

ENVIRONMENT & TRANSPORT CABINET COMMITTEE

Wednesday, 13th January, 2016

10.00 am

**Darent Room, Sessions House, County Hall,
Maidstone**



AGENDA

ENVIRONMENT & TRANSPORT CABINET COMMITTEE

Wednesday, 13 January 2016 at 10.00 am
Darent Room, Sessions House, County Hall,
Maidstone

Ask for: **Christine Singh**
Telephone: **03000 416687**

Tea/Coffee will be available 15 minutes before the start of the meeting

Membership (14)

- Conservative (8): Mrs P A V Stockell (Chairman), Mr C R Pearman (Vice-Chairman), Mr A H T Bowles, Mr P J Homewood, Mr J M Ozog, Mr C Simkins, Mrs C J Waters and Mr M A Wickham
- UKIP (2) Mr M Baldock and Mr B E MacDowall
- Labour (2) Mr C W Caller and Dr M R Eddy
- Liberal Democrat (1): Mr I S Chittenden
- Independents (1) Mr M E Whybrow

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UNRESTRICTED ITEMS

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

A - Committee Business

A1 Introduction/Webcast Announcement

A2 Apologies and Substitutes

To receive apologies for absence and notification of any substitutes present

A3 Declarations of Interest by Members in items on the Agenda

To receive any declarations of interest made by Members in relation to any matter on the agenda. Members are reminded to specify the agenda item number to which

it refers and the nature of the interest being declared.

A4 Verbal updates

To receive verbal updates from the relevant Cabinet Members and the Corporate Director for Growth, Environment & Transport

B - Key or Significant Cabinet/Cabinet Member Decision(s) for Recommendation or Endorsement

B1 Inter Authority Agreement in respect of the management of the Waste Project between Kent County Council and Gravesham Borough Council (Pages 7 - 30)

To receive a report from the Cabinet Member for Environment and Transport and the Head of Commercial Management and Waste Services detailing a proposed agreement between Kent County Council (KCC) and Gravesham Borough Council (GBC) which commits both parties to the most economically advantageous position for the collection and disposal of waste services within the administrative area of Gravesham.

C - Other items for comment/recommendation to the Leader/Cabinet Member/Cabinet or officers

C1 Budget 2016/17 and Medium Term Financial Plan 2016/19 (Pages 31 - 74)

To receive a report by the Deputy Leader and Cabinet Member for Finance and Procurement, the Cabinet Member for Economic Development, the Cabinet Member for Community Services, the Corporate Director for Finance and Procurement and the Corporate Director for Growth, Environment and Transport that sets out the proposed draft Budget 2016/17 and Medium Term Financial Plan (MTFP) 2016/19 as it affects the Environment and Transport Cabinet Committee. The report includes extracts from the proposed final draft budget book and MTFP relating to the remit of this Cabinet Committee (although these are exempt until the Budget and MTFP is published on 11th January)

C2 Cabinet Members' Priorities for Business Plans 2016/17 (Pages 75 - 82)

To receive a report presenting the Cabinet Members' priorities that they wish to see reflected in the 2016/17 directorate business plans so that the Cabinet Committee can comment on them before the business plans are drafted.

C3 Proposed Response to the Highways England Consultation on a proposal to create a Permanent Lorry Area adjacent to the M20 at Stanford (Pages 83 - 94)

To receive a report that outlines a proposed response to the consultation by Highways England on a proposal to create a Permanent Lorry Area adjacent to the M20 at Stanford.

C4 The Approach to Maintaining our Highway Assets (Pages 95 - 118)

To receive a report from the Cabinet Member of Environment and Transport and the Interim Director of Highways, Transportation and Waste providing and update on our approach to maintaining our highway assets and highlights the challenges faced by the County Council going forward.

C5 Kent County Council Response to the Department for Transport Report on the First Interim Evaluation of High Speed 1 (Pages 119 - 126)

To receive a report that sets out Kent County Council's response to the Department for Transport's First Interim Evaluation of High Speed 1.

C6 Work Programme 2016 (Pages 127 - 132)

To receive a report by the Head of Democratic Services on the Cabinet Committee's proposed Work Programme 2016.

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Peter Sass
Head of Democratic Services
03000 416647

Tuesday, 5 January 2016

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.

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From: **Matthew Balfour, Cabinet Member for Environment and Transport**

David Beaver, Head of Commercial Management and Waste Services

To: **Environment and Transport Cabinet Committee – 13 January 2016**

Decision No: **15/00110**

Subject: **Inter Authority Agreement in respect of the management of the Waste Project between Kent County Council and Gravesham Borough Council**

Key decision: **Yes**

Classification: **Unrestricted**

Past Pathway of Paper: **N/A**

Future Pathway of Paper: **Decision by Cabinet Member**

Electoral Division: **Gravesham Borough Council**

Summary:

This report proposes an Agreement between Kent County Council (KCC) and Gravesham Borough Council (GBC) which commits both parties to the most economically advantageous position for the collection and disposal of waste services within the administrative area of Gravesham.

The consequence of increased levels of recycling and composting by the Borough waste collection authority reduces the final disposal costs borne by KCC.

This Agreement incentivises both parties to increase and maximise levels of kerbside recycling across all waste streams and therefore share the cost savings achieved by KCC as the WDA.

Recommendation:

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Environment and Transport for the Inter Authority Agreement between KCC and GBC to increase levels of recycling and reduce disposal costs for KCC as detailed in Appendix A.

1. Introduction

1.1 GBC proposed a new model of waste collection to significantly increase its recycling and composting rate by including wheeled bin collection of dry recyclables, and separate weekly food waste collections.

- 1.2 In order to provide financial support for this revised collection system, GBC approached the Head of Waste Management with a view to agreeing a system of enabling payments, similar to those that has been activated in the East Kent and West Kent partnerships.
- 1.3 The two authorities have worked productively together to devise an enabling payment scheme which reflects actual savings achieved, with a 50% share of disposal cost reduction being paid to GBC to incentivise good performance.
- 1.4 No incentive payment is payable where performance does not reduce disposal costs
- 1.5 The Agreement commits KCC and GBC to cooperate in the delivery of the most economically advantageous method of waste collection and treatment. It is legally binding and replaces all other existing arrangements regarding payments made by KCC to GBC.
- 1.6 The duration of this agreement will be force until 31 March 2024; however provisions exist for the mutual withdrawal from the agreement at three calendar months' notice.

2. Financial Implications

- 2.1 GBC baseline performance has been established at 25.1% - KCC will not make payments to GBC if recycling performance falls below this agreed baseline.
- 2.2 Payments to incentivise GBC will be recycling support payments. They will reflect 50% of the net saving to KCC. These payments will be calculated on the actual reduction of residual waste (waste that is not recycled) against the agreed baseline. For 2014/15, the improved levels of recycling reduced operating costs by £228,000 – as such, a payment of £114,000 would be due to GBC.
- 2.3 The baseline tonnage will be adjusted annually by the overall increase of waste collected in GBC – this takes into account housing growth or general increases in household waste.
- 2.4 No investment or net additional cost is required of KCC, investment will be required by GBC and was approved by GBC's Cabinet in October 2013.

3. Policy Framework

- 3.1 The proposed decision is in line with the Kent Joint Municipal Waste Strategy (KJMWS), to which KCC is a signatory. The KJMWS commits all councils in Kent to work collaboratively in order to maximise recycling and reduce waste to landfill.

4. The Detail

- 4.1 Increasing levels of recycling is fundamental to the Kent Joint Waste Management Strategy. This agreement serves as an incentive to maximise kerbside recycling. This directly reduces the waste disposal costs for KCC.

- 4.2 GBC has purchased all of the necessary containers and a vehicle fleet to facilitate increased recycling at its own expense. It will maximise this service across its administrative area to reach a maximum number of households.
- 4.3 KCC retains the responsibility for the treatment and disposal of these materials, therefore it must contractually continue to secure material recycling facilities and maximise income.
- 4.4 The Partners are aware that Central Government may make material changes in legislation that may affect this agreement. If this happens the partners will negotiate in good faith and may agree to cease the agreement if it no longer serves its purpose.
- 4.5 The recycling support payments are made to reward increased levels of performance. This places the accountability on GBC as the collection authority and rewards both KCC and GBC equally.
- 4.6 GBC adopted this method of increased recycling in June 2014 pending successful conclusion of negotiations about the Agreement. This has resulted in reduced disposal costs of £228,000.

5. Conclusions

- 5.1 This IAA rewards GBC for increasing recycling rates by virtue of reduced residual waste KCC also substantially benefits from reduced disposal costs.
- 5.2 During the early implementation of this methodology recycling has increased from the 25.1% baseline up to 33%. Investment of containerisation and fleet will increase this further.
- 5.3 The commencement date will follow approval and will expire in 2024.
- 5.4 Flexibility exists to change this agreement through negotiation or rescind this agreement with three months' notice.

6. Recommendation:

The Environment and Transport Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Environment and Transport for the Inter Authority Agreement between KCC and GBC to increase levels of recycling and reduce disposal costs for KCC as detailed in Appendix A.

7. Background Documents

- 7.1 Draft Inter Authority Agreement - Appendix A

8. Contact details

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Relevant Director:	Roger Wilkin
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Dated day of 2015

Inter Authority Agreement

in respect of the

management of the

Waste Project between

The Kent County Council

and

Gravesham Borough Council

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Appendix 1 – IAA Savings Sharing Methodology

Appendix 2 – Cabinet Report – 7 October 2013
Appendix 3 – Formula for % baseline change
Appendix 4 – MRF specification of acceptable materials

DRAFT

THE IAA is made on the day of 2015

BETWEEN

- 1) Gravesham Borough Council of Civic Centre, Windmill Street, Gravesend, Kent DA12 1AU ('GBC') and
- 2) The Kent County Council of Sessions House, County Hall, Maidstone, Kent ME14 1XQ ('KCC')

Altogether 'Partners'

1. DEFINITIONS

Term		Definition
Agreed Collection Methodology (ACM)		The model for the kerbside collection of waste in Gravesham and as outlined in the Cabinet Report dated 7th October 2013 attached at Appendix 2 and as set out in clause 6.1 of this IAA.
Actual Disposal Costs (ADC)		The actual costs per tonne of processing, treating and disposal of any waste stream in each year
Actual Tonnages (AT)		the actual tonnages of waste disposal in each year recorded in the Waste Data Flow for that year
Appendix		An Appendix to this IAA
Baseline Disposal Costs		The baseline costs per tonne of processing, treating and disposal of the Baseline Tonnages for the year 2012-2013 shown in column 3 of Appendix 1 and for each subsequent year the Baseline Disposal Costs as may be calculated in accordance with clause 12.8
Baseline Recycling Percentage		The recycling percentage for GBC for the year 2012-13 (25.1%), as set out in Appendix 1 in column 1, Performance (%) - % Recycled and Composted
Baseline Residual Waste Increase		The baseline residual waste tonnage will be increased or decreased year on year by the GBC average waste growth, which shall be calculated by KCC in accordance with the formulae set out in Appendix 3.
Baseline Tonnages (BT)		The baseline tonnages of GBC's waste disposal included in the Waste Data Flow information for the year 2012-2013 and shown at column 1 of Appendix 1

Term		Definition
Bring Sites		Sites operated by Gravesham Borough Council, with containers for the deposit of separated household waste for recycling, such as glass banks, can banks, paper banks etc,
CIWM		means the nominated representative of not less than Fellow rank of the Chartered Institute of Waste Management;
CLG		means Communities and Local Government
Commencement Date		the date of this Agreement
Disposal Cost Saving(DCS)		The difference between what the cost of processing/ treating/ disposing of any waste stream would have been without the Waste Project and the Actual Disposal Costs of processing/treating/disposing of any waste stream as a result of the implementation of the Waste Project which amount shall be calculated in each year by (i) multiplying by the Baseline Tonnages by the Actual Disposal Costs and (ii) multiplying the Actual Tonnages by the Actual Disposal Costs and (iii) subtracting (ii) from (i)
Fully Co-mingled (excluding glass)		The combined collection of paper, card, cans and plastics food and drink containers through a kerbside recycling collection service
GBC		Gravesham Borough Council
Household		A unit of residential accommodation listed by the Valuation Office Agency as a unit on which Council Tax is payable
IAA		This 2 Way Inter Authority Agreement
IAA Period		The period from the Commencement Date until 31 March 2027
Index		The 'all Items' index figure of the Retail Prices Index published by the Office for National Statistics or any successor body
Initial Period		The period from 9 June 2014 ending 31 March 2015

Term		Definition
Joint Municipal Waste Management Strategy		The Waste & Emissions Trading Act 2003 (Section 32) requires that waste authorities in two-tier areas must, at all times, have for the area a joint strategy for the management of waste from households and other waste that, because of its nature of composition, is similar to waste from households. This is called a joint municipal waste management strategy
KCC		The Kent County Council
Kent Resource Partnership		The KRP supports the constituent councils by providing a forum for discussion about issues relating to the formation and delivery of the Kent Joint Municipal Waste Management Strategy (KJMWMS).
Lead Officer		GBC – Director of Environment, KCC – Head Of Waste Management
MRF Specification		The relevant specification agreed between the Partners and set out in Appendix 4 to this IAA for acceptable materials delivered to KCCs contracted Materials Recycling Facility services
Partners		GBC and KCC
Partnership		The Partners working together in an evolving relationship which will be reflected in this IAA and in any further Joint Working Agreement(s) relating to the Waste Project
the Project		the Waste Project
Recycling Credits		As defined by Section 52(1) of the Environmental Protection Act 1990
Recycling Support Payment (RSP)		Any payment made to GBC in accordance with the calculation set out in 12.3 of this Inter Authority Agreement.
Separate Food Waste Collection		The separately collected food waste from households in accordance with the relevant specification for material to be delivered under KCCs contract for the provision of food waste processing services
Review Date		A date between 1st October and 31st October in each year commencing on 30 September 2015

Term	Definition
WasteDataflow	The web based system for municipal waste data reporting by UK local authorities to Central Government.
Waste Project	The project which has been organised by GBC to achieve effective cost minimisation for Kent County Council's tax payers by putting in place the ACM across GBC's administrative area together with necessary delivery mechanisms
Waste Services	GBC will manage their waste collection and recycling scheme and KCC will manage the transfer, processing and disposal arrangements for materials collected by GBC.
WCA	Waste Collection Authority
WDA	Waste Disposal Authority
Year	The period commencing on each 1 st April until the following 31 st March

BACKGROUND

- 2.1 KCC is the WDA for its administrative area.
- 2.2 GBC is the WCA for its administrative area.
- 2.3 The Partners commit themselves to the most economically advantageous and closest co-ordination reasonably possible of Waste Services in the administrative area of Gravesham, within the law and practical achievement, as envisaged within the Waste Project and this IAA.
- 2.4 This IAA sets out the legally binding arrangements of the Partners.
- 2.5 The Partners have agreed that this IAA replaces all other existing arrangements in relation to any payments made by KCC to GBC in regards to any recycling activities as provided for under this IAA, with the exception of the arrangements set out in clause 12.5 which is not covered in this Agreement.

