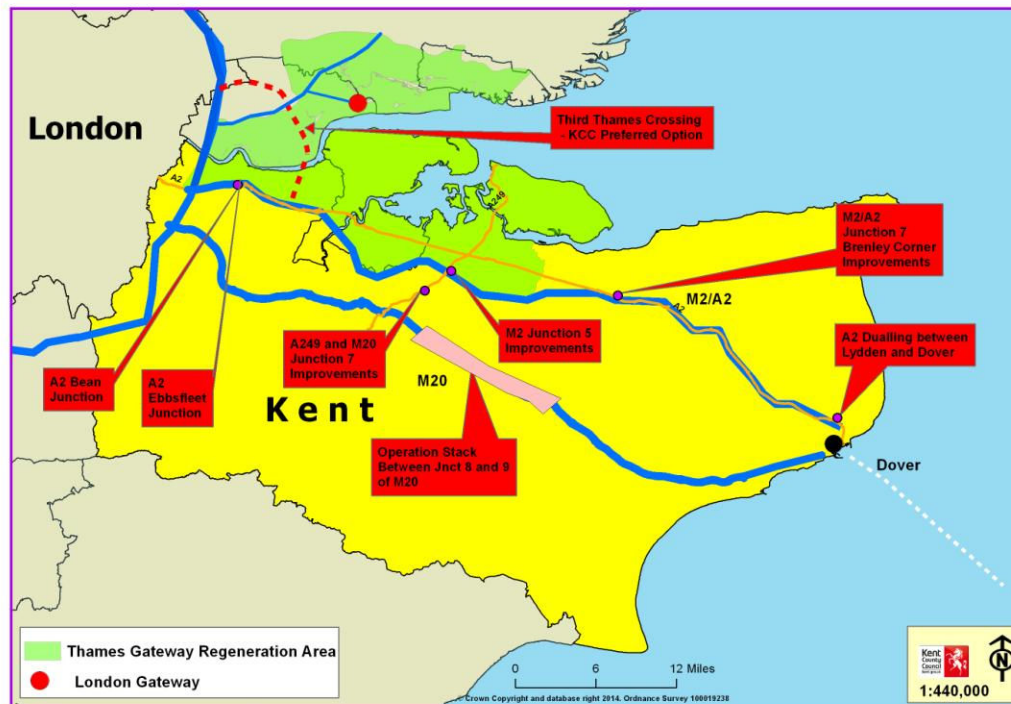
Bifurcation would allow traffic from the Eastern Docks at Dover to use the M2/A2 corridor and a new Thames crossing to make the journey to the Midlands and the North. Traffic from the planned second terminal at the Western Docks would continue to use the M20/A20 corridor. **We will work with Dover Harbour Board to support development of the Western Docks as without this bifurcation is unlikely to be implemented.**

Other benefits of bifurcation would be opening the door for major regeneration of Dover and by relieving pressure on the M20, removing a potential blockage to growth for key centres in Kent including Maidstone and Ashford.

In addition to a third Thames crossing, the triggers to deliver bifurcation are illustrated below and are:

- dualling of the A2 at Lydden;
- the improvement of the M2 Junction 2 (Bean), Junction 3 (Ebbsfleet), Junction 5 (Stockbury) and Junction 7 (Brenley Corner);
- Improvements to the A249 linking the M2 and M20 and improvements to the M20 Junction 7.

Page 236



# Channel Corridor / Relieving the pressure

## Operation Stack and overnight lorry parking

Over the last few years a considerable amount of development work has gone into finding a solution to Operation Stack. When called this causes significant disruption to the county as the M20 can be shut for anything from a few hours to several days. This has a huge impact on the travelling public and Kent and Medway businesses. It also represents a major cost to the Kent and UK economy and leads to the negative perception of Kent as a place to do business.

The sheer volume of HGVs travelling through Kent and Medway and the proximity to the Channel crossings means there is a significant amount of overnight lorry parking in the county on a daily basis. With this comes an element of unofficial and inappropriate lorry parking outside of designated lorry parking areas. Where this inappropriate parking occurs in communities or near residential properties it can cause significant distress and annoyance. The litter left behind, noise of refrigerator units and anti-social behaviour are real issues for those communities and residents.

While we are ready to deliver on a largescale permanent solution to Operation Stack, given the current economic climate, we are pursuing a lower cost option. This involves addressing the considerable issue of inappropriate lorry parking in the county as well as Operation Stack.

**Operation Stack costs £1 million for each day it is on and inappropriate lorry parking causes disruption on our road network and distress to the communities it affects.**



To tackle these combined issues we have been working with district and borough councils and other partners to identify deliverable commercial lorry parks. **Our objective is to identify a network of smaller scale overnight lorry parks with an element of overflow parking that would cater for Operation Stack.** Presently we have identified 3 potential sites and are carrying out detailed development work for each with a view to announcing our preferred solution by June 2014. We are seeking to provide around an additional 1,500 lorry parking spaces and for these smallscale lorry parks to be commercially operated.

In addition to this, we are supportive of Port of Dover and Eurotunnel in their plans to extend their on-site HGV holding areas which will help to delay the point at which Operation Stack needs to be activated.

# Channel Corridor / Relieving the pressure

## Other freight initiatives

Addressing the issues of Operation Stack and inappropriate HGV parking are key elements of Kent County Council's Freight Action Plan. This plan identifies a number of other actions to assist the movement of freight through the county, while minimising its impact on our communities. To date we have introduced the Lorry Watch initiative and will seek to roll this out across the county where communities have a need and are keen to get involved.



Page 238

## Our next steps will be to...

continue to press for infrastructure upgrades to enable the bifurcation of traffic travelling to and from Dover relieving pressure on the M20/A20 and providing greater network resilience and journey time reliability

work with Dover Harbour Board to support development of the Western Docks as without this bifurcation is unlikely to be implemented

complete work in partnership with the district authorities to identify a network of small scale overnight lorry parking facilities across the county with an element of overflow parking to cater for Operation Stack. We will seek to progress to a point whereby commercial operators take on delivery of these facilities

continue to deliver the Freight Action Plan to improve the efficiency and minimise the impact of freight through the county

input to policy consultations and influence at ministerial level to ensure Highways Agency policy and practices minimise impact on Kent and Medway's communities on and around the Channel corridor

# West Kent / Congestion and connectivity

|                |   |
|----------------|---|
| <b>Issue</b>   | <b>Congestion and delay</b> on the A21 near Tunbridge Wells and Tonbridge causing <b>poor accessibility</b> between the south coast and London. Lack of east facing slip roads on M25/M26 resulting in congestion and air quality issues for communities on the A25. <b>Poor rail connectivity</b> between Kent and Gatwick Airport and localised congestion issues, such as at North Farm. |
| <b>Action</b>  | Dualling of A21 between Tonbridge and Pembury, provision of M25/M26 east facing slips, implementation of North Farm Strategy and a package of transport measures to support growth and introduction of direct rail services to Gatwick Airport.   |
| <b>Outcome</b> | Delivery of <b>11,293 houses and 7,803 jobs</b> . A <b>boost to the West Kent economy</b> through improved journey times and reduced congestion for businesses, improved safety for road users, improved access to Gatwick Airport, reduced local congestion  |
| <b>Cost</b>    | DfT funding of £92m in current Spending Round subject to value for money and deliverability for the A21 Tonbridge to Pembury Dualling and a total cost of £68.5m of which £58.1m is sought from the SLGF for the schemes in the section below.  |

Page 239

## A21 Dualling Tonbridge to Pembury

Through persistence and demonstrating that Kent County Council could deliver a lower cost scheme, we succeeded in securing Government commitment to deliver the A21 Tonbridge to Pembury Dualling. A Public Inquiry was held in May 2013, with a funding commitment for this scheme now included in the National Infrastructure Plan. Construction is due to start in 2015/16.

**We will continue to press Government to ensure the A21 Tonbridge to Dualling is delivered at the earliest opportunity to help unlock economic growth in West Kent currently constrained by poor transport connectivity.**

# West Kent / Congestion and connectivity

## M25/M26 East Facing Slips

The lack of east facing slip roads on the M25/M26 means traffic travelling north on the A21 wanting to turn eastwards onto the M26 cannot access the motorway network but instead will use the A25 passing through a number of West Kent communities. New slip roads will help alleviate the congestion and air quality issues.