3. INTERPRETATION

3.1 Except where the context otherwise requires:

- i. the masculine includes the feminine and the neuter and vice versa;
- ii. the singular includes the plural and vice versa;
- iii. a reference in the IAA to any clause sub-clause paragraph schedule appendix or annex is except where it is expressly stated to the contrary a reference to such clause sub-clause paragraph schedule appendix or annex to the IAA;
- iv. any reference to the IAA or to any other document shall include variation amendment or supplements to such document as may be effected from time to time in accordance with the relevant document;
- v. a reference to a person includes firms, partnerships and corporations and their successors and permitted assignees or transferees;
- vi. references to any statute or statutory provisions (including any EU Instrument) shall unless the context otherwise requires be construed as including references to any earlier statute or the corresponding provisions of any earlier statute where repealed or not directly or indirectly, amended, consolidated, extended or replaced by such statute or provisions or re-enacted in any such statute or provisions and to any subsequent statute directly or indirectly, amending, consolidating, extending, replacing or re-enacting the same and will include any orders regulations instruments or other subordinate legislation made under the relevant statute or statutory provisions;
- vii. words preceding “include” “includes” “including” and “included” shall be construed without limitation by the words which follow those words unless inconsistent with the context and the rule of interpretation known as ejusdem generis shall not apply; and
- viii. the list of contents and the headings to the clauses and parts of the IAA and to the paragraphs of the Schedules are for the ease of reference only and shall not affect the construction of the IAA.

4. VIRES

4.1 This IAA is entered into by the Partners under the statutory powers contained in Part II of the Environmental Protection Act 1990, S111 of the Local Government Act 1972, and s2 of the Local Government Act 2000.

5. COMMENCEMENT AND DURATION

5.1 This IAA shall commence on the Commencement Date and will be in force between the parties until 31 March 2027 subject to the provisions for the withdrawal of individual Partners contained in Clause 13 or until superseded by any other agreement among the Partners or by a variation under Clause 7.

5.2 The Parties agree and acknowledge that this IAA has effectively been operated from 9 June 2014 and the Parties hereby agree that the IAA shall take effect as if it had been in operation from 9 June 2014

6. PARTNERS' OBLIGATIONS

- 6.1 GBC shall introduce and maintain for the duration of this IAA a Fully Co-mingled service (excluding glass) method of collecting dry recyclables materials, in accordance with the MRF Specification, together with Separate Food Waste Collection service across its administrative area, referred to as the ACM throughout this agreement.
- 6.2 GBC shall separately manage the collection of glass from its network of Bring Sites, or such other methodology as it sees fit, as opposed to co-mingled collection of glass with other dry recyclables at the kerbside during the term of this IAA and the Partners acknowledge and agree that the collection of glass is outside the realms of this IAA.
- 6.3 GBC shall commit to the ACM across its administrative area so as to reach the maximum number of Households.
- 6.4 GBC shall introduce a wheeled bin sufficient for the collection of residual waste and to increase recycling with an alternate weekly collection for residual/recycling waste, with a separate weekly collection for food waste from June 2017, or earlier.
- 6.5 In advance of any proposed changes to the ACM by GBC, including clause 6.4 above, GBC commits to undertaking dialogue with KCC to assess the impact which such changes may have on the operational service delivery at the specified transfer points and processing facilities, including but without limitation, changes to the configuration, and or specification, of its collection vehicles which change the tipping configuration (ie tipping food waste on the food rather than a skip). For the avoidance of doubt KCCs' written consent is required for any proposed changes by GBC to take effect. GBC agrees that it shall obtain KCC's written consent regarding any proposed changes which impact on the disposal point prior to making any changes to the ACM.
- 6.7 GBC shall deliver recyclates (including Fully Co-mingled, food and composting materials) and residual waste in accordance with the ACM to the transfer points and facilities specified by KCC and in accordance with the Waste Project.
- 6.8 KCC will with effect from 9 June 2014 provide or procure processing capacity and or facilities and necessary haulage and transfer facilities thereto in accordance with the Waste Project for: -

- Fully Comingled (excluding glass) collected by GBC with effect from 9 June 2014 Separate Food Waste Collection by GBC with effect from 9 June 2014

6.9 GBC agrees to use best endeavours to ensure Households within its administrative area are informed as to the new methods of waste collection.

6.10 The Partners are to work towards providing the most cost effective service to residents within the GBC administrative area for waste/recyclables collection, processing and disposal.

6.11 The Partners commit to an open and transparent accounting basis, with the benefit of Kent' taxpayers at the forefront of discussions, and as such each Partner shall, on reasonable request from time to time by the other, as soon as reasonably practicable, provide full details in relation to the cost of waste disposal, recycling, composting and collection and other relevant information necessary for the calculation of the DCS.

6.12 KCC and GBC will share any benefits and risks of the Project in accordance with the financial obligations detailed at Clause 12 of this IAA.

6.13 KCC shall use reasonable endeavours to maximise the value of income from the sale of materials and minimise the transport and processing costs for such materials.

6.14 The Partners shall use reasonable endeavours to reduce contamination and maximise the quality of recyclable/food waste materials collected at the kerbside and bulked at and transported from transfer facilities.

7. VARIATION

7.1 The Partners are aware that there may be changes in legislation and / or directions from Central Government that might materially affect the financial impact of this IAA on either or both of the Partners. If such a situation arises then the Partners will negotiate in good faith with a view to amending this IAA to make it workable for the mutual benefit of both Partners.

7.2 (Without prejudice to the provisions of Clause 7.1 above) the Partners may vary this IAA at any time, in writing, with the agreement of both Partners if the changes are in relation to any other matter including matters arising from a review in accordance with Clause 9 below.

8. PROJECT MANAGEMENT

8.1 The Partners shall undertake to develop and implement the Waste Project in accordance with their delegated powers of authority and Lead Officers will, where appropriate, refer decisions to their respective executives for determination.

8.2 The Partners shall undertake the management of the Waste Project from commencement of new services in the GBC administrative area.

9. REVIEW AND RENEWAL OF ARRANGEMENTS

9.1 This IAA will be reviewed on at least an annual basis in October of each year. The annual review will consider any relevant matters including but not limited to the following matters (if relevant): -

- Changes in legislation or statutory guidance,
- The functioning of the arrangements,
- Significant changes in the financial environment affecting the Partners,
- The Joint Municipal Waste Management Strategy

9.2 The final review of this IAA shall include consideration of whether to renew this IAA and, if so, the duration of such renewal.

9.3 Reviews will be undertaken by the Partners with assistance from each Partner's s151 LGA 1972 officer and legal representatives, if required.

10. MITIGATION

10.1 Each Partner shall at all times take reasonable steps to minimise and mitigate any loss for which that Partner is entitled to bring a claim against the other Partner pursuant to the IAA.

11. CLAIMS

- 11.1 Each Partner shall advise the Lead Officer for the other Partner of the risks of claims at the earliest opportunity in order to enable any possible mitigation, and shall co-operate with each other in dealing with such claims in respect of this IAA. The Partners shall maintain all material details of claims and provide such details to other Partner promptly upon request.
- 11.2 A Partner carrying out actions in good faith on behalf of the Partnership shall not (other than in the case of fraud and/or clear bad faith) be liable to claims from the other Partner on the grounds that the actions that were taken were not the proper actions carried out properly or that the costs and liabilities incurred were not reasonably and properly incurred (as long as they were in fact incurred).

12. FINANCIAL OBLIGATIONS

- 12.1 GBC shall procure and pay for the vehicles, wheeled bins and food waste containers required to deliver the service in accordance with the ACM.
- 12.2 No Recycling Support Payment will be made to GBC by KCC if the GBC recycling performance drops below the Baseline Recycling Percentage in the relevant payment year of this IAA. 12.3 The calculation for the Recycling Support Payment (RSP) from 9 June 2014 until 31 March 2024 will be the difference between the BT (Baseline Tonnages) multiplied by ADC (Actual Disposal Costs) and the AT (actual tonnages) multiplied by ADC, all multiplied by 50%. Using the following formula:

$$((BT \times ADC) - (AT \times ADC)) \times 50\% = RSP$$

For example:

Baseline Tonnes for WtE	22,730.51
Actual Tonnes for WtE	20,000
Actual Disposal Costs	£120.95

$$((22,730.51 \times £120.95) - (20,000 \times £120.95)) \times 50\% = £165,127.59$$

- 12.4 For the period from 1 April 2024 until 31 March 2027 onwards, the percentage used in the formula as set out in clause 12.3 will change in accordance with section 12.7 of this Agreement and shall apply in calculating the RSP.

- 12.5 KCC will continue to pay Recycling Credits, on a tonnage basis, to GBC for all household material recycled and managed through the network of Bring Sites only within the GBC administrative area, subject to the standard requirements of the Recycling Credits scheme in Kent being met by GBC.
- 12.6 KCC will not pay Recycling Credits to GBC for any recyclable or compostable material collected kerbside.
- 12.7 KCC will, provide the Waste Project achieves a DCS for the relevant year pay to GBC:
- (i) In each year until the year ending 31st March 2024, 50% of the DCS; and
 - (ii) for the year 1st April 2024 to 31st March 2025 37.5% of the DCS; and
 - (iii) for the year 1st April 2025 to 31st March 2026 25% of the DCS; and
 - (iv) for the year 1st April 2026 to 31st March 2027 12.5% of the DCS

Table 1 below, provides a modelled summary of the indicative benefits to GBC and to KCC for GBC adopting and implementing Fully Co-mingled Service (excluding glass).

Table 1

Scheme Ref	Residual	Food	Recycling	GBC Increase	KCC Saving	Overall Cost
CM4	Weekly in sacks	Weekly collected with residual	Fortnightly in 240ltr bin	£265,082	(£210,780)	£54,302
CM8	Weekly in 180ltr bin	Weekly collected with residual	Fortnightly in 240ltr bin	£354,126	(£337,085)	£17,041
CM9	Fortnightly in 180ltr bin	Weekly with either recycling or residual dependant on week	Fortnightly in 240ltr bin	£213,125	(£463,440)	(£250,316)
CM9 (KCC)	Fortnightly in 180ltr bin	Weekly with either recycling or residual dependant on week	Fortnightly in 240ltr bin	£213,125	(£543,552)	(£330,427)

Fully Co-mingled Service (Excluding Glass)

Note: Table extracted from GBC Cabinet Report dated 7th October 2013, and the final row in the table (shown with KCC) provides the estimation of the savings as calculated by officers from Kent County Council.

- 12.8 The percentage of the DCS due to GBC for each year will be paid to GBC by the 31st July immediately following the relevant year generating the benefit, , subject to GBC confirming completion of WasteDataflow entries for that relevant year by 30 June
- 12.9 The Baseline Disposal Costs shall be varied at 31st March for each Year and shall be increased or decreased in line with the indexation of the relevant materials processing or disposal contracts operated by KCC, except for the Recycling Credits, which shall increase by a maximum of 3% each year.
- 12.10 If any year returns a loss, no future payments of DCS will be made to GBC until KCC's share of the loss is recovered by KCC.
- 12.11 Where no DCS is generated no payment will be made by KCC to GBC.
- 12.12 For the avoidance of doubt no disaggregation payments to GBC will be undertaken in respect of any increase in any benefit derived from garden waste collections.
- 12.13 For the avoidance of doubt, there will be no disaggregation of any collection savings to KCC.

WITHDRAWAL

- 13.1 Subject to Clause 13.2 either Partner may withdraw from the IAA, on the 31st of March in any given year by the giving of not less than 12 months' notice in writing or any other such period as agreed between the Parties
- 13.2 Notice under Clause 13.2 cannot be given before the Partner proposing to withdraw from the IAA has put forward its proposal to withdraw from the IAA for consideration to the other Partner.
- 13.3 Either Partner may withdraw from this IAA by giving 90 days written notice to the other Partner in the event that the other Partner commits a material breach of the terms of this IAA provided that the Partners have referred the matter to dispute resolution in accordance with clause 15.
- 13.4 This agreement shall terminate immediately once either of the Partners withdraws from this IAA as set out in this clause 13.

14 EVENTS LEADING TO COMPENSATION

14.1 Subject to clause 14.2 in any of the following events howsoever arising including but not limited to Partner withdrawal :

- (i) GBC fails to implement or ceases to operate the ACM in accordance with this IAA;
- (ii) GBC fails to implement or ceases to deliver recyclable or compostable material pursuant to this IAA;
- (iii) KCC fails to pay to GBC the DCS due to it under clause 12.7
- (iv) KCC fails to provide or procure processing capacity and/or facilities and necessary haulage and transfer facilities in accordance with this IAA

then to the intent that the non-defaulting Partner is to be put into the position it would have been in had the event not occurred and had the Partner in default performed its obligations in accordance with this IAA the non-defaulting Partner's properly incurred costs and losses arising from it shall (subject to the non- defaulting Partner's duty to mitigate its losses and any reasonably agreed limit of liability agreed by the Partners) be paid by the Partner who has ceased or has failed to carry out its obligations arising under this IAA. Failure to agree to such costs and losses shall be an issue to be dealt with under the dispute resolution procedure as set out in clause 15.

14.2 Neither Partner shall be liable to compensate the other if an event described in clause 14.1 arises solely in consequence of a change in legislation and/or directions from Central Government

15 DISPUTE RESOLUTION PROCEDURE

15.1 Any disputes and/or disagreements arising under or in connection with this IAA shall be resolved in accordance with this Clause.

15.2 If a dispute and/or disagreement arises in relation to any aspect of this IAA, then the matter shall initially be referred to the Service Leads (or equivalent officer) of the Partners to the dispute and/or disagreement. The Service Leads shall meet within twenty (20) business days of the matter being referred to them.

15.3 If the Partners' Service Leads are unable to resolve a dispute and/or disagreement arises in relation to any aspect of this IAA, then the matter shall be referred to the Chief Executives (or equivalent officer) of the Partners to the dispute and/or disagreement. The Chief Executives shall meet within twenty (20) business days of the matter being referred to them.

- 15.4 If the Chief Executives fail to resolve a dispute or disagreement within twenty (20) business days of meeting then either Partner may refer the matter for resolution to the CIWM or such other party as the Partners may agree (or the CIWM may direct) for resolution by them or the exclusive jurisdiction of the Courts of England.
- 15.5 Any dispute and/or disagreement to be so determined by the Chief Executives, CIWM or the Courts of England (as the case may be) under this IAA shall be promptly referred for determination to them and the Partners shall, on request, promptly supply to the Chief Executives or CIWM or the Courts all such assistance, documents and information as may be required for the purpose of determination and the Partners shall use all reasonable endeavours to procure the prompt determination of such reference.
- 15.6 The CIWM representative shall be deemed to act as an expert and not as an arbitrator and their determination shall (in the absence of manifest error) be conclusive and binding upon the Partners.
- 15.7 The costs of the resolution of any dispute and/or disagreement between the Partners under this IAA shall be borne equally by the Partners to the dispute and/or disagreement in question save as may be otherwise directed by the Chief Executives, CIWM or the Courts of England (as the case may be).

DATA SHARING

- 16.1 Each Partner shall make available to the other free of charge (and hereby irrevocably licences the other Partner to use) all data that might reasonably be required by that Partner in relation to this agreement and each Partner shall ensure that it can make the data available to the other during the term of the IAA.

17. ASSIGNMENT

- 17.1 The rights and obligations of each of the Partners under this IAA shall not be assigned novated or otherwise transferred except to a successor Partner established by statute.

18. INFORMATION AND CONFIDENTIALITY

- 18.1 The Partners will be guided by a presumption of openness and transparency in all matters relating to the Project except to the extent that any information is or relates to:
- (a) Confidential data in the ownership of a third party or
 - (b) Information which either is or may be treated as exempt within the meaning of Schedule 12A to the Local Government Act (as amended)
- 18.2 If a Partner (the **“Receiving Partner”**) receives a request under the Freedom of Information Act 2000 ("FOIA") or Environmental Information Regulations 2004 (EIRs) it shall be for the Receiving Partner to decide if such information should, as a matter of law, be disclosed and having acted reasonably and decided that it is legally obliged to disclose, it shall be entitled to so disclose.
- 18.3 The Receiving Partner shall use its reasonable endeavours to consult with the other Partner that may be affected by such disclosure prior to deciding whether to disclose information pursuant to the FOIA or EIRs but it shall not be obliged to so consult where to do so would put it in breach of this legislation.
- 18.4 The Partners shall comply with the Data Protection Act 1998.

19. LAW OF CONDUCT AND JURISDICTION

- 19.1 This IAA shall be governed by the laws of England and the Partners submit to the exclusive jurisdiction of the courts of England.

20. NOTICES

- 20.1 All notices under this IAA shall be in writing and all certificates, notices or written instructions to be given under the terms of this IAA shall be served by sending the same by first class post, facsimile or by hand, leaving the same at:

Chief Executive
Gravesham Borough Council
Civic Centre

Windmill Street,
Gravesend
Kent
DA12 1AU
Fax: 01474 337256

Corporate Director, Enterprise and Environment
Kent County Council
Invicta House, County Hall
Maidstone
Kent ME14 1XX

Fax: 01622 694060

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21. SEVERABILITY

21.1 If any term condition or provision contained in the IAA shall be held to be invalid unlawful or unenforceable to any extent such condition or provision shall not affect the validity legality or enforceability of the remaining powers of the IAA.

22. WAIVER

22.1 The failure or delay by any Partner in exercising any right power or remedy under the IAA shall not in any circumstances impair such right power or remedy nor operate as a waiver of it.

23. ENTIRE AGREEMENT

23.1 This IAA contains the whole agreement between the Partners relating to the subject matter hereof and supersede all prior agreements, arrangements and understandings between the Partners relating to the Waste Project.

IN WITNESS whereof the Partners have executed this Agreement as a Deed

The Common Seal of
GRAVESHAM BOROUGH COUNCIL
was hereunto affixed to this
IAA on the authority of:

.....
Authorised Sealing Officer

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The Common Seal of
THE KENT COUNTY COUNCIL
was hereunto affixed to this
IAA in the presence of:

.....
Authorised signatory

DRAFT

DRAFT

From: John Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement

Matthew Balfour, Cabinet Member for Environment and Transport.

Andy Wood, Corporate Director for Finance and Procurement

Barbara Cooper, Corporate Director for Growth, Environment and Transport (GET)

To: Environment and Transport Cabinet Committee January 2016

Subject: Budget 2016/17 and Medium Term Financial Plan 2016/19

Classification: Unrestricted

Summary:

This report sets out the proposed draft Budget 2016/17 and Medium Term Financial Plan (MTFP) 2016/19 as it affects the Environment and Transport Cabinet Committee. The report includes extracts from the proposed final draft budget book and MTFP relating to the remit of this committee (although these are exempt until the Budget and MTFP is published on 11th January).

This report also includes information from the KCC budget consultation, Autumn Budget Statement and provisional Local Government Finance Settlement as they affect KCC as a whole as well as any specific issues of relevance to this committee.

Recommendation(s):

The Environment and Transport Cabinet Committee is asked to note the draft Budget and MTFP (including responses to consultation and Government announcements) and make recommendations to the Cabinet Member for Finance and Procurement and Cabinet Member for Environment and Transport on any other issues which should be reflected in the budget and MTFP prior to Cabinet on 25th January 2016 and County Council on 11th February 2016

1. Introduction

1.1 Setting the Council's revenue and capital budgets, and MTFP, continues to be exceptionally challenging due to the combination of increasing spending demands and reducing funding. 2016/17 is proving to be the most difficult yet due to a number of factors. These include:

- Lack of information about government spending plans until very late in the process following the Spending Review announcement on 25th November

- Late changes to grant allocations following the Local Government Finance settlement announcement on 17th December
- Uncertainty over the impact over some significant spending pressures (principally the impact of the National Living Wage)
- New ability to levy additional Council Tax precept

This combination means that despite the proposed increase in Council Tax, the council still has to make significant year on year savings in order to balance the budget.

- 1.2 The challenge of additional spending demands, greater reliance on local taxation and reduced grant funding is likely to continue each year until 2019/20 at the earliest, with 2016/17 and 2017/18 looking like the most difficult years. The medium term projection in the Spending Review 2015 for local government is “flat cash”.

This flat cash projection includes additional funding for social care through the extra Council Tax precept and Better Care Fund, the Office for Budget Responsibility (OBR) assumptions on other Council Tax and Business Rate growth, as well as the phasing out of **Revenue Support Grant (RSG)**.

RSG has been a significant source of funding for core services for a number of years and it’s phasing out represents a substantial loss. The flat cash assumption does not include changes in grants from other government departments (either ring-fenced or general grants).

- 1.3 The provisional local Government Finance Settlement was published on 17th December. This provides individual grant allocations from Department for Communities and Local Government (DCLG), principally RSG and business rate baseline, and Spending Power calculation.

The provisional amounts for 2016/17 are subject to consultation and include a significant and unexpected change in methodology used to allocate RSG. Indicative figures for 2017/18 to 2019/20 were also included in the announcement. The announcement included the offer of a 4 year guaranteed funding settlement.

- 1.4 The Spending Power calculation shows a £20.4m (2.3%) increase in funding between adjusted figure for 2015/16 and indicative figure for 2019/20 (albeit with a dip in 2016/17 and 2017/18). The Spending Power includes the main DCLG grants (RSG and business rate baseline merged as the Settlement Funding Assessment) and Council Tax.

The Spending Power no longer includes specific grants but continues to ignore additional spending demands and thus only reflects the change in cash available to local authorities and not real spending power. This means it is not directly comparable to the council’s published budget. The published Spending Power calculation for KCC is reproduced in table 1 below.

Table 1

Core Spending Power of Local Government;					
	2015-16 (adjusted)	2016-17	2017-18	2018-19	2019-20
		£ millions	£ millions	£ millions	£ millions
Settlement Funding Assessment	340.0	283.4	241.8	218.2	195.8
Council Tax of which;	549.0	577.2	609.7	644.6	682.2
<i>Council Tax Requirement excluding parish precepts (including base growth and levels increasing by CPI)</i>	549.0	566.0	586.3	608.0	631.1
<i>additional revenue from 2% referendum principle for social care</i>	-	11.2	23.3	36.6	51.1
<i>additional revenue from £5 referendum principle for lower quartile districts Band D Council Tax level</i>	-	-	-	-	-
Improved Better Care Fund	-	-	0.3	17.5	33.7
New Homes Bonus and returned funding	7.9	9.3	9.4	5.9	5.7
Rural Services Delivery Grant	-	-	-	-	-
Core Spending Power	896.9	869.9	861.1	886.2	917.3
Change over the Spending Review period (£ millions)					20.4
Change over the Spending Review period (% change)					2.3%

1.5 The KCC latest medium term forecast up to 2019/20 shows a slightly lower estimate for Council Tax than the Spending Power in later years (albeit with higher yield in 2016/17 due to improved tax base and proposed 1.99% increase up to the referendum threshold). This means a slightly lower reduction in 2016/17 and 2017/18 than the Spending Power as shown in Table 2 below.

Table 2 also includes the other funding included in KCC budget but not shown in the Spending Power. The overall impact shows a KCC forecast reduction of £4.9m (-0.5%) between 2015/16 and 2019/20 compared to the CLG forecast of +2.3% in table 1.

Table 2	2015/16 Adjusted £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	Change from 2015/16 to 2019/20 £000s %	
CLG Spending Power							
Settlement	340,015	283,386	241,819	218,156	195,773		
Council Tax	549,034	565,981	586,331	608,010	631,109		
Social Care		11,174	23,323	36,593	51,103		
Better Care Fund		0	301	17,525	33,683		
New Homes Bonus	7,886	9,325	9,375	5,890	5,651		
	896,935	869,866	861,149	886,174	917,318	20,383	2.3%
KCC proposed MTFP							
Settlement	340,015	283,386	241,819	218,156	195,773		
Council Tax	549,034	571,544	588,989	604,192	620,051		
Social Care	0	11,197	23,085	35,504	48,519		
Better Care Fund	0	0	301	17,525	33,683		
New Homes Bonus	7,886	9,325	9,375	5,890	5,651		
Total KCC equivalent Spending Power	896,935	875,451	863,569	881,267	903,676	6,740	0.8%
Other Funding							
Collection Funds	7,529	5,000	0	0	0		
Local Share of Business Rates	1,626	4,115	4,115	4,115	4,115		
Other Grants	18,858	17,306	15,755	14,203	12,651		
KCC Proposed Net Budget Requirement	924,949	901,873	883,439	899,585	920,442	-4,507	-0.5%

1.6 In real terms the additional funding available (after the initial dip in 2016/17 and 2017/18), particularly that raised through Council Tax precept/growth, is forecast to be insufficient to cover additional spending pressures (particularly in social care). Therefore, significant savings will continue to be needed each year to compensate for this shortfall and the forecast reduction in RSG and other grants. This will be a difficult message to convey that despite proposed annual increases in Council Tax, the authority will still need to make substantial year on year savings which are likely impact on local services.

1.7 The announcement that the Government intends to allow local authorities to retain 100% of business rates by the end of this Parliament is unlikely to provide much relief to this financial challenge. Business rates are already used to fund local authority services through the localised share and RSG.

As identified in paragraph 1.2, RSG is due to be phased out and substantially reduced. However, the Government has already made it clear that 100% business rate retention will also include the devolution of additional responsibilities commensurate with the additional income i.e. the additional income will come with additional spending commitments rather than compensate for loss of RSG.

1.8 The Government has also made it clear that the principle of redistribution of business rates from high wealth/low needs to low wealth/high needs areas will need to continue under any new arrangements. This effectively means the new system will be 100% retention of business rate growth rather than 100% of the existing business rate base. Whilst we think the new arrangements will be a welcome improvement, we need to wait until we see the detailed consultation

during the forthcoming year and recognise this change is highly unlikely to have any impact on the 2016/19 MTFP.

- 1.9 Section 2 of the published MTFP will provide a much fuller analysis of the national financial and economic context, including the November Spending Review/Autumn Budget Statement and provisional Local Government Finance Settlement. Section 3 sets out KCC's revenue budget strategy to meet the financial challenge (including a possible alternative approach to the allocation of additional funding from Council Tax/Business Rate growth to cover spending pressures and savings to cover the phasing out of RSG). Section 4 covers the councils' capital budget strategy.

2. Financial Implications

- 2.1 The initial draft revenue budget was published for consultation on 13th October 2015. This set out the latest forecasts and updates to the published MTFP for 2015/18. These forecasts were based on the original estimates of funding for 2016/17 and 2017/18 (albeit with an updated assumption for Council Tax base growth) and revised estimated spending pressures based on the current year's performance and future predictions of additional spending demands.

The consultation also included updated estimates for the savings under consideration to close the gap between estimated funding and spending.

- 2.2 The financial equation presented in the consultation is set out in table 3 below. The consultation identified possible savings options of £73.9m leaving a gap of £7m still to be found before the budget is finalised.

Table 3	Budget Pressures £m	Budget Solutions £m
Spending Demands	58.3	
Grant Reductions	32.9	
Council Tax		10.4
Savings/Income		80.8
Total	91.2	91.2

- 2.3 As outlined in paragraph 1.1 the provisional Local Government Finance Settlement for 2016/17 was announced on 17th December. This included the following provisional amounts for 2016/17:

- Revenue support grant for 2016/17 of £111.4m, a reduction of £49.6m (30.8%) on 2015/16 actual grant (£58.1m or 34.2% on adjusted 2015/16 RSG).
- Business rate baseline and top-up for 2016/17 of £172.0m, an increase of £1.4m (0.8%).

- Confirmation of 2% social care precept requirements.
- Confirmation that the Council Tax referendum level for 2016/17 is 2%.
- New Homes Bonus grant of £9.3m.

2.4 As well as the provisional Local Government Finance Settlement the Department for Education (DfE) also made provisional grant announcements on 17th December. This included the **Dedicated School Grant (DSG)**, pupil premium, and **Education Services Grant (ESG)**. ESG is un-ring-fenced grant.

The provisional ESG shows an 11.5% reduction in the general funding for local authority maintained schools and academies (although transitional arrangements exist to protect academies from unmanageable reductions). As in previous years ESG is recalculated during the year to reflect pupil number changes and academy transfers. ESG is the most significant element of other grants included in KCC's budget (table 2 above) but is not reflected in the Spending Power calculations.

2.5 The latest overall financial equation is set out in table 4. This includes the impact of the Spending Review and the provisional Local Government Finance Settlement and other provisional grant announcements to date. This will be the position presented in the final draft Budget Book and MTFP published on 11th January pending any last minute changes.