## North Farm Strategy

Kent County Council, with support from the LEP, has been successful in securing £3.5 million through the Government's Local Pinch Point Fund for transport improvements to tackle congestion and support growth at North Farm Retail and Business Park. We are working closely with landowners, developers and Tunbridge Wells Borough Council to deliver this scheme. We will build on this work by implementing the full North Farm Strategy and with additional SLGF funding.



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## Kent to Gatwick Rail Services

A key aspiration for rail servicers in West Kent is the re-introduction of direct services between Kent and Gatwick Airport, following the cessation of services from Tunbridge Wells and Tonbridge via Redhill in 2008. The Rail Action Plan for Kent (2011) advocates a direct hourly service between Ashford, Tonbridge, Redhill and Gatwick, for which a business case is being prepared.

## Maidstone East line to the City

Following representations from Kent County Council through our Rail Action Plan for Kent, the Department for Transport has agreed to include Maidstone East in the new Thameslink service from 2018. This will deliver a half hourly peak, and some off-peak, services also linking West Malling (for Kings Hill), Borough Green and Otford with the City stations of Blackfriars, City Thameslink, Farringdon and St Pancras.

## Other transport initiatives we want to deliver in West Kent

- M20 Junction 4 Eastern overbridge widening
- A228 Colts Hill Relief Scheme
- Tunbridge Wells Park and Ride
- A26 London Rd/ Speldhurst Rd/ Yew Tree Rd junction improvements
- Working in partnership to deliver a new bridge over River Medway linking to A228 Halling Bypass to open up Peter's Pit development of 1,000 houses and possible further housing expansion
- Tonbridge Town Centre Regeneration.



# West Kent / Congestion and connectivity

Our next steps will be to...

continue to press for early delivery of the A21 Tonbridge to Pembury Dualling

press Government and the Highways Agency to prioritise the provision of east facing slips on the M25/M26.

deliver North Farm Retail and Business Park improvements by March 2015 which will help address current congestion and support business and retail at this location and will seek SLGF to implement the next phase of the North Farm Strategy

work to deliver the identified transport priorities across West Kent in the short to medium term

develop the business case for a direct rail service between Kent and Gatwick and work in partnership with Gatwick Airport Ltd, the rail operator and Network Rail to deliver the service through inclusion in the specification for the next franchise award

|         |  |
|---------|--|
| Issue   | Poor accessibility to East Kent leading to high unemployment and social disadvantage.  |
| Action  | Provision of measures to deliver bifurcation which will improve access to East Kent via A2/M2. Provision of a Thanet Parkway station along with improved line speeds between Ashford and Ramsgate. Implementation of the Westwood Relief Strategy, the Ashford Spurs signalling project and the wider East Kent transport package to support growth. |
| Outcome | Delivery of <b>29,720 houses and 10,468 jobs</b> , improved access to East Kent with <b>reduced perception of peripherality</b> . The Ashford Spurs project will ensure Ashford International Station remains on the international network following the introduction of new European rolling stock.   |
| Cost    | A programme cost of £126.9m with £56.6m being sought through SLGF with bifurcation measures estimated at £300m.  |

Page 242

## Bifurcation improving access to East Kent

Bifurcation is primarily about providing a new strategic corridor for long distance traffic, when implemented it will also provide significant benefits for East Kent. Specifically the measures proposed to improve the A2/M2 corridor will increase connectivity while reducing the perception of peripherality and so enhancing the attractiveness of the area for investment.

### Measures to deliver bifurcation that will improve access to East Kent

- dualling of the A2 at Lydden;
- the improvement of the M2 Junction 2 (Bean), Junction 3 (Ebbsfleet), Junction 5 (Stockbury) and Junction 7 (Brenley Corner);
- Improvements to the A249 linking the M2 and M20 and improvements to the M20 Junction 7.

## Westwood relief strategy

While access by road to East Kent has been significantly upgraded over a number of years, there is still more that needs to be done. For example, further measures are needed to relieve congestion around Westwood Cross Retail Park, a consequence of its success as a retail centre. While we have been successful in securing funding (£1.6m) for Phase 1 of these works through the Department for Transport's Local Pinch Point Fund, we will seek further funding through SLGF to deliver the full congestion relief strategy enabling further growth in this area.

**While road based improvements are still required in East Kent, upgrades to the rail network and services will also play a major part in delivering growth here.**

Page 243

## Thanet Parkway Station

We have advanced work on a new Thanet Parkway station despite challenges such as the changing fortunes of key players, (for example, withdrawal of Pfizer) and have completed technical work on the optimum location for a new station. We have also engaged with Network Rail to ensure we comply with the necessary processes to deliver this station vital to boosting growth and investment in East Kent. It is anticipated the parkway station will be delivered in 2016/17.

The new parkway station will include significant car parking facilities so that in addition to serving Manston Airport and surrounding business parks, it will serve the Thanet and East Kent rural hinterland to allow improved access to London and other employment areas in Kent.



## Rail Access to East Kent

Improved high speed rail service to East Kent is vital to boosting the local economy. This, in conjunction with Thanet Parkway Station, will bring Discovery Park, three major business parks and Manston Airport to **within an hour of London** as well as widening the much needed employment catchment for Thanet residents by making local employment centres, such as Ashford, more accessible.

The £5m funding for rail journey time improvements on the Ashford to Canterbury mainline we secured through the Regional Growth Fund will deliver the first phase of the rail journey time improvement scheme by 2016/17. The £6.8m second phase for which Kent County Council has secured funding from Network Rail, from Canterbury to Ramsgate should be completed by 2018/19, giving a total journey time reduction of up to 10 minutes.

Through our commitment to the Rail Action Plan for Kent, Kent County Council has funded new high speed services between Sandwich, Deal and London. In the peak periods journey times to and from London have been reduced from 2h 15m to just 1h 30m. The success of this action has led to Southeastern putting on additional services and we have succeeded in securing all services within the next franchise, at no further subsidy from the County Council. Southeastern has also proposed an all day high speed service via Deal and Sandwich from the December 2014 timetable.

## Ashford International

Page 244 Kent County Council is currently working in partnership with European partners and Eurostar on a proposed revised timetable which would benefit Kent's international rail passengers through the introduction of more stopping services at Ashford International and in France.

An important aspect of this initiative will be safeguarding these international rail services at Ashford through signalling works which will allow modern international rolling stock to continue to use the station. **Without this vital work, services would increasingly be unable to serve Ashford in the medium term.**

## Other transport initiatives we want to deliver in East Kent

**M20 Junction 10a**

**A20 Chart Road, Ashford Improvement**

**A2/A28 off slip**

**A2 Duke of York Roundabout improvements**

**Sturry Link Road and integrated transport package**

**Margate junction improvements**

**North Deal Access Improvements**

**A20 Cheriton High Street Junction Improvements**

**Newingreen Junction Improvement**

**Dover Bus Rapid Transport**

**Dover Waterfront links to town centre**

**Ashford Public Transport Priority**

## Our next steps will be to...

implement Phase 1 of the rail journey time improvements and work with Network Rail to ensure Phase 2 is implemented by 2018/19 so East Kent becomes a truly competitive business location with access to London in less than an hour

we will undertake the next stages in Network Rail processes to deliver a new parkway station supporting growth and investment in East Kent

we will seek to deliver the wider transport package that will help boost the East Kent economy, including delivering a solution to the Westwood Cross Retail Park congestion

we will continue to seek European funding to upgrade the Ashford “spurs” to European signalling compliance to ensure Ashford continues to be connected to the international rail network and so benefits from the growth such a connection brings

# Ashford and Maidstone / Urban growth

|                |  |
|----------------|--|
| <b>Issue</b>   | Severe congestion issues in urban areas with high levels of planned growth.  |
| <b>Action</b>  | <b>Delivery of schemes to address bottlenecks on strategic and local road networks supported by public transport initiatives.</b> Includes a new partial Junction 10a on the M20, A28 Chart Road improvements in Ashford, and an integrated transport package for Maidstone to deliver growth. |
| <b>Outcome</b> | <b>Delivery of 34,200 houses and 27,500 jobs</b> (using South East Plan / Local Plan numbers) with improved access to, and journey time reliability, for these urban areas.  |
| <b>Cost</b>    | A programme cost of £82.9m with £48.4m being sought through SLGF.  |

Page 246

## Enabling urban growth

Urban congestion is currently, and will increasingly be, a severe constraint on growth for Ashford and Maidstone, two of the main growth areas in the county. A new partial junction 10a on the M20 is required to unlock development in the Sevington area of Ashford. The A28 Chart Road scheme including an element of dualling and roundabout improvements, will unlock the Chilmington Green development to the north of Ashford.