Table 4	Budget Pressures £m	Budget Solutions £m	
Spending Demands	79.7		
Un-ring-fenced Grant changes (est LG settlement)	48.2		14.5%
Other Grant changes	0.1		
Council Tax increase (referendum)		11.2	1.998%
Council Tax Increase (social care)		11.2	2.0%
Council Tax and business rate tax bases & collection funds		11.3	2.1%
Savings/Income		94.3	
Total	127.9	127.9	

2.6 There are still a number of ring-fenced grants allocated by government departments. These ring-fenced grants are announced either at the same time or after the main Local Government Finance Settlement according to individual ministerial decisions. The County Council's financial strategy is that any changes in ring-fenced grants are matched by spending changes and therefore there is no overall impact on the net spending requirement. This means the County Council will not generally top-up ring-fenced grants from Council Tax or general grants.

2.7 We have received provisional notification of the Council Tax base from district councils. This is higher than estimated in the budget consultation and is

reflected in the final draft budget published on 11th January and in tables 2 & 4 above. We will receive final notification of the tax base by the end of January together with any balances on this year's collection funds.

The final draft budget will confirm the intention to increase the KCC precept for all Council Tax bands by 1.99%, increasing the County Council Band D rate from £1,089.99 to £1,111.77. The final draft budget will also confirm the intention to apply the additional social care precept up to the full 2% increasing the County Council Band D rate further to £1,133.55.

- 2.8 We have not received notification of our 9% share of the business rates from district councils, although we have included an estimate in final draft budget published on 11th January and in tables 2 and 4 above. We should receive notification of our share of business rates by the end of January and any variation from the estimate will be reported to County Council on 11th February.
- 2.9 Appendix 1 sets out the high level picture of the revised funding, spending and savings assumptions which are proposed for 2016/17 included in the draft MTFP published on 11th January (pending any last minute changes between the publication of this report and the final version being agreed).

This appendix is exempt from publication until the final Budget and MTFP is published. There may be further changes to the final draft budget for 2016/17 following final notification of all Government grants and local tax bases (including collection fund balances). As in previous years any changes from the amounts published will be reported to County Council in February.

The MTFP includes forecasts for 2017/18 and 2018/19 although at this stage we cannot allocate the majority of these to individual directorates and there are significant unidentified savings required which will need to be resolved in the coming months.

- 2.9 Appendix 2 sets out a more detailed extract from the MTFP setting out the main changes between 2015/16 and 2016/17 relating to the Growth, Environment and Transport directorate. This information is included in the draft MTFP published on 11th January, pending any last minute changes.

This appendix is exempt from publication until the final Budget and MTFP is published. The council's budget and MTFP is structured according to directorate responsibilities. This means presenting information that is relevant to individual Cabinet Committees is not straight forward. We do not have the time or resources to re-present this information to exclude elements outside the remit for individual committees.

- 2.10 Appendix 3 sets out an extract from the draft Budget Book setting out the relevant budgets for 2015/16 and 2016/17 for the A to Z entries relating to the Growth, Environment and Transport directorate. This information is as published on 11th January, pending any final last minute changes. This appendix is exempt from publication until the final Budget and MTFP is

published. The information in appendix 3 is consistent with the information included appendix 2 and thus includes elements outside the remit of individual committees.

- 2.11 Appendix 4 sets out the draft capital programme for the Growth, Environment and Transport directorate. This information will be published on 11th January, pending any final last minute changes. This appendix is exempt from publication until the final Budget and MTFP is published.

3. Budget Consultation

- 3.1 The consultation and engagement strategy for 2015 included the following aspects of KCC activity:

- Press launch on 13th October.
- A question seeking views on Council Tax open from 13th October to 24th November (principally accessed on-line).
- An on-line budget modelling tool to evaluate 20 areas of front line spending open from 13th October to 24th November.
- A free text area for any other comments.
- A simple summary of updated 2015/18 MTFP published on KCC website.
- Web-chat on 16th November with Deputy Cabinet Member for Finance & Procurement, Corporate Director for Finance & Procurement and other finance staff.
- Workshops with business and voluntary & community sectors on 18th November.
- Workshop session with managers and staff.
- Presentation and discussion with Kent Youth County Council on 15th November.

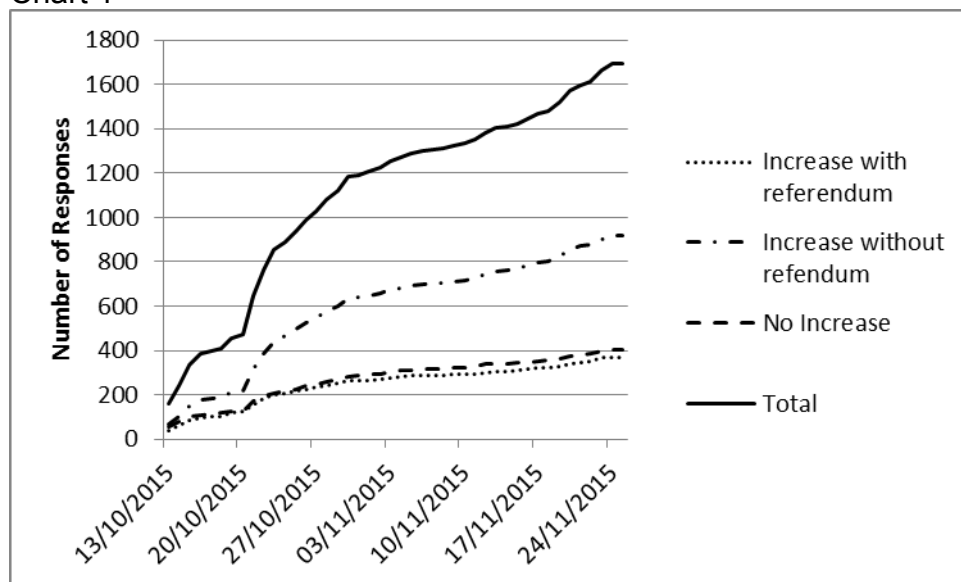
A full analysis of the responses to the consultation will be reported to Cabinet on 28th January. A draft of this analysis is available as background materials for Cabinet Committees in January. The final analysis reported to Cabinet will also be available as background material for the County Council meeting in February.

- 3.2 The consultation did not include any questions about the 2% precept for social care as we were unaware of this possibility at the time. The results from the Council Tax question and on-line budget modelling tool are set out in appendices 5 & 6 to assist committee members in scrutinising the budget proposals set out in the exempt appendices. These appendices with the consultation results are not exempt.
- 3.3 In addition to the activity outlined above the council has also commissioned independent consultants to carry market research to validate the responses with a representative sample of residents via more in depth research and analysis. This included face to face interviews with a structured sample of 750 residents using the same information as the on-line materials he Kent.gov.uk website and half-day deliberative workshops with a smaller sample. The full consultant's report is unlikely to be available in time for cabinet committees but

will be available as background material for the full County Council budget meeting in February.

3.3 We have received 1,693 responses to the Council Tax question. This is less than the 1,962 responses received last year. This can be partly attributed to the shorter time available for consultation (6 weeks compared 7 weeks the previous year), however, we need to do further research as we received the majority of responses in the first 3 weeks as demonstrated in the chart 1 below. Overall 54.3% of respondents (920) supported a 1.99% council tax increase (the maximum allowed without requiring a referendum), 23.9% (404) preferred no increase, and 21.8% (369) supported a higher increase with a referendum. The overall number supporting an increase compared to those preferring a freeze is consistent with previous years' consultation although within this the number supporting a higher referendum backed increase is lower than last year.

Chart 1



3.4 We have received 1,153 submissions via the budget modelling tool. This is more than the 853 submissions received via this mechanism last year. This is encouraging as we believe this tool is an effective way to gather information about which services are most highly valued and thus inform budget priorities.

We are aware of some criticisms about the time it takes to complete the survey and it can pose some challenging service combinations. A further 479 submissions were abandoned part way through and we need to undertake more research whether a 30% drop-out rate is exceptional or acceptable.

An analysis of the responses via this tool is shown in appendix 6 together with the responses from the face to face interviews with 750 sample residents conducted by the independent market research (there is no discernible difference between the responses on-line and face to face interviews).

4. Specific Issues for Environment and Transport Cabinet Committee

4.1 Appendices 2, 3 and 4 set out the main budget proposals relevant to Growth, Environment and Transport directorate. These proposals need to be considered in light of the general financial outlook for the county council for 2016/17 (overall reduced funding) and the medium term (flat cash assuming annual Council Tax increases). Committees will also want to have regard to consultation responses in considering budget proposals.

4.2 Specific issues highlighted within the Autumn Statement/Provisional settlement in relation to this cabinet committee include:

- It was announced that £250m has been set aside for Highways England to identify and build a Lorry Park holding/storage area to help mitigate the impact of Operation Stack. The Cabinet member and officers are working with partners to maximise opportunities to tie this in with the authority's ambition for better provision of overnight lorry park facilities.
- Whilst not funding for KCC per se, £2.3 billion of funding for 1,500 flood defence schemes across the country was identified.
- In advance of the settlement, indicative allocations for Highways capital grants were identified and gave some certainty – on one hand – for the next six years, although it was confirmed that no additional funding (such as the severe weather grant) would be forthcoming in the future AND future funding is subject to the authority's stance of highways asset management, with higher funding given to those authorities who are seen to focus on preventative and pro-active asset management rather than those who concentrate on reactive repairs.

There was however the mention of a one-off Pothole Fund and officers eagerly await the communication of how this fund will be allocated and/or the criteria for bidding for funds.

4.3 The MTFP includes significant **spending demands** placed upon the directorate, in relation to this committee, and are identified below in relation to classification. The quantum of each pressure/demand will be available for the meeting itself. Examples of these additional spending demands include the following:

- Contractual price pressures, primarily in the Highways and Waste divisions, ranging from general (CPI) inflation rates to specific contract rates of up to 4%.
- Industry linked prices pressures e.g. Public Transport, whereby bus operators increase their fares and the payments that KCC has to pay will

increase accordingly, which is akin to embedded inflation, as operators can be no better or worse off from operating certain schemes.

- Demography pressures, primarily in Waste and Public Transport, with increased demand linked to housing and usage growth.
- Re-basing pressures, again primarily in Waste and Public Transport, whereby assumptions made in budget build this time last year have been adjusted to reflect the latest monitoring position.

4.4 The MTFP includes a number of budget reduction initiatives (reduction in gross spend, income generation etc.) that formed part of the budget consulted upon and/or where the full year impact of the prior year's MTFP will be achieved in 2016/17. Examples of such initiatives include the following:

- Conversion of KCC owned streetlights to LED – this project to convert the entire stock of 120,000 streetlights is anticipated to commence in Spring 2016 and will deliver in excess of £5.2m base savings, will part mitigate the impact of future energy increases and the installation of the central monitoring system (CMS) will enable more prompt, less human intensive and less costly changes to any future lighting policy.
- Procurement and contract efficiencies, primarily in relation to Highways and Waste which are either full year effect or as a result of new tendering in the current financial year.
- Re-basing of budgets, both Young Person's Travel Pass (YPTP) and Streetlight energy, whereby assumptions made in budget build this time last year have been adjusted to reflect the latest monitoring position.
- Other efficiencies, such as service re-design/delaying, or income generation.

4.5 Savings from any new policy initiatives are shown in the exempt appendices and any significant issues will be raised during the Cabinet Committee meeting following publication of the final draft budget on 11th January. Due to the exempt nature of the appendices these proposals cannot be covered in detail in the report.

5. Conclusions

5.1 The financial outlook for the next 4 years continues to look challenging. Although the medium term outlook is around flat cash i.e. we should have a similar budget in 2019/20 to 2015/16, there is a dip in 2016/17 and 2017/18. Furthermore, within the flat cash equation is the additional funding raised through Council Tax, the 2% precept for social care and the Better Care Fund

(at this stage we have no indication whether this will come with additional spending requirements) and reductions in RSG.

On top of the flat cash we continue to have a number of additional spending demands. This means the Council will still need to find substantial savings in order to cover any shortfall between the additional income raised (from Council Tax, etc.) against spending demands and to compensate for the reductions in RSG (and any other changes in specific grants including those referred to in this report).

- 5.2 We will be responding to the provisional settlement (deadline 15th January) and in particular the impact of late and unforeseen changes in the grant distribution methodology. These late changes have a significant impact on the budgets for 2016/17 and 2017/18. This is exacerbated by the proposed one-off proposals to deal with the late reductions which have a further consequence in 2017/18.
- 5.3 At this stage the forecasts for 2017/18 to 2019/20 are our best estimates. At this stage we are undecided if we will take-up the offer of a guaranteed 4 year settlement. Based on these forecasts substantial further savings will be needed each and every year to balance the budget.
- 5.4 Appendices 2 and 3 include the latest estimates for unavoidable and other spending demands for 2016/17 and future years. These estimates are based on the latest budget monitoring and activity levels as reported to Cabinet in November (quarter 2). Committees no longer receive individual in-year monitoring reports and therefore members may wish to review the relevant appendices of the Cabinet report before the meeting.

6. Recommendation(s)

Recommendation(s):

The Environment and Transport Cabinet Committee is asked to note the draft Budget and MTFP (including responses to consultation and Government announcements) and make recommendations to the Cabinet Member for Finance and Procurement and Cabinet Member for Environment and Transport on any other issues which should be reflected in the budget and MTFP prior to Cabinet on 25th January 2016 and County Council on 11th February 2016

7. Appendices

- 7.1 Appendix 1 – High Level 2016-19 Budget Summary
- 7.2 Appendix 2 – GET Directorate MTFP
- 7.3 Appendix 3 – GET Directorate Specific A to Z Service Analysis
- 7.4 Appendix 4 – Capital Investment Plans 2016-17 to 2018-19
- 7.5 Appendix 5 – Summary of Responses to Consultation on Council Tax
- 7.6 Appendix 6 – Summary of Responses to Max Diff Budget Modelling Tool
- 7.7 Only Appendix 5 and 6 are available on the Public Document. All other Appendices are exempt.