Severe congestion and capacity issues are similarly a constraint on the growth planned for Maidstone. An integrated transport package will be developed to enable delivery of this development in a sustainable way improving capacity and journey time reliability.

# Ashford and Maidstone / Urban growth

## Our next steps will be to...

work in partnership to deliver the M20 partial Junction 10a scheme to open up major development to the south of Ashford

seek funding through SLGF to implement the A28 Chart Road Improvement enabling development to the north of Ashford and for public transport priority measures to provide an integrated urban transport system

develop an integrated transport package for Maidstone to support the substantial growth planned for the county town to increase capacity and improve journey time reliability.

# Bold steps for aviation

DRAFT

|                |   |
|----------------|---|
| <b>Issue</b>   | <b>Growing need to increase airport runway capacity in London and the South East.</b> Without this a lack of aviation capacity will constrain the UK's connectivity, impacting on our competitiveness and restricting economic growth |
| <b>Action</b>  | <b>Capacity growth at existing international airports and maximising the use of regional airports, including Manston Airport,</b> in combination with <b>improved rail links</b>  |
| <b>Outcome</b> | The UK remains the <b>best connected country in the world</b> generating economic growth with benefits spread to regional economies, and <b>without the need for a new hub airport in the Thames Estuary</b>                          |
| <b>Cost</b>    | Dependant on the recommendations of the Airports Commission   |

Page 248

## Our opposition to an Estuary airport

There is currently much debate on how the UK best meets its aviation capacity challenge in the South East of England. The Airports Commission chaired by Sir Howard Davies will provide recommendations to the Government in 2015. Kent County Council and Medway Council are robustly opposed to the proposals for a new hub airport in the Thames Estuary.

## Our solution

Kent County Council has produced a discussion document Bold Steps for Aviation which clearly sets out our position on aviation. This centres on maximising use of existing regional airport capacity, such as Manston, Kent's International Airport, along with some expansion of existing airports and improved rail connections.



The Airports Commission's interim report (December 2013) shortlisted two options for additional runway capacity at Heathrow and a second runway at Gatwick, alongside significant surface access improvements, especially rail. A new hub airport on the Isle of Grain will be investigated further in 2014 before the Commission makes a decision on whether it will be shortlisted.

Kent and Medway will continue to make the case against a new hub airport in the Thames Estuary which would result in the closure of Heathrow with devastating economic effect for West London and irreversible environmental devastation for the Thames Estuary.

**We are clear: there should be no new hub airport in the Thames Estuary but instead we need growth at our existing airports if we are to successfully deal with UK aviation capacity issues in realistic timescales.**

In relation to whether additional runway capacity is provided at Heathrow or Gatwick, this will be a matter for Government to decide following the final recommendations of the Airports Commission expected mid 2015.

As part of our view on long term aviation capacity issues, **we are pressing Government for immediate action to keep UK airports competitive with European airports in terms of Air Passenger Duty (APD)**. This currently has a negative impact on the UK's global connectivity and is therefore damaging UK business and tourism.

## Airport Capacity in Kent

### Manston, Kent's International Airport

The Manston Airport Master Plan (2009) sets out a growth plan that would see the airport expand to cater for around 5 million passengers per annum making this a thriving regional airport. The rail improvements we are currently delivering including improved journey times from London and a new parkway station, will help support growth at the airport.

### Lydd (London Ashford) Airport

Lydd is a small airport located south of Ashford which currently caters primarily for business and general aviation. The airport has recently secured permission for an extension to its runway and new passenger terminal that will see it able to provide for up to half a million passengers each year.

# Bold steps for aviation

DRAFT

## Our next steps will be to...

continue to present a strong evidence-based case supporting growth at regional airports with limited runway expansion at the existing main London airports and improved surface access by rail, as a solution to the UK aviation capacity issue.

continue to present evidence to seek to achieve an outcome that will produce substantial growth for regional economies including Kent and Medway and remove the threat of a Thames Estuary Airport.

press Government to review APD to ensure it does not operate to make the UK less competitive than its European neighbours.



|                |  |
|----------------|--|
| <b>Issue</b>   | growth in housing and jobs will increase traffic congestion <b>reducing opportunities for those without access to a car. Cost of commuting</b> by rail to access employment is a major barrier for many people.                          |
| <b>Action</b>  | <b>create an integrated public transport network</b> and promote initiatives to encourage greater use of public transport. Begin dialogue with Government and train operators to identify options for reducing the 'rail price penalty'. |
| <b>Outcome</b> | <b>increased access to jobs, education and health by public transport</b> , providing opportunities to Kent's residents without the need for a private car and therefore reducing road congestion  |
| <b>Cost</b>    | KCC £70m per annum including home to school transport<br>Medway £10m per annum including home to school transport  |

Page 251

## Access to jobs, education and health

If we are truly to deliver growth without gridlock, we need to provide an integrated, affordable public transport network to make it an attractive travel option for Kent and Medway's residents.

## Bringing down the cost of public transport

**A real issue for many people in Kent is the cost of commuting by rail.** This can have the impact of preventing residents in many areas of Kent, for example East Kent, from being able to access employment, particularly in London. If travel by rail was more affordable, more London based employment opportunities could be taken up by Kent residents. This would potentially spread London prosperity across the county.



Page 252

**We will ask Government, Network Rail and Southeastern to work with us to identify options for reducing the 'rail price penalty'.**

The cost of travel by public transport can similarly be a challenge for Kent's young people in accessing education and employment.

**We will press Government to support reduced cost travel by public transport for 16-19 year olds to assist with access to education and employment.**

## Improving travel by rail

We have made good progress on promoting improvements to rail passenger services through the Rail Action Plan for Kent. Across the rail industry and Government, the Rail Action Plan for Kent has led to Kent County Council being recognised as a voice of authority on rail matters for the South East.

Kent County Council will continue to influence the service specifications for the new Thameslink (2014) and South Eastern (2018) franchises, ensuring that Kent's rail passengers are provided with the best possible level of service including:

- securing all day High Speed services to Deal and Sandwich
- completion of journey time improvements from Ashford to Ramsgate via Canterbury West
- improved off-peak journey times on North Kent Line to London Victoria
- provision of service from Maidstone East to City within Thameslink franchise
- provision of a through Kent to Gatwick rail service.

KCC holds annual rail summits that bring together stakeholders and the rail industry: Southeastern Railway, Network Rail, local rail user groups, MPs and local councillors. This provides a powerful collective voice in discussing issues for travel by rail in the county.

## Improving travel by bus

To ensure a high quality and effective public transport option for journeys across Kent, Kent County Council actively supports seven Quality Bus Partnerships including most recently, a Punctuality Improvement Partnership. A successful Quality Bus Partnership also operates across the Medway area, which is well supported by local bus operators and Medway Council. This work has helped contribute to a 2.5% increase in bus patronage across the county between 2009/10 and 2010/11 against a national increase of only 0.1% for the same period.

We are progressing smart ticketing by building on the successful rollout of over 300,000 Kent County Council smart concessionary travel passes which includes provision for Kent Freedom Pass to become an e-purse facility from September 2014. This helps to provide seamless travel between bus operators and works towards providing an integrated bus network. To promote integration between bus and rail, we secured £2.7 million from the Local Sustainable Transport Fund for improved access to stations.

The Fastrack bus services operating across Kent Thameside have a proven track record. There are currently two services operating and further routes will be developed as growth occurs. The lessons learned from Fastrack can be applied to allow similar high quality, frequent and reliable bus systems to be developed in Ashford and Dover as a key element of the transport strategies for these areas supporting planned growth.

We have issued over 27,400 Freedom Passes for the 2012/13 academic year allowing easy and affordable bus travel to education for Kent's young people (school years 7-11) and reducing peak traffic congestion in our urban areas.

Medway funds the operation a Medway Youth Pass scheme, which enables all young people to travel at half fare up to the end of the academic year after their 18th birthday. 3,100 passes were on issue as at September 2013.

## Our next steps will be to...

ask Government, Network Rail and Southeastern to work with us to identify options for reducing the 'rail price penalty'.

press Government to provide subsidy on the cost of travel by public transport for 16-19 year olds to support access to education and employment.

continue to fight for the best deal for Kent and Medway's rail passengers throughout the delayed franchise process including:

Page 254

- Securing all day High Speed services to Deal and Sandwich
- Completion of journey time improvements from Ashford to Ramsgate via Canterbury West
- Improved off-peak journey times on North Kent Line to London Victoria
- provision of service from Maidstone East to City within Thameslink franchise
- Provision of a through Kent to Gatwick rail service.

continue to host an annual rail summit and stand up for Kent and Medway's residents and rail users to enhance our reputation on rail matters ensuring we are able to deliver the best outcomes for Kent's rail passengers.

work with partners to further roll out smart ticketing products to improve rail-bus integration.

implement the final years of the Local Sustainable Transport Fund and bid for Better Bus Area funding to deliver improvements on the ground for journeys in Kent by public transport.

work with the development sector to help deliver integrated public transport systems for Ashford and Dover

work closely with passenger transport operators to drive efficiencies in the current Kent County Council and Medway Council spend on public transport subsidy, concessionary travel and home to school transport.

## Supporting growth across Kent and Medway

GWG in Kent and Medway gives a perspective on the main priority transport interventions we believe are needed to help us deliver growth across Kent and Medway. This by no means represents the whole picture however.

From our own work, and from working closely with our district council partners in supporting the development of their local plans and more specifically, the transport strategies needed to deliver that growth, we have built up a detailed knowledge of the transport needs across the county.

Not all interventions vital for growth fall within the remit of Kent and Medway councils as the local transport authority for their area. A number of key projects fall under the remit of the Highways Agency or Network Rail. Kent County Council and Medway Council are therefore committed to working closely with both of these agencies to influence their future delivery programmes, and to ensure these are given the highest priority for delivery.

**The full list of the transport interventions we want to see delivered including costs and deliver timescales is provided in Appendix B. The location of these schemes are illustrated on the following plans.**

## Our next steps will be to...

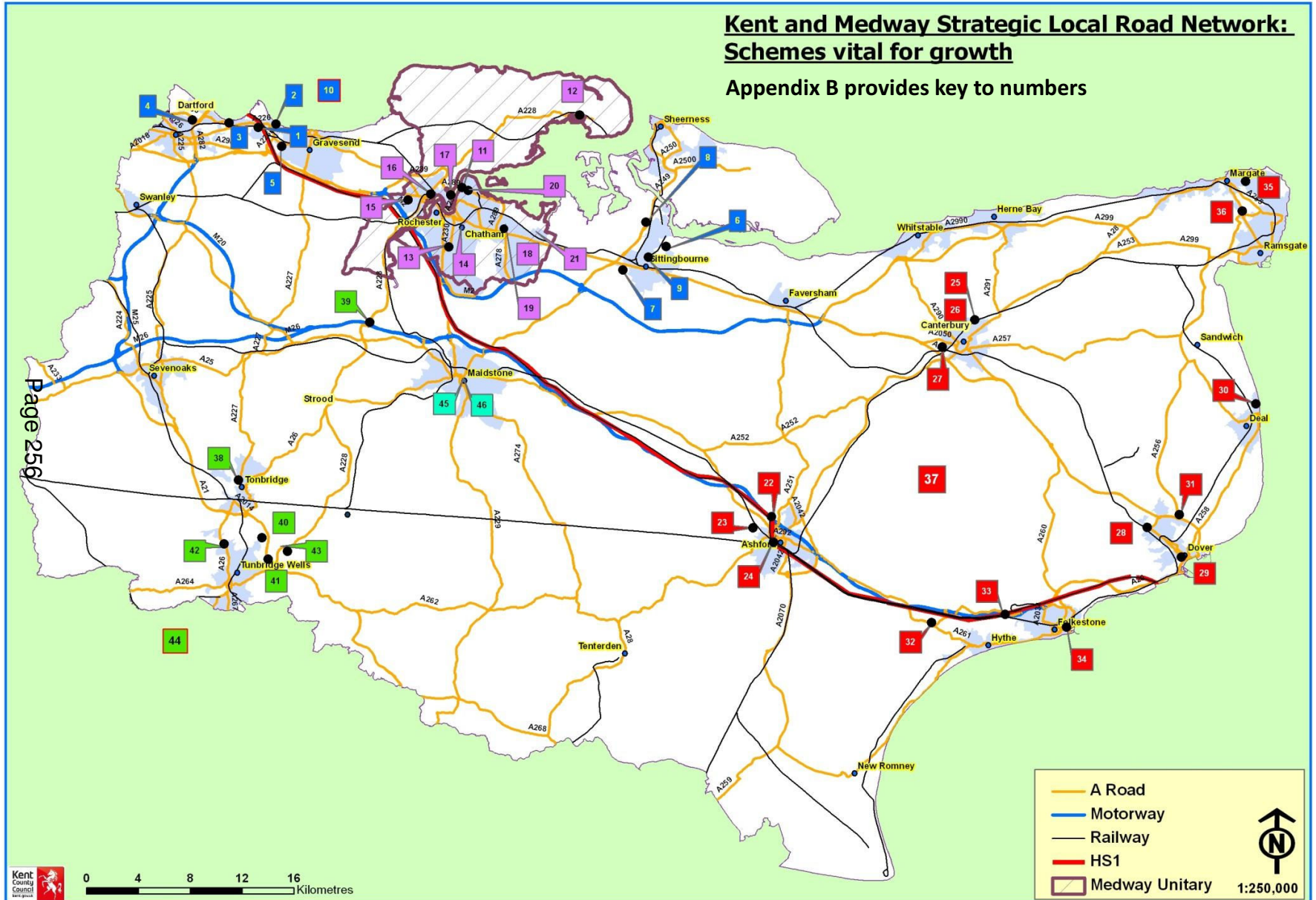
**work with the development sector and other delivery agencies to bring forward by 2021 Kent and Medway's priority transport projects as set out in Appendix B.**

**press the Department for Transport, Highways Agency and Network Rail to recognise and prioritise for delivery at the earliest opportunity, Kent and Medway's priority transport projects which come under the remit of these agencies.**