8. Background Documents

- 8.1 Consultation materials published on KCC website
- 8.2 The Chancellor of the Exchequer's Spending Review and Autumn Statement on 25th November 2015 and OBR report on the financial and economic climate
- 8.3 The provisional Local Government Finance Settlement 2016/17 announced on 17th December 2014
- 8.4 Any individual departmental announcements affecting individual committees

9. Contact details

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Summary of Responses to Consultation on Council Tax



Response to proposal to increase Council Tax: Summary

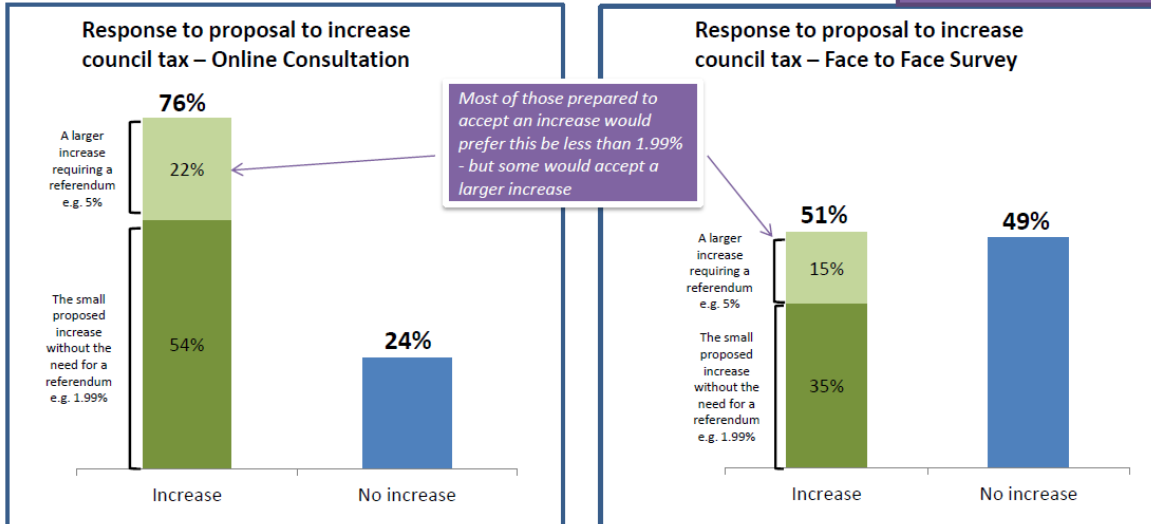
KCC has a mandate to increase Council Tax by 1.99% with the majority of respondents and participants in favour of an increase.

- However, the degree to which this was supported varied between responses to the online survey on the KCC website and the face to face random and demographically representative survey.
- Respondents in the online survey on the KCC website were **more supportive** of an increase in Council Tax with over three quarters (76%) in favour, compared to a more even split between the respondents surveyed face to face who were almost evenly split between those favouring some level of increase in Council Tax (51%) and those favouring no increase (49%).
- Participants at the beginning of the deliberative events more closely resembled the on-street respondents with 57% in support of an increase and 42% in favour of no increase or a reduction in Council Tax.
- However, this proportion did change as a result of their deliberations so that by the end of the events 68% were in support of an increase and 32% were in favour of no increase or a reduction.
- Although the base size for the deliberative events is small, this movement demonstrates that the better informed residents are of the budget challenges facing KCC and the scope of services it provides, the more supportive they are of an increase in Council Tax.
- It also shows that deliberative event participants by virtue of being more informed moved closer to the position held by those respondents motivated to complete the question on the KCC website, who by definition were respondents who were more aware and interested in this issue than the average Kent resident.

Significant Findings:

- Those working full time were significantly more likely to accept an increase in Council Tax.
- Those who were retired were also significantly more likely to accept an increase.
- Men were significantly more likely than women to accept a higher increase over 2%.
- See Annex 3 for further detail.

- Strong support for an increase in Council Tax in the online consultation.
- Views of face to face respondents are more mixed – but just over half would accept an increase.
- Differences likely to reflect differing interest in/ knowledge of budget issues/ challenges.



Bases: Face to face survey = 757 respondents, Online consultation = 1693 respondents.
 Question: KCC is proposing a small increase in Council Tax to contribute towards the additional spending demands being placed on council services and to provide some protection for local services from the savings that would otherwise need to be found...How much Council Tax would you be willing to pay towards the financial challenge the authority faces next year?. Illustrations of the equivalent monetary increase per week and per year were given. The "No increase" option was framed as "No increase and make equivalent cuts to and make equivalent cuts to services (of around £11m per year) on top of the estimated £80m already needed to balance the budget"

Summary of Responses to Max Diff Budget Modelling Tool



“Max Diff” exercise: Summary

- Highest priority placed on services to protect the most vulnerable
- Essential infrastructure activity (with universal impact) next most important
- Discretionary “Quality of life” services least important

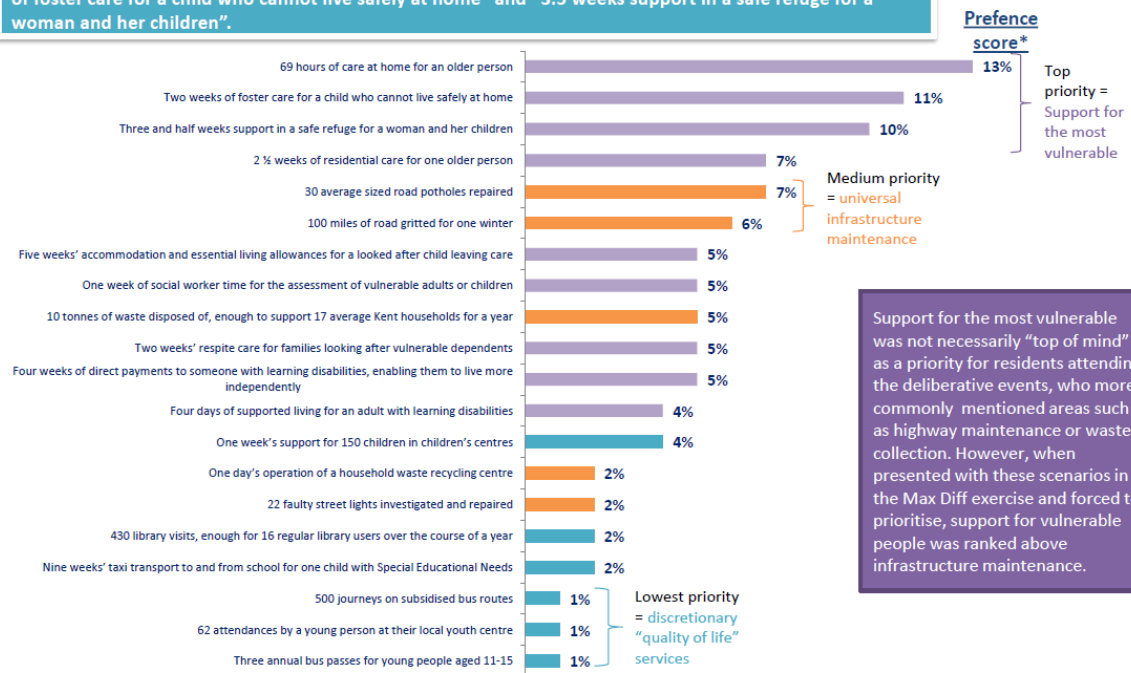
	Which services?	Who does it impact?
<p>ABSOLUTE PRIORITY</p> <p>Care of society’s most vulnerable</p>	<ul style="list-style-type: none"> • Care at home • Foster care • Refuge 	<ul style="list-style-type: none"> • Elderly • Children • Women
<p>Important</p> <p>Essential infrastructure needs</p>	<ul style="list-style-type: none"> • Potholes • Gritting 	<ul style="list-style-type: none"> • All residents
<p>Support care services</p>	<ul style="list-style-type: none"> • Respite • Assessment • Accommodation 	<ul style="list-style-type: none"> • Families with vulnerable dependents • Children leaving care • Those with learning disabilities
<p>Less important</p> <p>Lower priority infrastructure needs</p>	<ul style="list-style-type: none"> • Waste disposal • Recycling • Street light faults • Subsidised bus routes 	<ul style="list-style-type: none"> • All residents
<p>Discretionary “quality of life” services</p>	<ul style="list-style-type: none"> • Libraries • Youth centres • Taxi transport • Bus passes 	<ul style="list-style-type: none"> • Young people • Children with special educational needs

Note the ranking is **relative** – residents do value discretionary/ quality of life services and would prefer them to be protected if a choice did not have to be made.



“Max Diff” exercise: Detail

The top ranked service area tested is “69 hours of care at home for an older person”, followed by “2 weeks of foster care for a child who cannot live safely at home” and “3.5 weeks support in a safe refuge for a woman and her children”.



Combined results from face to face and online surveys - Base = 1,955 respondents. (Little difference between on-street and online results. For comparison see Annex 6).
From Q3: You will now see a series of screens that list key services and what £1,000 of council spending buys. Please think about your household's circumstances and tell us which of these services are most and least important to you. *Preference score = a statistical index figure showing the overall level of preference given to each item across all respondents completing the survey.

Top 3 service items by respondent age group

There was little difference in the ranking of the items tested amongst respondent sub-groups. Some small points of divergence included:

- **Online respondents** placed potholes and gritting above residential care and gave slightly higher preference scores for these items than those completing the on-street survey (8% potholes, 7% gritting compared with 5% each among on-street respondents).
- **Younger residents aged 18-34** prioritised foster care and safe refuge above care at home.
- **Older residents aged 55+** placed a higher than average distance between their top ranked item (care at home for an older person) and their second ranked item (foster care).
 - Those aged 55+ completing the online consultation placed pot hole repair in 3rd priority position.
 - The oldest 75+ age group rated residential care for an older person highly, but placed this well behind care at home.
- A full breakdown of results by survey methodology (face to face vs online) and age group is set out in Annex 6.

18-34*	Item	Rank and Preference score	
		On-Street survey	Online survey
	Foster care (2 weeks)	1: 12%	1: 14%
	Safe refuge for a woman and her children (3.5 weeks)	2: 12%	2: 12%
	Care at home for an older person (69 hrs)	3: 11%	3: 10%

35-54	Item	Preference score	
		On-Street survey	Online survey
	Care at home for an older person (69 hrs)	1: 12%	1: 13%
	Foster care (2 weeks)	2: 11%	2: 12%
	Safe refuge for a woman and her children (3.5 weeks)	3: 9%	3: 10%

55+	Item	Preference score	
		On-Street survey	Online survey
	Care at home for an older person (69 hrs)	1: 14%	1: 17%
	Foster care (2 weeks)	2: 9%	2: 11%
	Safe refuge for a woman and her children (3.5 weeks)	3: 8%	4: 8%
	Potholes repaired (30)	= 5: 6%	3: 9%

From Q3: You will now see a series of screens that list key services and what £1,000 of council spending buys. Please think about your household's circumstances and tell us which of these services are most and least important to you. Bases: 18-34 – face to face = 214, online = 163 (note the online survey was open to residents aged 16+), 35-54 – face to face = 256, online = 521, 55+ – face to face = 282, online = 403.

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From: Paul Carter, Leader of the Council
Matthew Balfour, Cabinet Member for Environment and Transport
Michael Hill, Cabinet Member for Community Services

David Cockburn, Corporate Director, Strategic and Corporate Services
Barbara Cooper, Corporate Director, Growth, Environment and Transport

To: Environment and Transport Cabinet Committee
13 January 2016

Subject: Cabinet Members' Priorities for Business Plans 2016/17

Classification: **Unrestricted**

Past Pathway of Paper: N/A

Future Pathway of Paper: N/A

Summary: This report presents Cabinet Members' priorities that they wish to see reflected in the 2016/17 directorate business plans so that the Cabinet Committee can comment on them before the business plans are drafted.

Recommendation:

The Environment and Transport Cabinet Committee is asked to comment on the Cabinet Members' priorities for the 2016/17 directorate business plans

1. Introduction

1.1 On 10 September 2015, P&R Cabinet Committee received the annual report on business planning and approved the proposed process for developing the 2016/17 business plans.

1.2 The paper approved by County Council on 10 December about embedding strategic commissioning as business as usual also reinforces the changes to business plans for 2016/17 to ensure that they support and strengthen the authority's strategic commissioning approach.

1.3 The review of the 2015/16 business planning process found that although they reflect the priorities of Cabinet Members, in some cases these priorities were captured mid-way through the process, leading to redrafting.

1.4 To address this, the proposal for business planning in 2016/17 included a commitment for Cabinet Members to identify the top priorities that they wish to see reflected in the 2016/17 directorate business plans before the drafting process begins. This will ensure that they are incorporated into and shape the development of the directorate business plans.

2. Cabinet Members' Priorities

- 2.1 Cabinet Members each took part in a 1:1 meeting with the Director of Strategy, Policy and Assurance to identify their top priorities during October. They identified both priorities for their own portfolio, and a number of cross-cutting priorities that apply more widely across KCC.
- 2.2 The priorities that each Cabinet Member identified were aggregated and discussed at Leader's Group in early November, where they were slightly amended and collectively agreed.
- 2.3 The full list of priorities identified by the Cabinet Members is provided in Appendix 1.
- 2.4 The priorities that will need to be reflected into the business plans that this Cabinet Committee will receive are below:

Cabinet Member priorities for Environment and Transport and Community Services relevant to this Cabinet Committee that will be reflected in the Growth, Environment and Transport Directorate Business Plan 2016/17:

- Maintain the highways assets to a good standard to ensure safe and efficient journeys across Kent (with a particular focus on potholes and resurfacing, carriageway maintenance, introduction of LED street lighting and drainage)
- Develop a highways asset management strategy for approval
- Develop a single point of knowledge and evidence base to profile future population growth and needs through the GIF which is continually updated – embed the GIF, implement its ten-point plan and encourage partners and stakeholders to adopt it
- Ensure all major contracts and commissions including waste, highways maintenance, public transport and infrastructure provide optimal value for money for KCC
- Work with Highways England and partners to deliver a solution to Operation Stack
- Progress the development of Thanet Parkway
- Work with Districts to maximise the efficiency of waste collection and disposal
- Deliver Local Growth Fund projects and identify a prioritised programme for any future rounds of LGF
- Make on-street parking arrangements across the county more cost effective to deliver significant revenue savings
- Build the profile of the needs and opportunities of the heritage agenda
- Better work with the interests involved in the rural agenda
- Embed and coordinate delivery of Kent Environment Strategy
- Identify opportunities for income generation to enable delivery of better services without impacting the council tax payer
- Help to shape Local Plans to deliver sustainable growth and infrastructure ensuring KCC's interests are recognised and incorporated into the supporting Infrastructure Delivery Plans

Community Services

- Build on the success of the integrated Resilience and Community Safety teams to provide better multi-agency working including closer working with health partners
- Further develop the intelligence-led approach to Public Protection, including building on joint working between Trading Standards and Community Safety

Cross-cutting priorities

- Progress District Deals, taking a wider remit including health
 - Growth, Environment and Transport Directorate to lead
- Further embed the PREVENT strategy across the council
 - All Directorates

2.5 As well as the priorities identified specifically for the Directorate, there will be links and cross-over with the priorities identified for other Directorates, so Directorate Management Teams will be provided with the entire list as shown at Appendix 1 so they can reflect these links as appropriate.