# The complete picture/ Local transport schemes

## Kent and Medway Strategic Local Road Network: Schemes vital for growth

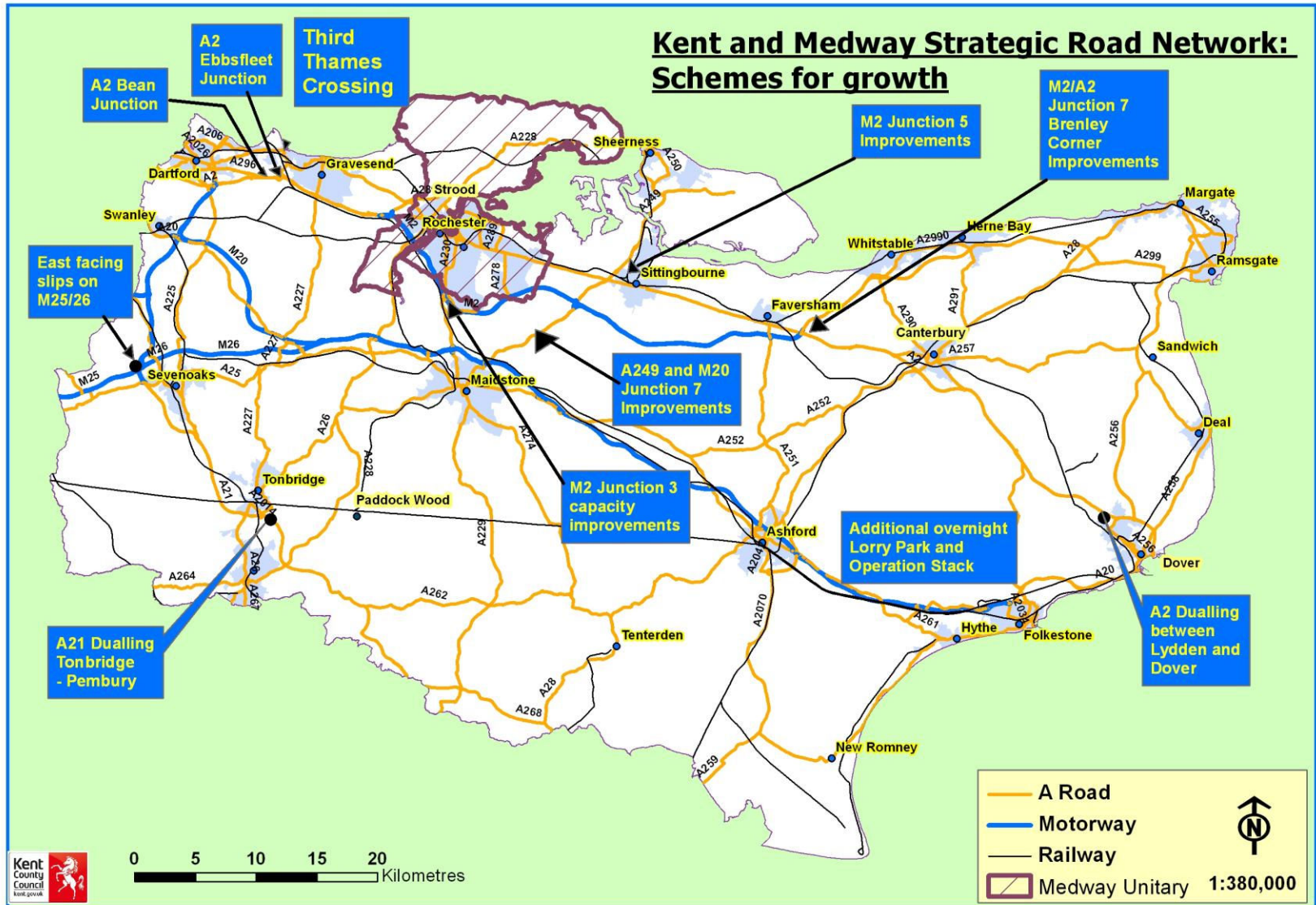
Appendix B provides key to numbers





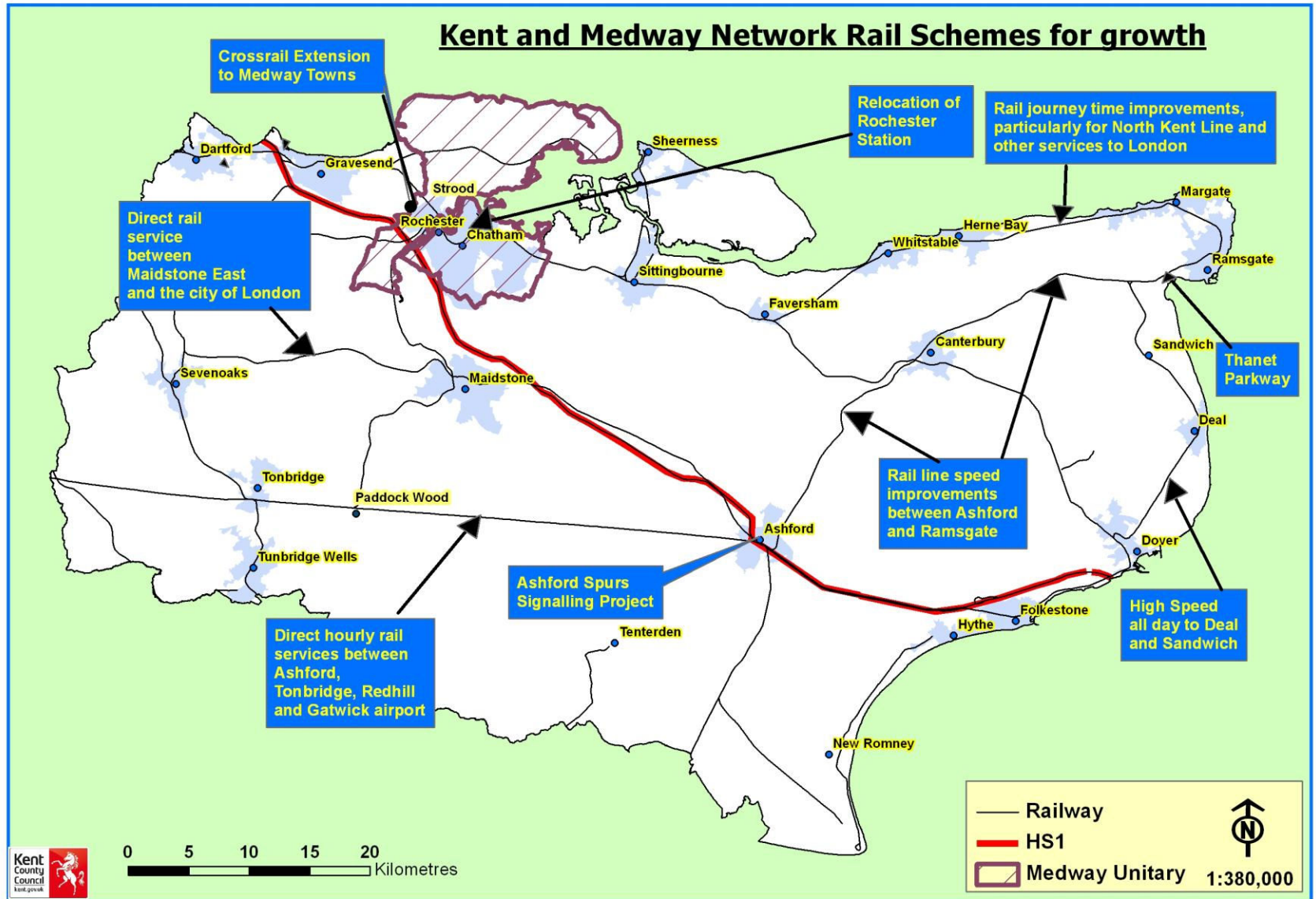
# The complete picture/ Highways Agency schemes

## Kent and Medway Strategic Road Network: Schemes for growth



# The complete picture/ Rail schemes

Page 258



| Growth area       | Achieved in last 3 years  |
|-------------------|---|
| <b>Ashford</b>    | <p>Improvements to A20 Drivers roundabout and M20 Junction 9 completed in June 2011 and October 2011 retrospectively.</p> <p>Victoria Way, Ashford opened in November 2011 providing improved access into heart of town and station. The Rail Action Plan for Kent recognises the excellent High Speed services between Ashford and St Pancras.</p> |
| <b>Canterbury</b> | <p>New A2 slip road Canterbury connecting A28 Thanington Road with the London-bound carriageway opened August 2011.</p> <p>Secured £5m RGF funding for Ashford to Canterbury rail journey time improvements.</p>  |
| <b> Dartford</b>  | <p>Investigated options for private sector funding for third Thames crossing and pushed DfT to accelerate its delivery with evidence based studies.</p>   |
| <b>Dover</b>      | <p>The delivery of high speed services to Deal and Sandwich dramatically improving services to London.</p>  |
| <b>Gravesham</b>  | <p>Delivery of first phase of improvements to the Gravesend Transport Quarter, (Civic Square) July 2011.</p>  |
| <b>Maidstone</b>  | <p>Arriva/ KCC bid secured funding from the Governments Greener Buses Fund towards new hybrid electric buses. Eleven new hybrid buses will be introduced during 2013 on routes between Maidstone and Snodland.</p> <p>Maidstone West to St Pancras high speed rail services introduced.</p>   |

| Growth area      | Achieved in last 3 years  |
|------------------|---|
| <b>Medway</b>    | <p>New bus station at Chatham Waterfront fully operational, replacing the poor bus facilities in the Pentagon shopping centre.</p> <p>Urban Traffic Management and Control system operational.</p> <p>New bridge on the A228 at Stoke, replacing the existing level crossing.</p> <p>Major public realm and accessibility improvements to Gillingham railway station.</p> <p>Expansion to cycle network.</p> <p>Worked with rail industry to develop major improvements to railway stations at Rochester, Rainham and Strood.</p> |
| <b>Sevenoaks</b> | <p>Retention of good rail connectivity to London for Sevenoaks with frequent services to Charing Cross and peak services to and from Cannon Street.</p>   |
| <b>Shepway</b>   | <p>Delivery of the final stages of the Folkestone to Lydd and Lydd-on-Sea bus route infrastructure upgrades. This investment will improve access at bus stops for all and encourage greater bus use.</p>  |
| <b>Swale</b>     | <p>Rushenden Relief Link opened in Sheppey in November 2011.</p> <p>Sittingbourne Northern Relief Road opened in December 2011.</p>   |
| <b>Thanet</b>    | <p>East Kent Access Road completed, with the second phase of the A299 Dualling opened May 2012.</p> <p>Secured £5m regional Growth Funding for Ashford to Canterbury rail journey time improvements and £6.8m Network Rail funding for Ramsgate to Canterbury rail journey time improvements.</p>   |

| Growth area             | Achieved in last 3 years  |
|-------------------------|---|
| Tonbridge & Malling     | A Statutory Quality Partnership Scheme developed by KCC, Tonbridge and Malling District and bus operating companies which came into effect in 2013.   |
| Tunbridge Wells         | <p>KCC has been working closely with Tunbridge Wells Borough Council (TWBC) to identify options to reduce congestion at the North Farm Industrial estate and secured £3.5 million of Local Pinch Point Funding to deliver Phase 1 of the strategy.</p> <p>KCC has supported TWBC in their endeavours to retain the existing Cannon Street services and not to have them replaced with Thameslink trains.</p>  |
| Countywide              | <p>Delivered improved access to railway stations using Local Sustainable Transport Funding.</p> <p>Delivered smartcard ticketing and Wheel to Work initiatives. Supported Thames Gateway successful Fastrack bus service, provided over 27,400 Freedom Passes in 2012/13 helping young people access education and Medway Youth pass scheme, supported 8 Quality Bus Partnerships and rolled out the Kent's smart concessionary travel pass.</p> <p>Implementation of congestion management initiatives across our main urban areas along with numerous smallscale traffic management projects.</p> |
| Highways Agency network | <p>Investigated options for private sector funding for third Thames crossing and pushed DfT to accelerate its delivery with evidence based studies.</p> <p>Successfully pressed the Department for Transport to implement a road user levy for international HGVs in the UK.</p> <p>Successfully campaigned for the A21 Tonbridge to Pembury Dualling to be put back in the Highways Agency's delivery programme by demonstrating that Kent County Council could deliver the scheme for a third less cost.</p>  |

# Appendix B/ Our delivery programme to 2021

| Kent Scheme name                                     | Delivery   |               | Funding      |                  |                       |
|--|------------|---------------|--------------|------------------|-----------------------|
|  | Start Date | Delivery Date | Total Cost   | LGF Contribution | External Contribution |
| <b>Ashford Growth Area</b>                           |            |               |              |                  |                       |
| 22. M20 Junction 10a                                 | 2015/16    | 2018/19       | £ 35,900,000 | £ 19,700,000     | £ 16,200,000          |
| 23. A28 Chart Road                                   | 2016/17    | 2018/19       | £ 19,500,000 | £ 10,229,000     | £ 9,271,000           |
| 24. Ashford Public Transport Priority                | 2017/18    | 2018/19       | £ 3,000,000  | £ 3,000,000      |                       |
| <b>Canterbury Growth Area</b>                        |            |               |              |                  |                       |
| 25. Sturry Link Road                                 | 2017/18    | 2019/20       | £ 28,600,000 | £ 5,900,000      | £ 22,700,000          |
| 26. A28 Sturry Rd Integrated Transport Package       | 2015/16    | 2015/16       | £ 500,000    | £ 250,000        | £ 250,000             |
| 27. A2/A28 off slip and link road                    | 2017/18    | 2018/19       | £ 12,000,000 | £ 2,000,000      | £ 10,000,000          |
| <b>Dover and Whitfield Growth Area</b>               |            |               |              |                  |                       |
| 28. Dover Bus Rapid Transit                          | 2017/18    | 2019/20       | £ 6,000,000  | £ 2,000,000      | £ 4,000,000           |
| 29. Dover Waterfront Link to Town Centre             | 2015/16    | 2017/18       | £ 30,000,000 | £ 12,750,000     | £ 17,250,000          |
| 30. North Deal Improvements                          | 2015/16    | 2015/16       | £ 1,500,000  | £ 750,000        | £ 750,000             |
| 31. Duke of York rbt and structural maintenance A256 | 2018/19    | 2019/20       | £ 5,500,000  | £ 5,000,000      | £ 500,000             |
| <b>Dartford Growth Area</b>                          |            |               |              |                  |                       |
| 3. A226 London Road/ B255 St Clements Way Jctn       | 2017/18    | 2018/19       | £ 8,700,000  | £ 4,200,000      | £ 4,500,000           |
| 4. Dartford Town Centre Improvements                 | 2015/16    | 2017/18       | £ 9,000,000  | £ 2,300,000      | £ 6,700,000           |
| 5. Northfleet station and link                       | 2018/19    | 2018/19       | £ 10,700,000 | £ 6,400,000      | £ 4,300,000           |

# Appendix B/ Our delivery programme to 2021

| Kent Scheme name  | Delivery   |               | Funding      |                  |                       |
|---|------------|---------------|--------------|------------------|-----------------------|
|   | Start Date | Delivery Date | Total Cost   | LGF Contribution | External Contribution |
| <b>Gravesham Growth Area</b>                              |            |               |              |                  |                       |
| 1. A226 Thames Way Dualling                               | 2019/20    | 2020/21       | £ 8,900,000  | £ 3,500,000      | £ 5,400,000           |
| 2. Rathmore Road Link                                     | 2015/16    | 2016/17       | £ 7,300,000  | £ 4,100,000      | £ 3,200,000           |
| <b>Maidstone Growth Area</b>                              |            |               |              |                  |                       |
| 45. Maidstone Integrated Transport Package                | 2015/16    | 2016/17       | £ 21,500,000 | £ 13,460,000     | £ 8,040,000           |
| <b>Shepway Growth Area</b>                                |            |               |              |                  |                       |
| 22. Newingreen Junction Improvement                       | 2017/18    | 2017/18       | £ 700,000    | £ 411,000        | £ 289,000             |
| 23. A20 Cheriton High Street junction Improvement         | 2019/20    | 2020/21       | £ 570,000    | £ 300,000        | £ 270,000             |
| 34. Folkestone Harbour maintenance                        | 2015/16    | 2015/16       | £ 500,000    | £ 500,000        | £ -                   |
| <b>Sittingbourne Growth Area</b>                          |            |               |              |                  |                       |
| 6. ittingbourne Northern Relief Road - Bapchild Link Road | 2019/20    | 2020/21       | £ 28,600,000 | £ 23,100,000     | £ 5,500,000           |
| 7. M2 J5a Kent Science Park                               | 2019/20    | 2020/21       | £ 32,000,000 | £ 28,000,000     | £ 4,000,000           |
| 8. A249 Grovehurst junction                               | 2018/19    | 2019/20       | £ 2,000,000  | £ 1,000,000      | £ 1,000,000           |
| 9. Sittingbourne Town Centre Regeneration                 | 2016/17    | 2017/18       | £ 4,500,000  | £ 2,500,000      | £ 2,000,000           |
| <b>Thanet Growth Area</b>                                 |            |               |              |                  |                       |
| 35. Margate junction improvements                         | 2018/19    | 2019/20       | £ 10,000,000 | £ 6,500,000      | £ 3,500,000           |
| 36. Westwood Relief Strategy                              | 2016/17    | 2018/19       | £ 9,000,000  | £ 7,000,000      | £ 2,000,000           |