2.6 In addition, Cabinet Members have identified a number of priorities around the way in which all Directorates need to work as we continue in our journey to become a strategic commissioning authority. These will inform the development of the directorate business plans, and will be put into practice in the implementation of the business plans during 2016/17. The priorities around ways of working reinforce the approach we have already set out in the Strategic Statement and Commissioning Framework. They are:

- Strengthen commissioning, procurement and contract management
- Ensure information requirements are clear in all contracts
- Better cross-support between Directorates
- Communicate better externally – messages to be linked to strategy
- Stronger evidence base for transformation decisions and better engagement with the public on the big service changes required

3. Next Steps on Drafting Directorate Business Plans

3.1 Each Directorate Management Team (DMT) will now begin drafting their 2016/17 business plan with support from Strategy, Policy and Assurance.

3.2 The draft directorate business plans will be brought to the relevant Cabinet Committees in March 2016 for comments before they are approved.

3.3 The timescales for the development, approval and publication of 2016/17 directorate business plans are provided in Table 1 below:

Activity	Timescale
Development and agreement of Cabinet Members' priorities	Sept - Nov 2015
Development of directorate and divisional priorities by DMTs	Dec 2015 - Jan 2016
Drafting of directorate business plans including all the required information including approved County Council budget	Feb - Mar 2016
Draft directorate business plans to Cabinet Committees	March 2016 round of meetings
Directorate business plans finalised taking into account Cabinet Committee comments	April – May 2016
Final collective approval of directorate business plans by Cabinet Members and publication on the KCC website	May 2016

Table 1: Timescales for development of 2016/17 directorate business plans

3.4 Divisional and service level plans will be developed alongside Directorate level plans and approved in time to be published on KNet in May 2016.

4. Recommendation

4. Recommendation:

4.1 The Environment and Transport Cabinet Committee is asked to comment on the Cabinet Members' priorities for the 2016/17 Directorate Business plans

5. Appendices

Appendix 1: Cabinet Members' priorities for the 2016/17 Directorate Business Plans

6. Background Documents

- 'Annual Business Planning Review', P&R Cabinet Committee 10th September 2015
<https://democracy.kent.gov.uk/documents/s59334/Item%20C1%20-%20Business%20Planning%202016%2017%20PR%20Committee%20draft%20v2.pdf>
- 'Embedding Strategic Commissioning as Business As Usual', County Council 10th December 2015
<https://democracy.kent.gov.uk/documents/s61206/Strategic%20Commissioning%20Business%20as%20usual%20-%20Final.pdf>

7. Contact details

<p>Report Author: Karla Phillips Strategic Business Adviser for GET 03000 410315 karla.phillips@kent.gov.uk</p>	<p>Relevant Director: David Whittle, Director Strategy, Policy, Relationships and Corporate Assurance 03000 416833 david.whittle@kent.gov.uk</p>
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Appendix 1: Cabinet Members' priorities for the 2016/17 Directorate Business Plans

Finance and Procurement

- Make sure there is an effective system of contract management – corporate approach as well as resilience in services
- Commissioning improvement programme to develop better links between commissioning and procurement
- Fully exploit the Iproc Collaborative online systems to reduce cost
- Focus on cost control
- Examine discretionary and non-discretionary powers

Corporate and Democratic Services

- Work with a strategic partner to rethink the ICT infrastructure to support the organisation
- Deliver ICT systems integration
- Further progress the One Public Estate programme
- Review New Ways of Working to ensure it is fit for purpose - property assets must be in the right locations for our services and more quickly disposed of where no longer required
- Review the schools estate and put protocols in place for the quick disposal of unneeded assets
- HR to work with directorates to put proper succession planning protocols in place
- Develop the appropriate interface between the Business Service Centre and the directorates and ensure the BSC delivers on its budget commitments
- Manage the Member role in commissioning, ensuring they are appropriately trained, informed and involved and using Cabinet Committees and CAB appropriately

Commercial and Traded Services

- Implement Commercial Services business plan and deliver £6.7 million dividend
- Deliver transformation of external communication function linking with all Directorates to deliver less, better quality communication which is in line with wider strategy
- Deliver transformation of Legal Services – form a Joint Venture

Economic Development

- Coordination of marine activity including development & regeneration, skills & employment, manufacturing, ports, tourism and recreation
- Provide strategic planning and highways support to Districts to unlock sustainable housing development
- Work with partners to deliver strategic infrastructure to unlock housing and employment sites, particularly Lower Thames Crossing, Junction 10a of M20 and delivering superfast broadband across the county
- Secure funds for and look at opportunities for providing business support and build on the RGF to ensure recycled loans are used to best effect
- Maximise opportunities to leverage developer contribution, for example through S106, CIL and Commuted Sums for priority council services

Education

- Continue to increase take up of free places for two year olds
- Ensure school sufficiency and work with Gov to ensure new Free Schools are opened where they are most needed and make the most of Gov funding and engagement
- Continue implementation of special schools review, effective implementation of EHCPs, work with CCGs to deliver enhanced speech and language therapy, reduce out of county placements, delivery and expansion of new SEN transport through route optimisation
- Deliver higher levels of Good and Outstanding schools, work with schools to embed new system of assessment. Development of options to deliver an Education Learning Trust that are wide-ranging and of sufficient scale
- Deliver NEETs action plan, address skills tracking and structural issues including working with private providers

Environment and Transport

- Maintain the highways assets to a good standard to ensure safe and efficient journeys across Kent (with a particular focus on potholes and resurfacing, carriageway maintenance, introduction of LED street lighting and drainage)
- Develop a highways asset management strategy for approval
- Develop a single point of knowledge and evidence base to profile future population growth and needs through the GIF which is continually updated – embed the GIF, implement its ten-point plan and encourage partners and stakeholders to adopt it
- Ensure all major contracts and commissions including waste, highways maintenance, public transport and infrastructure provide optimal value for money for KCC
- Work with Highways England and partners to deliver a solution to Operation Stack
- Progress the development of Thanet Parkway
- Work with Districts to maximise the efficiency of waste collection and disposal
- Deliver Local Growth Fund projects and identify a prioritised programme for any future rounds of LGF
- Make on-street parking arrangements across the county more cost effective to deliver significant revenue savings
- Build the profile of the needs and opportunities of the heritage agenda
- Better work with the interests involved in the rural agenda
- Embed and coordinate delivery of Kent Environment Strategy
- Identify opportunities for income generation to enable delivery of better services without impacting the council tax payer
- Help to shape Local Plans to deliver sustainable growth and infrastructure ensuring KCC's interests are recognised and incorporated into the supporting Infrastructure Delivery Plans

Community Services

- Quickly progress the transformation of LRA and CLS into internally commissioned services
- Explore opportunities to deliver social value in council contracts through cultural commissioning
- Work with Turner Contemporary to identify and exploit commercial opportunities

- Embed arts and sports to deliver wider KCC strategic outcomes, including working with Public Health
- Build on the success of the integrated Resilience and Community Safety teams to provide better multi-agency working including closer working with health partners
- Further develop the intelligence-led approach to Public Protection, including building on joint working between Trading Standards and Community Safety

Specialist Children's Services (Subject to revision)

- Continue to make delivering our statutory safeguarding responsibilities the top priority
- Develop efficient edge of care service to ensure that numbers of children in care are kept to a minimum
- Recommence direct management of the Adoption Service in line with the evolving partnership with Coram
- Lobby government for a national distribution scheme for Unaccompanied Asylum Seeking children (UASC)
- Lobby Government to fully fund the true cost of UASC and for full repayment of historical UASC underfunding
- Increase number of appropriate step downs from Specialist Children's Services to Early Help
- Develop a new pathway for the transition of young people with a disability from children's to adults' services
- Ensure the transformation of delivery and optimisation of process becomes embedded in the business as usual
- Raise awareness of all elected members on their role and responsibilities as a corporate parent.

Adult Social Care and Public Health and Health Reform

- Continue to make delivering our statutory safeguarding responsibilities the top priority
- Clarify roles, responsibilities and accountabilities within the commissioning cycle in line with embedding strategic commissioning into business as usual
- Ensure the right balance of non- residential and residential models of care and sufficient capacity in line with the overall strategy for adults with learning disabilities
- Manage demand for support for older people, managing increasing frailty and social isolation
- Ensure the continuing sustainability of the residential and domiciliary care market in Kent and the social care workforce
- Put systems in place to ensure that Transformation continues to be sustainable once transferred into business as usual
- Continue the KCC and NHS integration programme, including Pioneer and BCF work and initiatives including the vanguard, Integrated Commissioning Organisation, Healthy New Towns in North Kent and LD integrated commissioning
- Ensure the pathway to major improvement to the social care client systems is developed and progressed
- Ensure implementation of the Workforce Planning Strategy 2015-2020 with regards to succession planning, talent management and retaining critical roles within the organisation

- Continue to build KCC's relationship with the Voluntary and Community Sector, particularly around the preventative agenda
- Ensuring effective transformation of the adult and children public health improvement programmes in line with statutory guidance and within allocated financial resource
- Deliver the supporting transformation programmes including the new health inequalities strategy and the District health improvement deal
- Delivering the refresh of the JSNA and ensuring that it becomes a widely used and effective tool planning tool for the wider health and care sector, and drives the refresh of the Kent Health and Wellbeing Strategy
- Ensure a coordinated and effective programme of Health Improvement Campaigns across the health and care sector, delivering consistent health improvement messages to the public.

Cross-cutting priorities

- Look at ways to make the council more entrepreneurial
 - Strategic Business Development and Intelligence (Strategic and Corporate Services Directorate) to lead
- Ask the market to solve problems
 - Strategic Business Development and Intelligence (Strategic and Corporate Services Directorate) to lead
- Be more creative in anticipating and solving problems
 - Strategic Business Development and Intelligence (Strategic and Corporate Services Directorate) to lead
- Develop the preventative model and reduce demand
 - Strategy, Policy and Assurance (Strategic and Corporate Services Directorate) to lead
- Development of a devolution deal for Kent
 - Strategy, Policy and Assurance (Strategic and Corporate Services Directorate) to lead
- Continue to build KCC's relationship with the Voluntary and Community Sector, particularly around the preventative agenda
 - Strategy, Policy and Assurance (Strategic and Corporate Services Directorate) to lead
- Progress District Deals, taking a wider remit including health
 - Growth, Environment and Transport Directorate to lead
- Succession planning – develop a High Potential Development Scheme
 - Engagement, Organisational Design and Development (Strategic and Corporate Services Directorate) to lead
- Further embed the PREVENT strategy across the council
 - All Directorates

Priorities around ways of working

- Strengthen commissioning, procurement and contract management
- Ensure information requirements are clear in all contracts
- Better cross-support between Directorates
- Communicate better externally – messages linked to strategy

Stronger evidence base for transformation decisions and better engagement with the public on the big service changes required

From: Matthew Balfour, Cabinet Member for Environment and Transport
Barbara Cooper, Corporate Director of Growth, Environment and Transport

To: Environment and Transport Cabinet Committee – 13 January 2016

Subject: **Proposed Response to the Highways England Consultation on a proposal to create a Permanent Lorry Area adjacent to the M20 at Stanford**

Non-Key decision

Classification: **Unrestricted**

Past Pathway of Paper: N/A

Future Pathway of Paper: Cabinet Member Decision

Electoral Division: Elham Valley, Susan Carey

Summary: This report outlines a proposed response to the consultation by Highways England on a proposal to create a Permanent Lorry Area adjacent to the M20 at Stanford.

It is proposed that Kent County Council (KCC) gives provisional support, subject to Environment Statement, to Highways England's proposal for a Permanent Lorry Area with a preferred site of 'Stanford West' for the principal reasons outlined in Section 2.6 of this report.

It is proposed that this site operates as 'alternative 3: General Disruption and Overnight Parking' for the reasons described in Section 2.4 of this report. In addition to emergency use in place of Operation Stack on the M20 this proposal will alleviate the Dover TAP, queues at Eurotunnel and address inappropriate overnight lorry parking. Truckstop facilities are already provided at the Stop24 services and therefore should not be replicated in the proposed Permanent Lorry Area, thus minimising additional disturbance to local residents. The site should accommodate a minimum of 3,600 HGVs so as to reduce the need to implement Operation Stack Stages 1 and 2 (Junctions 8 to 11 coast-bound) in all but extreme circumstances.

The proposed response in Section 2 of this reports sets out operational, design, flood risk management, drainage, ecology, landscape and historic environment issues that need to be addressed by Highways England before proceeding with the proposal and caveat the provisional support given by KCC for a Permanent Lorry Area at 'Stanford West'.

Recommendation: The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Environment and Transport on the proposed response to the Highways England Consultation on a proposal to create a Permanent Lorry Area adjacent to the M20 at Stanford.

1. Background

- 1.1 Highways England is consulting on a proposal to create a Permanent Lorry Area adjacent to the M20 at Stanford. This is the first of a two stage consultative process to develop a scheme that was provisionally allocated funding by Government in the Autumn Statement to;

“Relieve the pressure on roads in Kent from Operation Stack with a new quarter of a billion pound investment in facilities there”.

- 1.2 Highways England is using Permitted Development rights as the Highway Authority under Section 115 of the Highways Act 1980 taking account of Section 105A of the Act regarding Environmental Impact Assessments. This report summarises the current non-statutory consultation and outlines a proposed response from Kent County Council (KCC) with a preferred site option. A further public consultation is expected by Highways England later in the year on detailed design of a preferred site with a draft Environmental Statement.
- 1.3 Operation Stack has been implemented 48 times between 1997 and January 2015 with an average duration of 5-6 days a year. However in 2015, Operation Stack was implemented for 32 days, 5 days in January and then almost continuously in late June and throughout July. Reasons for its implementation in the summer were initially industrial action by ferry workers at the Port of Calais which was then exacerbated by migrants trespassing in the Channel Tunnel. At its peak there were an estimated 7,000 Heavy Goods Vehicles (HGVs) taking 36 hours to work through the queue.
- 1.4 The usual 2 phases of Operation Stack (Phase 1 Junction 11 to 12 coast bound and Phase 2 Junction 8 to 9 coast-bound) did not provide enough capacity and Phase 3 (Junction 9 to 8 London-bound) was implemented for the first time along with new phases involving closure of both carriageways between Junctions 9 and 11. Phases were renamed as ‘Stages’ and were re-designed to cope with the unprecedented numbers of HGVs.
- 1.5 Stage 1 is Junction (J) 8 to J9 coast-bound (capacity 2,100 HGVs); Stage 2 is J9 to J11 coast-bound (capacity 1,500 HGVs); Stage 3 is J9 to J8 London-bound (capacity 2,100 HGVs); and Stage 4 is J11 to J9 London-bound (capacity 1,500 HGVs).
- 1.6 In terms of economic impacts, figures produced by KCC, the Kent Invicta Chamber of Commerce and ‘Visit Kent’ demonstrate:
- An estimated cost to the Kent and Medway economy of around £1.45 million per day. Scaling the Kent figure up to the 32 days’ disruption caused by Operation Stack gives an approximate cost of £46 million. However, it is likely that this figure is a substantial under estimate.
 - 45% of tourism businesses reported cancellations; with 59% considered that they had lost up to 20% of business as a result of Operation Stack.
- 1.7 The £46 million estimate relates to costs borne by the Kent and Medway economy only; i.e. costs accruing nationally or internationally (e.g. to the freight

industry based outside or carrying goods from outside Kent) are not included, therefore the national costs are substantially greater. The Freight Transport Association (FTA) estimates a wider cost to the UK economy of £250 million per day.