# Appendix B/ Our delivery programme to 2021

| Kent Scheme name   | Delivery   |               | Funding              |                      |                       |
|--|------------|---------------|----------------------|----------------------|-----------------------|
|  | Start Date | Delivery Date | Total Cost           | LGF Contribution     | External Contribution |
| <b>Tonbridge and Malling Growth Area</b>   |            |               |                      |                      |                       |
| 38. Tonbridge Town Centre Regeneration   | 2015/16    | 2016/17       | £ 3,870,000          | £ 2,180,000          | £ 1,690,000           |
| 39. M20 Junction 4 Eastern Overbridge  | 2015/16    | 2015/16       | £ 4,435,000          | £ 2,178,000          | £ 2,257,000           |
| <b>Tunbridge Wells Growth Area</b>   |            |               |                      |                      |                       |
| 40. North Farm Relief Strategy   | 2015/16    | 2020/21       | £ 10,500,000         | £ 8,500,000          | £ 2,000,000           |
| 41. Tunbridge Wells Park and Ride  | 2016/17    | 2017/18       | £ 10,000,000         | £ 8,500,000          | £ 1,500,000           |
| 42. A26 London Rd/ Speldhurst Rd/ Yew Tree Rd  | 2015/16    | 2016/17       | £ 2,000,000          | £ 1,750,000          | £ 250,000             |
| 43. A228 Colts Hill Relief Scheme  | 2015/16    | 2020/21       | £ 35,000,000         | £ 35,000,000         | £ -                   |
| <b>Sustainable Transport for Growth</b>  |            |               |                      |                      |                       |
| 37. East Kent LSTF: A Network for Growth   | 2015/16    | 2020/21       | £ 16,135,000         | £ 9,785,000          | £ 6,350,000           |
| 44. West Kent LSTF: Tackling Congestion  | 2015/16    | 2020/21       | £ 9,050,000          | £ 4,890,000          | £ 4,160,000           |
| 10. Kent Thameside LSTF: Integrated Door - Door Jrnys  | 2015/16    | 2020/21       | £ 7,536,000          | £ 4,510,500          | £ 3,025,500           |
| Sustainable Access to Education and Employment (Delivering Kent's Right of Way Improvement Plan) | 2015/16    | 2020/21       | £ 1,800,000          | £ 900,000            | £ 900,000             |
| 46. Sustainable Access to Maidstone Employment areas (River Medway Cycle Path)                   | 2015/16    | 2016/17       | £ 3,000,000          | £ 2,000,000          | £ 1,000,000           |
| <b>County Wide</b>   |            |               |                      |                      |                       |
| Strategic congestion management to address congestion across growth areas                        | 2015/16    | 2020/21       | £ 4,800,000          | £ 4,800,000          | £ -                   |
| Sustainable interventions supporting growth  | 2015/16    | 2020/21       | £ 40,500,000         | £ 10,500,000         | £ 30,000,000          |
| <b>KENT TOTAL</b>  |            |               | <b>£ 400,496,000</b> | <b>£ 236,443,500</b> | <b>£ 164,052,500</b>  |



# Appendix B/ Our delivery programme to 2021

| Medway Scheme name  | Delivery   |               | Funding             |                     |                       |
|---|------------|---------------|---------------------|---------------------|-----------------------|
|   | Start Date | Delivery Date | Total Cost          | LGF Contribution    | External Contribution |
| <b>Hoo Growth area</b>  |            |               |                     |                     |                       |
| 11. A289 Four Elms roundabout to Medway Tunnel capacity enhancement         | 2015/16    | 2017/18       | £ 16,300,000        | £ 11,100,000        | £ 5,200,000           |
| 12. A228 Grain Level Crossing removal                                       | 2017/18    | 2020/21       | £ 15,000,000        | £ 15,000,000        | £ -                   |
| <b>Chatham Growth area</b>  |            |               |                     |                     |                       |
| 13. Package of placemaking and public realm projects in Chatham town centre | 2015/16    | 2017/18       | £ 6,900,000         | £ 4,000,000         | £ 2,900,000           |
| 14. Chatham Station improvements  | 2016/17    | 2018/19       | £ 1,400,000         | £ 700,000           | £ 700,000             |
| <b>Strood/MCE Growth area</b>   |            |               |                     |                     |                       |
| 15. Strood town centre journey time and accessibility enhancements          | 2015/16    | 2018/19       | £ 10,000,000        | £ 9,000,000         | £ 1,000,000           |
| 16. Strood station improvement  | 2016/17    | 2018/19       | £ 2,500,000         | £ 1,250,000         | £ 1,250,000           |
| 17. Medway City Estate accessibility improvements (part LSTF)               | 2015/16    | 2017/18       | £ 2,000,000         | £ 2,000,000         | £ -                   |
| <b>Medway wide</b>  |            |               |                     |                     |                       |
| Integrated transport schemes  | 2015/16    | 2020/21       | £ 12,000,000        | £ 6,000,000         | £ 6,000,000           |
| A2 Corridor journey time improvements                                       | 2015/16    | 2016/17       | £ 2,000,000         | £ 2,000,000         | £ -                   |
| A289 Medway Tunnel Maintenance  | 2015/17    | 2020/21       | £ 9,200,000         | £ 5,000,000         | £ 4,200,000           |
| Medway Cycling Action Plan (part LSTF)                                      | 2015/16    | 2020/21       | £ 3,000,000         | £ 2,500,000         | £ 500,000             |
| <b>Medway Total</b>   |            |               | <b>£ 80,300,000</b> | <b>£ 58,550,000</b> | <b>£ 21,750,000</b>   |

# Appendix B/ Our delivery programme to 2021

|                                | Delivery   |               | Funding       |                  |                       |
|--------------------------------|------------|---------------|---------------|------------------|-----------------------|
|                                | Start Date | Delivery Date | Total Cost    | LGF Contribution | External Contribution |
| <b>KENT &amp; MEDWAY TOTAL</b> |            |               | £ 480,796,000 | £ 294,993,500    | £ 185,802,500         |

| Highways Agency Network interventions vital for Kent and Medway Growth | Delivery   |               | Funding              |                     |                       |
|--|------------|---------------|----------------------|---------------------|-----------------------|
|  | Start Date | Delivery Date | Total Cost           | LGF Contribution    | External Contribution |
| Third Thames Crossing  | 2018/19    | 2020/21       |                      |                     |                       |
| M2/A2 Junction 7 Brenley Corner Improvements                           | 2020/21    | 2020/21       |                      |                     | £ -                   |
| M249 and M20 J7 Improvements   | 2020/21    | 2021 -        |                      |                     | £ -                   |
| M2 Dualling between Lydden and Dover                                   | 2019/20    | 2020/21       |                      |                     | £ -                   |
| A2 Bean Junction   | 2017/18    | 2019/20       | £ 50,000,000         | £ 10,000,000        | £ 40,000,000          |
| A2 Ebbsfleet Junction  | 2017/18    | 2019/20       | £ 30,000,000         | £ 6,000,000         | £ 24,000,000          |
| M2 J5 Improvements   | 2019/20    | 2020/21       | £ 100,000,000        | £ 15,000,000        | £ 85,000,000          |
| M2 J3 capacity improvements  |            |               |                      |                     |                       |
| Overnight Lorry Park and Operation Stack                               | 2015/16    | 2016/17       | £ 18,000,000         | £ 10,000,000        | £ 8,000,000           |
| Additional Overnight Lorry Park and Op Stack                           | 2019/20    | 2020/21       | £ 18,000,000         | £ 15,000,000        | £ 3,000,000           |
| A21 Dualling between Tonbridge and Pembury                             | 2015/16    | 2020/21       |                      |                     |                       |
| A2-M20 Link to West of Dover   |            |               |                      |                     |                       |
| Provision of East facing slips on M25/M26                              | 2020/21    | 2021 -        |                      |                     | £ -                   |
| <b>Highways Agency Network Transport Interventions Total</b>           |            |               | <b>£ 216,000,000</b> | <b>£ 56,000,000</b> | <b>£ 160,000,000</b>  |

# Appendix B/ Our delivery programme to 2021

| Network Rail Interventions vital for Kent and Medway Growth  | Start Date | Delivery Date | Total Cost          | LGF Contribution   | External Contribution |
|--|------------|---------------|---------------------|--------------------|-----------------------|
| Thanet Parkway   | 2015/16    | 2016/17       | £ 12,000,000        | £ 7,000,000        | £ 5,000,000           |
| Ashford International Station and Access Improvements  |            |               |                     |                    |                       |
| Crossrail extension to Medway Towns  |            |               |                     |                    |                       |
| Direct hourly rail services between Ashford, Tonbridge, Redhill and Gatwick Airport  |            |               |                     |                    |                       |
| Ashford Spurs Signalling project   | 2018/19    | 2018/19       | £ 1,500,000         | £ 750,000          | £ 750,000             |
| Direct Rail Services between Maidstone East line and City of London  |            |               |                     |                    |                       |
| Rail Line Speed Improvements between Ashford and Ramsgate (JTI) (funding secured from BIS (RGF) and NR (CP4/CP5) to deliver Phases 1 and 2 respectively) | 2015/16    | 2018/19       |                     |                    |                       |
| Rail Journey Time Improvements   |            |               |                     |                    |                       |
| Relocation of Rochester Station  |            |               |                     |                    |                       |
| <b>Network Rail Interventions Total</b>  |            |               | <b>£ 13,500,000</b> | <b>£ 7,750,000</b> | <b>£ 5,750,000</b>    |

**KENT & MEDWAY, HIGHWAYS AGENCY & NETWORK RAIL  
TOTAL**

**£ 710,296,000    £ 358,743,500    £ 351,552,500**

## **Environment, Planning and Enforcement**

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**By:** Graham Gibbens, Cabinet Member for Adult Social Care and Public Health  
Andrew Ireland, Corporate Director, Families and Social Care

**To:** Cabinet 22 January 2014

**Subject:** Adult Transformation Programme for Older People and Physical Disabilities Division, Families and Social Care - Update

**Classification:** Unrestricted

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## Summary

This report contains an update on one aspect of the Transformation of Adult Social Care Programme, from the Older People and Physical Disability (OPPD) Division and outlines further planned changes for the Division. The Boundaries Realignment and Transformation change management programme in OPPD has been in place for nearly a year and significant changes and financial savings have been achieved. Further changes are planned during 2014, to achieve closer working and integration with Health services, additional financial savings and improvement in the way services are delivered to the public.