- 1.8 KCC incurred direct costs in June to August for the provision of food, water, wash kits, blankets and additional emergency planning staff of £47,378.
- 1.9 During the height of the crisis in July, the Transport Minister Andrew Jones MP visited Kent and the work of the European Gateway Strategic Delivery Group was presented. This group was set up after the January Operation Stack event and consisted of KCC, Kent Police, Highways England, Eurotunnel, Port of Dover, ferry companies, Road Haulage Association (RHA), FTA, logistics operators, lorry park operators and the district/borough councils of Ashford, Dover and Shepway.
- 1.10 Following the meeting with the Transport Minister, all organisations, including KCC, co-operated with the Department for Transport (DfT) instruction to prepare the former Manston Airport site for use so that the London-bound carriageway (Stages 3 and 4) would no longer be needed to queue HGVs. To date, the use of Manston has not been required.
- 1.11 Under instruction from Government to deliver a solution “at pace”, a subsequent report to the Cabinet Office Briefing Room (COBR) in August outlined a package of on and off-highway measures to hold approximately 5,500-6,500 HGVs at a preliminary cost of £468m. This was reported to this Cabinet Committee on 16 September 2015.
- 1.12 Subsequently, the DfT instructed Highways England to lead on the land acquisition, planning and delivery of a Permanent Lorry Area. A Planning Sub-Group consisting of Highways England, KCC, Shepway District Council and Statutory Environmental Bodies meet fortnightly to oversee the project. This sub-group reports bi-monthly to a multi-agency steering group consisting of the organisations in former European Gateway Strategic Delivery Group and local MPs.
- 1.13 Highways England has assessed a number of potential sites for a Permanent Lorry Area and narrowed the shortlist to two possible sites near Junction 11 of the M20 named ‘Stanford West’ and ‘Junction 11 North’. The consultation seeks the public’s views on how the current Operation Stack arrangements affect them; whether there is support for a Permanent Lorry Area, and if so, which is the preferred site; and the size, function and facilities that should be provided.
- 1.14 The ‘Stanford West’ site is to the north and south just west of Junction 11. The main entry and exit to the site would be direct from the M20 but with a secondary access through the Stop24 services. When being used for Operation Stack, the secondary access would enable lorries to approach from the east without having to travel to and turn around at the already congested Junction 10. Similarly, the secondary access would enable the site to be used for any overnight parking or truckstop purposes, while minimising the impact on the M20.

1.15 The 'Junction 11 North' site is just north of Junction 11. The site would be accessed from the B2068 which would be dualled between the site entrance and M20 Junction 11. There would be improvements to the roundabout and possibly the coast-bound on slip at Junction 11. There would be a secondary access from the A20 at the east end of the site for emergency use only.

1.16 Highways England also seeks views on how either site should be operated, for which there are four alternatives:

- 1) **Emergency Use:** Emergency lorry holding area which reduces or removes the need for Operation Stack only.
- 2) **General Disruption:** Emergency lorry holding area which reduces or removes the need for Operation Stack and/or Dover Traffic Assessment Project (TAP) and/or any M20 based Eurotunnel queue management.
- 3) **General Disruption and Overnight Parking:** Emergency lorry holding area as above, (with free provision for Operation Stack and Dover TAP/ Eurotunnel excess) but with additional chargeable basic overnight parking.
- 4) **General Disruption and Truckstop:** Emergency lorry holding area as above, with free provision for Operation Stack and Dover TAP/ Eurotunnel excess but with additional chargeable overnight parking AND 24 hour lorry only motorway service area facilities including hot food and drink.

1.17 It is proposed that the Permanent Lorry Area would accommodate at least 3,600 HGVs and would replace Operation Stack Stages 1 and 2 (J8 to J11 which also has capacity for 3,600 HGVs) in the first instance. Only in extreme circumstances (when the capacity of the Lorry Area is full) would Operation Stack Stages 1 and 2 (J8 to J11) be used, which in combination with the Lorry Area, would provide total capacity for 7,200 HGVs. This would prevent the need to use the London-bound carriageway for Operation Stack (Stages 3 and 4) as was experienced in Summer 2015.

1.18 Highways England is providing a number of consultation events in the local area including a Member briefing at County Hall on 11 January at 12noon.

2 Proposed KCC Response to the Highways England Consultation

2.1 It is proposed that KCC responds to the consultation with a clear position that the current arrangement with Operation Stack as the main response to disruption to cross Channel traffic is unacceptable and therefore strongly supports a Permanent Lorry Area to reduce or remove the need for freight traffic to be queued on the M20. It is essential that the motorway is kept open for two way traffic flow at all times and is never closed for the queuing of freight vehicles.

2.2 In response to the consultation on the impacts of Operation Stack, it is proposed that KCC submits detailed information that forms the basis for the summary of the economic impacts in Sections 1.6 to 1.8 of this report. This will help to strengthen the economic case for the public investment in an alternative solution to Operation Stack, which although pledged by Government, will still be subject to approval of a Business Case.

- 2.3 It is proposed that KCC supports Highways England's suggested minimum 3,600 HGV spaces. This would allow M20 to remain open in both directions for all traffic during most instances of disruption to cross Channel services as described in Section 1.17 of this report. As previously stated, it is essential that the motorway is kept open for two way traffic flow at all times and is never closed for the queuing of freight vehicles, therefore it is proposed that KCC includes in its response that the Permanent Lorry Area should be future proofed to deal with the growth in cross Channel freight traffic that is predicted for Eurotunnel and the Port of Dover. The current average daily demand at the Channel ports is over 10,000 HGVs (2 way flow) and this is forecast to increase to between 14,000 and 16,000 per day in the next decade.
- 2.4 It is proposed that KCC supports the operating model of 'alternative 3: General Disruption and Overnight Parking'. The use of the site in this way will reduce the need to close any part of the M20 for Operation Stack. It also provides a better means of managing excess traffic at Eurotunnel which currently creates an informal queue on the M20; and the Port of Dover queue on the A20 with the Dover TAP which causes traffic problems on the local road network. In addition, provision for overnight lorry parking will address the problem of inappropriate overnight lorry parking and complement the work of KCC, the Police and the Districts with enforcement. Despite a lack of capacity and high demand for overnight lorry parking, the private sector has not delivered sufficient provision to meet demand; therefore use of part of the Permanent Lorry Area for overnight parking is supported. The capacity for overnight parking should match demand and should not disadvantage commercial providers in the area, who have paused their own expansion plans pending the outcome of this proposal by Highways England for a Permanent Lorry Area. It is not proposed to support the provision of a truckstop as with 'alternative 4' as full service facilities for short term parking (less than 2 hours) is already available at Stop24 services. Non-provision of 24 hour services at the proposed sites will minimise additional disturbance to local residents.
- 2.5 The DfT is leading on a work stream to consider options and issues regarding future commercial operation the proposed Permanent Lorry Area for overnight parking and/or a truck stop. It is proposed that KCC in its response to the consultation urges DfT to complete this work quickly so that there is clarity around the commercial overnight parking element of the proposal. Use of the proposed Permanent Lorry Area for overnight parking should be part of a network of lorry parks across the country, which alongside enforcement measures, would address the severe problem of inappropriate lorry parking. KCC is developing a strategy for a network of small lorry parks at suitable locations across Kent and a partnership approach with the Districts and the Police to address enforcement. The proposed Permanent Lorry Area adjacent to the M20 at Stanford should be integrated with this overall strategy. This strategy should also include improved management of freight traffic through Kent utilising technology to direct HGVs to parking sites and available cross Channel services, i.e. 'ticketing' flexibility between Eurotunnel and ferry operators to ensure optimum fluidity of freight movement. The strategy should also consider the use of alternative ports and routes, including the 'bifurcation' of traffic between the M20/A20 and M/A2 corridors with a new Lower Thames

Crossing to the east of Gravesend to create a new strategic route from Dover to the Midlands and the North.

2.6 It is proposed that KCC supports Highways England's proposal for the 'Stanford West' site over the alternative 'Junction 11 North Site'. KCC has investigated many potential sites for lorry parks as an alternative to Operation Stack and has supplied all available information to Highways England. At this stage it is proposed to support Highways England's analysis that these two options are the most advantageous. The principal reasons for expressing a preferred site of 'Stanford West' include:

- The main access to the site would be direct from the M20 coast-bound, therefore reducing the impact on KCC's road network, unlike 'Junction 11 North' which would affect traffic at Junction 11 and the B2068.
- The secondary access through Stop24 caters for HGVs that have been turned around if they have not gone through the 'stack queue'. Whereas 'Junction 11 North' would add conflicting movements to the motorway Junction roundabout.
- The part of the site on the south side of the motorway provides permanent facilities for overnight lorry parking (in an extension to the existing parking area) and truckstop services already exist at Stop24. This leaves the main part of the site on the north side of the motorway to be used exclusively for HGV queuing in a replacement of the Dover TAP and Eurotunnel excess with dedicated access from the M20. The entire site would then be made available for use as an emergency lorry holding area to reduce the need for Operation Stack on the motorway. In contrast, the 'Junction 11 North' site does not provide any physical separation for the distinct uses and does not utilise any existing facilities.
- The site has less visual impact on the context and setting of the Kent Downs Area of Outstanding Natural Beauty (AONB) and initial investigation by Highways England concludes that there are not likely to be any significant impacts on the adjacent Site of Special Scientific Interest (SSSI). In contrast the 'Junction 11 North' site directly abuts the AONB and is likely to significantly impact on its setting, and contains ancient woodland, albeit that could be retained.
- Both of the sites are within areas of Safeguarded Mineral Resources which mineral planning policy seeks to ensure are not needlessly sterilised. Non mineral development would normally be subject to the safeguarding policy in the emerging Kent Minerals and Waste Local Plan 2013-30 and would need to meet exemptions tests. Permitted Development rights by Highways England (see Section 1.2 of this report) arguably could override this. However, the 'Stanford West' site is preferable for a Permanent Lorry Area as the 'Junction 11 North' site is currently a preferred site in the Draft Mineral Sites Plan and was the subject of detailed discussion at the Minerals & Waste Local Plan Examination.

2.7 The 'Stanford West' site does have some disadvantages, including being close to the villages -of Sellindge and Stanford and some individual residential

properties. This consultation has caused considerable distress in the local community, especially with the lack of detail around the 'footprints' of the proposed sites. It is proposed that KCC will stress its disappointment in this aspect of the consultation to Highways England and emphasise that it is essential that property owners, who have already been blighted by the proposals, are fully compensated for the loss of property value and inability to now sell if they need or want to move. Property owners affected by the building of the Channel Tunnel benefited from a scheme to buy them out and those affected by the lorry holding area proposals should have the benefit of a similar scheme. It is essential that buffer planting and landscaping provides additional screening around the proposed site and the consultation document states that there is good opportunity for this. An existing belt of mature vegetation and a man-made lake would probably need to be removed. Part of the site is also close to Westenhanger Castle, a Scheduled Monument. The dissection of the site by the M20 and the need to construct a new bridge over the motorway to provide secondary access, and new slip roads for primary access, will result in longer and more expensive construction costs than the 'Junction 11 North' site which utilises the existing junction with the B2068 upgraded to dual carriageway for access.

2.8 It is proposed that KCC's response outlines further issues that Highways England should consider, which include:

- Access, egress to and from the M20 should prioritise safety of all road users, and be intuitive so as to minimise set-up time and stewarding resource requirements.
- Lorry parking configuration and overall site operation should facilitate efficient, rapid and responsive lorry traffic departure towards Port of Dover and Eurotunnel (i.e. the historic 'off-line' lorry park solution at Ashford was undermined by the personnel-intensive nature of marshalling, traffic control and escorting of lorries), and seek to design-out queue-jumping.
- Spacing between parked lorries should be sufficient to minimise risk of fire spread, with effective procedures in place to ensure separation of hazardous loads and any vehicles carrying livestock.
- Lorry Area mobilisation and operation should seek to minimise any requirement for local resilience partner logistical, welfare and other routine support interventions.
- A multi-disciplinary risk assessment should be undertaken to inform the drafting and subsequent operation of a site emergency plan, which should include warning and informing, muster points, evacuation procedures, emergency service rendezvous points, pollution control and recovery.
- Design and long-term maintenance of the Lorry Area drainage infrastructure should mitigate effects of diffuse pollution run-off from hydrocarbons, road salt, heavy metals and cargo leaks, using technology such as interceptors, wet vegetated balancing ponds, basins and reed-beds.