## 1. Introduction

Following implementation of the Health and Social Care Act 2012, a programme of change management known as 'Boundaries Realignment' has been in place in OPPD since February 2013, in preparation for Health and Social Care integration. The Boundaries Realignment work is in three phases, with phases one and two resulting in restructuring at Assistant Director and Service Manager Level by September 2013, aligning structures with Clinical Commissioning Group Boundaries. Following the announcement of the Care Bill in 2013, this legislation will also impact on future service design, pending the final stages of implementation and royal assent.

In May 2013 work commenced with our Efficiency Partner Newton Europe. Since October 2013, the third phase of the Boundaries Realignment work has taken place in conjunction with the Newton Europe Transformation Programme Optimisation work stream, to ensure maximum financial savings are achieved and efficient streamlining of the OPPD service, in the final phase of change and preparation for integration with Health. As Kent was selected as a Pioneer for health and social care integration, this final phase of change also needs to comply with Kent's Pioneer Action Plan, which will be in place by 4.4.14. The incremental steps that will result in the delivery of the Pioneer Action Plan within a two to five year timescale are being taken forward via the Kent Integration Pioneer Steering Group and work plan.

## 2. Policy Context

The Boundaries Realignment and Transformation Programme supports Bold Steps for Kent, specifically:

- Transformation of health and social care in Kent
- Improved access to public services

- Improved services for the most vulnerable people in Kent County Council

This change programme is also in line with Facing the Future Whole Council Transformation:

- Putting the customer at the heart of service delivery
- Shaping services around people and place
- Looking at our services and the difference they make
- Putting a greater focus on outcomes

It is known that from April 2015, the policy context and legislative requirements of the Care Bill will not only shape how OPPD services are delivered but the change carries the potential to increase operational activity and additional associated transactional costs connected to the implementation of the reform of care and support. Currently, work is in hand to quantify with a greater degree of confidence the true cost impact of the Care Bill and this will be reported to Cabinet in due course.

### **3. Benefits of Change to the Public and Better Service Outcomes**

A detailed review by Newton Europe of the processes and systems supporting the delivery of the OPPD service has revealed elements of duplication, complexity in handover transactions and scope to improve the overall efficiency of the service. By changing some of the processes and systems the service has become more responsive to the needs of service users. Working with a design team of over 20 OPPD practitioners, managers and support staff, the new process was devised and has been trialled, adapted and improved over a two month period as a 'Model Office' in Dover and Thanet. This has resulted in the following service improvements:

- Work in the contact assessment team to increase the effectiveness and ensure that the best response for the services user is made in an appropriate timescale. This work has seen a 40% reduction in the number of onwards assessments generated by selecting more appropriate direct interventions -
  - An increase in the use of the Enablement service and subsequent independence of service users, leading to a decrease in long term dependence on domiciliary care services.
  - An increase in the level of information, advice and guidance provided signposting people who are in need but do not meet the eligibility criteria for OPPD services, to alternative provision in the private and voluntary sector and encouraging people to be independent and self-managing when this is appropriate.
- A scheduling process has been developed to book community visits (when required) at the point of contact. This results in a 70% reduction in waiting time for service users, more clarity of the next steps and a reduction in duplication of effort for practitioners. This process has also seen a 60% reduction in the number of overdue reviews, meaning more frequent reviews with service users
- A 20% reduction in the time practitioners spend on paperwork by elimination of unnecessary effort and duplication, supported by a bespoke IT package, which enhances the functionality of the current client IT system. This means practitioners can spend more time on visits and other associated work and less time sat at a desk and on data inputting.
- A streamlining of the team structures meaning a reduction in the number of handovers and a more consistent service.

The next stage of implementation of the Model Office is roll-out to the other OPPD Areas in Kent from January to June 2014, accompanied by an in-depth training programme delivered by OPPD staff, supported and guided by Newton Europe. This approach is designed to take future sustainability into account and empower OPPD staff to deliver a more consistent, effective and efficient service.

The set of slides attached as Appendix 1 provides further background detail on the new processes, demonstrating higher levels of efficiency, streamlining and overall improvement in service delivery to the public. The slides include real case examples of improved outcomes for service users, from the Care Pathways Programme, as a result of applying the new processes.

It should also be noted that access to the OPPD service was extended to include weekends, public and bank holidays from 9am to 5pm on 1 November 2013. This extended service mainly operates on hospital sites to support avoidance of hospital admission where this is appropriate and support timely discharge from hospital. The service will be extended further during 2014 to 8am to 8pm seven days per week, including community settings, so that social care and health services are working together at the point of need. This will improve the overall service to the public and save money through avoiding unnecessary delays in making the appropriate care pathway available. The changes to extended access hours to social care services are one of the conditions of the national Better Care Fund, which can be accessed to support Integrated Pioneer working.

#### **4. Financial Implications**

The proposed changes support the savings target for the Adult Social Care Transformation Programme. The savings already achieved in OPPD during 2013/14 are **£766.6k**. The projected savings for 2014/15 from applying phase three of Boundaries Realignment and the Optimisation Programme are **£3.69 million**.

#### **5. Future Workforce Resourcing and Development**

In partnership with Newton Europe, OPPD care pathways and business processes are being re-engineered to be more streamlined, efficient and cost effective, in order to achieve savings targets and at the same time deliver a more efficient service to the public. OPPD staff are being retrained accordingly during the first half of 2014. As plans for social care integration with health progress, a workforce review will take place to ensure that resourcing levels, qualifications and skills mix are in line with the new model of service delivery and requirements of integrated working. Staff will be consulted on this during 2014 once further details and exact proposals are known. Every effort is and will continue to be made to ensure timely communication and meaningful engagement with staff to help them understand the pace and complexity of change.

#### **6. Conclusions**

It is in the interests of all stakeholders that the next phase of change management is implemented in OPPD at the earliest opportunity:

- In order to realise a proportion of the projected savings targets for the Adult Social Care Transformation Programme.
- To implement the new streamlined OPPD service across all Areas in Kent resulting in improved service delivery to members of the public who are eligible

to receive OPPD services and suitable alternatives for those who are in need but do not meet the eligibility criteria.

- To support health and social care integration as the pace of change increases due to achievement of Integration Pioneer status and Clinical Commissioning Groups publish their plans and priorities.
- To progress with OPPD workforce review and development informing future deployment of staff in line with the new streamlined model of service delivery and closer working and integration with Health.

## 7. Recommendations

Cabinet are asked to:

- i) Note the progress to date in support of the Adult Social Care Transformation Programme.
- ii) Note the better service outcomes for the public as a result of implementing the Boundaries Realignment and Transformation Programme through implementation of the Model Office.
- iii) Note the financial savings from 2013 to 2015 as a result of changes to date and further proposed changes.
- iv) Endorse the intention through the Integration Pioneer Action Plan and Steering Group to accelerate health and social care closer working and integration.
- iv) Endorse the plan to review and develop the OPPD workforce in line with roll-out of the Model Office and integration of social care and health services.
- v) To agree that a detailed Care Bill implementation plan is presented to Cabinet in due course, detailing how the key tasks of the plan will be aligned to the Care pathways, Optimisation or Commissioning work streams of the Transformation Programme.

## 8. Background Documents

None

### Contact details:

|  |  |   |
|--|--|---|
| <ul style="list-style-type: none"><li>• Anne Tidmarsh,<br/>Director Older People and<br/>Physical Disability<br/>0300 333 6169</li></ul> | <ul style="list-style-type: none"><li>• Mags Harrison<br/>Executive Support Manager/Project<br/>Manager Boundaries Realignment<br/>0300 333 5444</li></ul> | <ul style="list-style-type: none"><li>• Richard Lum<br/>Newton Europe<br/>07557002837</li></ul> |
|--|--|---|