- Spill kits should be maintained on site in the event of diesel or other leaks from vehicles.
 - Native tree and shrub planting specifications and moulding of the landform in and around the physically exposed proposed lorry park site should seek to naturally mitigate against severe weather risks such as high winds, intensive rain or snow fall, and high temperatures.
 - All planting should utilise a diverse palette of local provenance native trees and shrub species to reduce bio-security risk and overall vulnerability to pests and diseases.
- 2.9 It is also proposed that KCC requests that the DfT consider trunking parts of the local road network that the Lorry Area is dependent on for access and egress, in particular, Junction 11. Highways England will then have responsibility for maintenance of the roads that are essential for the operation of the Lorry Area. KCC should also make the case for a small proportion of the funding allocated by Government to repair the damage to KCC's road network, especially verges, damaged by HGVs due to Operation Stack.
- 2.10 It is proposed that support for the 'Stanford West' site is conditional on a satisfactory Environmental Statement and adequate mitigation measures which will be the subject of a further consultation by Highways England. Further issues that Highways England should take into account and therefore will be part of KCC's response to this consultation are described below for specific areas.
- 2.11 In terms of flood risk management or drainage proposals for the site, Highways England must ensure that they do not increase flood risk off site and they must also apply to KCC for consent for any works within ordinary watercourses (which includes culverts, bridges, infilling, headwalls etc.). In order not to increase flood risk off site, Highways England must ensure that the runoff and volume of water that is discharged from the site never exceeds the pre-development amounts for any return period. Given the nature of the site they will need to consider the pollution risks from the site. Oil-water separators are not very effective, KCC would prefer them to provide a sustainable system that is more effective at separating hydrocarbons and other pollutants and has been used effectively in lorry parking situations, e.g. [Hopwood Motorway Services](#). KCC recommends that they refer to the [CIRIA SuDS Manual](#), the [non-statutory technical standards for drainage](#) and KCC's [drainage and planning policy](#).
- 2.12 In terms of ecology and landscape, both proposed sites are likely to result in considerable visual impacts and would require significant mitigation in landscape terms, primarily due to the exposed nature of the landscape and therefore its visual sensitivity to any new development. Further to this, the proximity of the two sites means that they will have an impact on the setting of the nationally important landscape of the Kent Downs AONB. As such, KCC would expect a thorough and evidence-led appraisal of the site, which could give confidence that any proposed mitigation measures would be appropriate to the identified landscape character.
- 2.13 It is essential that the potential for ecological impacts to arise as a result of the proposed development is adequately assessed, with consideration of direct and

indirect impacts both on and off the proposed sites during construction and operation of the Lorry Area. In particular, the potential for hydrological changes, air quality deterioration and surface water run-off to result in ecological impacts must be incorporated into the assessment.

- 2.14 Both proposed sites are situated within close proximity of statutory and non-statutory sites designated for their ecological interest, impacts to which must be adequately assessed and, where necessary, protected/mitigated for within the proposed development's planning and design. The potential for significant effects on the Folkestone to Etchinghill Escarpment Special Area of Conservation (SAC) must be considered; as a minimum a Habitats Regulations Assessment screening will be required.
- 2.15 The proposed sites and surrounds must be subject to preliminary ecological appraisal, with specific ecological surveys carried out, as appropriate, to confirm the presence of any protected species, assess the potential extents of impacts and inform conclusions regarding mitigation.
- 2.16 The proposed development must implement the mitigation hierarchy, avoiding and reducing ecological impacts; unavoidable impacts must be appropriately mitigated for, with habitats and species retained on site where possible. Only when this is not sufficient to fully avoid and reduce the ecological impacts must off-site mitigation/compensation be secured. There should also be consideration of how the proposed development will ensure no net loss of biodiversity and could result in a net gain; Biodiversity Opportunity Areas within the vicinity may provide opportunities to develop targeted requirements for habitat mitigation and enhancements.
- 2.17 In terms of the historic environment, the option sites are located in a landscape that is generally rich in archaeological remains and includes a wide range of designated heritage assets. Given the scale of the proposed Lorry Areas it will be important to understand how the proposed sites and associated infrastructure might impact upon the wider historic landscape character, especially within the context of the Kent Downs AONB, as well as on the setting of individual heritage assets.
- 2.18 In terms of particular assets, the preferred 'Stanford West' site lies close to Westenhanger Castle, which is a Scheduled Monument and includes the Grade I Listed Westenhanger Manor and Barns; the II* listed Stanford Windmill is also located nearby. It is likely that significant buried archaeological remains will be present at both sites. The extent and character of such remains cannot be precisely defined at this stage but archaeological investigations undertaken in advance of High Speed One (HS1), give an indication of what might be expected. For example remains of Iron Age and Romano-British date have been identified at Junction 11 on the south side of the M20 Motorway close to the 'Junction 11 North' site, and multi-period remains, including evidence for Bronze Age, Iron Age and medieval activity, have been recorded along the M20/HS1 corridor in the area of the 'Stanford West' site.
- 2.19 The impact of the option proposals on the setting of heritage assets, particularly those of high grade designation, needs to be given careful thought. The setting of such assets is not restricted to consideration of inter-visibility, but includes

changes to how a site might be experienced, including through noise and light pollution. Decision-making should have regard to the statutory duty in the 1990 Planning Act (sections 16 and 66).

- 2.20 Desk-based historic environment assessment (including assessment of the impact on the setting of historic buildings and historic landscapes) will be required to understand the heritage resource in more detail and inform any emerging proposals; archaeological field evaluation is likely to be required at an early stage to inform decision-making. Significant archaeological remains should be preserved in situ (as stated in the National Planning Policy Framework) but where preservation in situ is not appropriate, detailed field investigations will be needed before construction commences.

3 Financial Implications

- 3.1 There are no financial implications to KCC of providing a Permanent Lorry Area as £250 million was pledged by Government in the Autumn Statement 2015 and the scheme will be delivered by Highways England.

4 Legal implications

- 4.1 There are no legal implications arising from the recommendations in this report.

5 Equalities implications

- 5.1 There are no equalities implications arising from the recommendations in this report.

6 Other corporate implications

- 6.1 There are no other corporate implications arising from the recommendations in this report.

7 Governance

- 7.1 A Planning Sub-group consisting of KCC, Highways England, Shepway District Council and the Environment Agency meets fortnightly to consider the planning process to support delivery of the Permanent Lorry Area. A Stakeholder Steering Group meets bi-monthly to oversee the overall progress of work to deliver solutions to Operation Stack and freight management issues in Kent. This consists of representatives of KCC, Highways England, Shepway District Council, Dover District Council, Ashford Borough Council, Eurotunnel, Port of Dover, ferry companies, Kent Police, Environment Agency, Department of Transport and local MPs.

8 Conclusions

- 8.1 It is proposed that KCC gives provisional support, subject to Environment Statement, to Highways England's proposal for a Permanent Lorry Area with a preferred site of 'Stanford West' for the principal reasons outlined in Section 2.6 of this report.

- 8.2 It is proposed that this site operates as ‘alternative 3: General Disruption and Overnight Parking’ for the reasons described in Section 2.4 of this report. In addition to emergency use in place of Operation Stack on the M20 this proposal will alleviate the Dover TAP, queues at Eurotunnel and address inappropriate overnight lorry parking. Truck stop facilities are already provided at the Stop24 services and therefore should not be replicated in in the proposed Permanent Lorry Area, thus minimising additional disturbance to local residents. The site should accommodate a minimum of 3,600 HGVs so as to reduce the need to implement Operation Stack Stages 1 and 2 (Junctions 8 to 11 coast-bound) in all but extreme circumstances.

- 8.3 The proposed response in Section 2 of this reports sets out operational, design, flood risk management, drainage, ecology, landscape and historic environment issues that need to be addressed by Highways England before proceeding with the proposal and caveat the provisional support given by KCC for a Permanent Lorry Area at ‘Stanford West’.

9. Recommendation:

9.1 The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Environment and Transport on the proposed response to the Highways England Consultation on a proposal to create a Permanent Lorry Area adjacent to the M20 at Stanford.

10. Background Documents

Highways England (December 2015) Management of Freight Vehicles through Kent: A Highways England consultation on a proposal to create a permanent lorry area adjacent to the M20 at Stanford.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/484139/S150599_Managing_Freight_Through_Kent_Consultation.pdf

Highways England (December 2015) Management of Freight Vehicles through Kent: Response Questionnaire.
https://www.gov.uk/government/uploads/system/uploads/consultation_response_for_m_data/file/465/S150599_Managing_Freight_Through_Kent_Consultation_questionnaire.pdf

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From: **Matthew Balfour, Cabinet Member for Environment and Transport**

Roger Wilkin, Interim Director of Highways, Transportation and Waste

To: **Environment & Transport Cabinet Committee – 13 January 2016**

Subject: **The approach to maintaining our highway assets**

Classification: **Unrestricted**

Pathway: **NA**

Future Pathway: **Environment & Transport Cabinet Committee – July 2016**

Electoral Division: **All**

Summary: This report updates Members on our approach to maintaining our highway assets and highlights the challenges faced by the County Council going forward.

Recommendations: It is recommended that the Cabinet Committee note the challenges highlighted in this report and support further embedding of asset management principles in our approach highways maintenance.

It is also recommended that a Member Task and Finish Group is established to support the development of our approach to highway asset management in Kent.

1. Introduction

- 1.1. The County Council is responsible for the maintenance of 8,700km of roads and associated assets. These assets include 5,000km of footway, 250,000 roadside drains, 120,000 street lights, 2,700 highway structures and 500,000 trees. We have legal obligations to maintain the public highway in a safe condition and facilitate the movement of traffic around the County.
- 1.2. Our highway assets are estimated to be worth £11.5bn (excluding land value) making them one of the County Council's most valuable assets. The highway network provides a key strategic link between the Capital and mainland Europe and is the only alternative for motorists when the County's motorways are closed due to roads works, incidents or Operation Stack.
- 1.3. In recent years our approach to maintaining and improving highway assets has been driven by the ever increasing need to make savings against a back drop of

high customer expectations and aging infrastructure. This has made us reactive in the way we work, “patching up” deterioration and responding to asset failures instead of utilising our asset knowledge and forward planning to take a more long term approach.

- 1.4. The rate at which our highway assets are deteriorating far exceeds the rate of investment and the Countywide maintenance backlog for our roads alone is estimated to be in excess of £200m. This excludes unfunded emergencies such as the road collapse in Leeds in 2013 which can run into millions of pounds each year.
- 1.5. Changes to DfT funding rules have brought asset management to the fore. In 2016/17 a phased implementation of the Incentive Fund will commence. By 2020/21, a little over 15% of the County Council’s Capital Maintenance Grant will be dependent on the Authority being able to demonstrate that we are practicing good asset management.
- 1.6. Further savings are needed from both the capital and revenue budgets. Reactive maintenance will always be necessary but in future, we need to take a more balanced, long term approach, managing the network more efficiently and effectively now and for future generations.

2. Financial Implications

- 2.1. In 2015/16, the total base budget for carriageways & footways, bridges & structures, street lighting, drainage, soft landscaping and traffic systems is £55,422,000. This figure includes the associated budgets for staff, supplies, services and asset related services such as winter service and traffic management required to facilitate works. The base budget is funded from capital and revenue; £28,760,000 is revenue funded and £26,662,000 is capital funded.
- 2.2. This report highlights the current maintenance backlog and the continuing shortfall in budget needed to maintain the County’s highway assets in their current condition.

3. Policy Framework

- 3.1. By further embedding asset management principles in our approach to maintaining highway assets we will be supporting the County Council’s Strategic Outcomes outlined in “Increasing Opportunities, Improving Outcomes”.

4. The Detail

4.1. Each year, Highways, Transportation and Waste receive over 100,000 enquiries from members of the public, local councils, partners and elected representatives. 74% of the enquiries received relate to assets on or adjacent to the highway. For example, each year we receive around 20,000 enquiries about street lights, 15,500 enquiries about potholes and 9,500 enquiries about highway drainage.

4.2. Our approach to maintaining highway assets comprises of planned maintenance and reactive repairs:

4.2.1. Planned Maintenance

Every year we deliver programmes of planned repairs and renewals which include resurfacing, installation of new drainage systems and street lighting column replacements. Sites are identified from information taken from inspections, technical surveys and enquiries raised by our customers and partners. We do not have sufficient budget to deliver all of the works identified so sites are prioritised and delivered on the basis of the risk to highway safety.

4.2.2. Reactive Maintenance

We also carry out reactive maintenance and minor repairs which include pothole repairs, drainage cleansing, grass cutting and bridge painting. This work is carried out in response to customer enquiries and defects raised by our teams of inspectors. Works are prioritised on the basis of the risk to safety and routine works are usually completed within 28 days. According to the annual Tracker Survey, overall customer satisfaction with the service has remained relatively consistent over the past four years. Nevertheless the current approach is not sustainable in the long term. Customer demand is continuing to grow, volumes of traffic, including HGV traffic are increasing, weather events are occurring more frequently, the condition of the highway network and associated assets is deteriorating rapidly and budgets are being squeezed. In addition changes in the way DfT allocate funding are providing a driver for authorities to move away from inefficient reactive maintenance towards adopting a more proactive longer term approach.

4.3. The condition of highway assets in Kent is assessed using data gathered from customer enquiries, routine works reports and a range survey regimes:

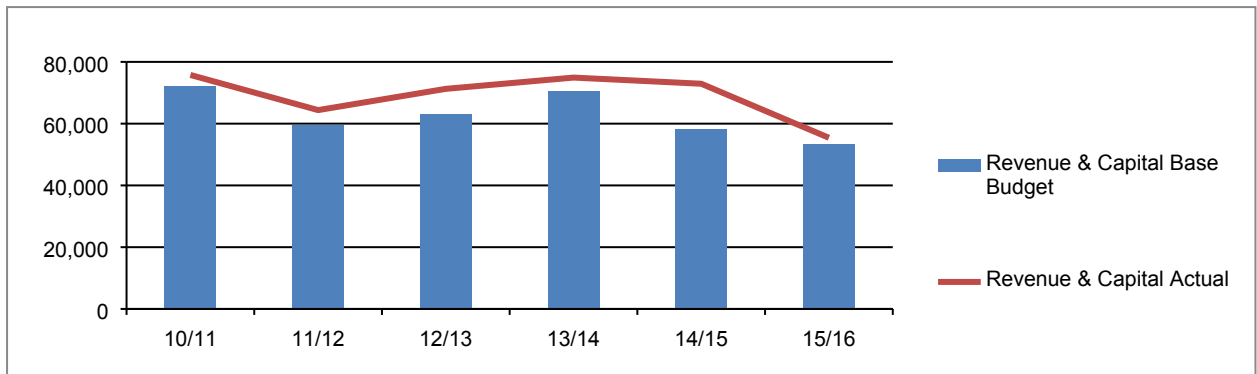
→ Visual highway safety inspections are carried out by our team of Highway Inspectors weekly, monthly, twice yearly or annually in accordance with our Highway Inspections Manual.

- Machine-based SCANNER surveys are carried out on A, B and C roads annually or every other year depending on the classification of the road.
- Visual condition surveys (known as CVI – Coarse Visual Inspection) are carried out on unclassified roads every two years.
- SCRIM surveys, which measure the skid resistance of the road surface, are carried out on the A and B roads annually.
- Footway Maintenance Survey (FMS) are undertaken every two year on all footways.
- Structural testing of streetlights is carried out at no more than 12 yearly intervals.
- Electrical testing of streetlights is carried out every 6 years.
- Highway structures are subject to a range of inspections ranging from general inspection every two years to more detailed principle inspections every 12 years.

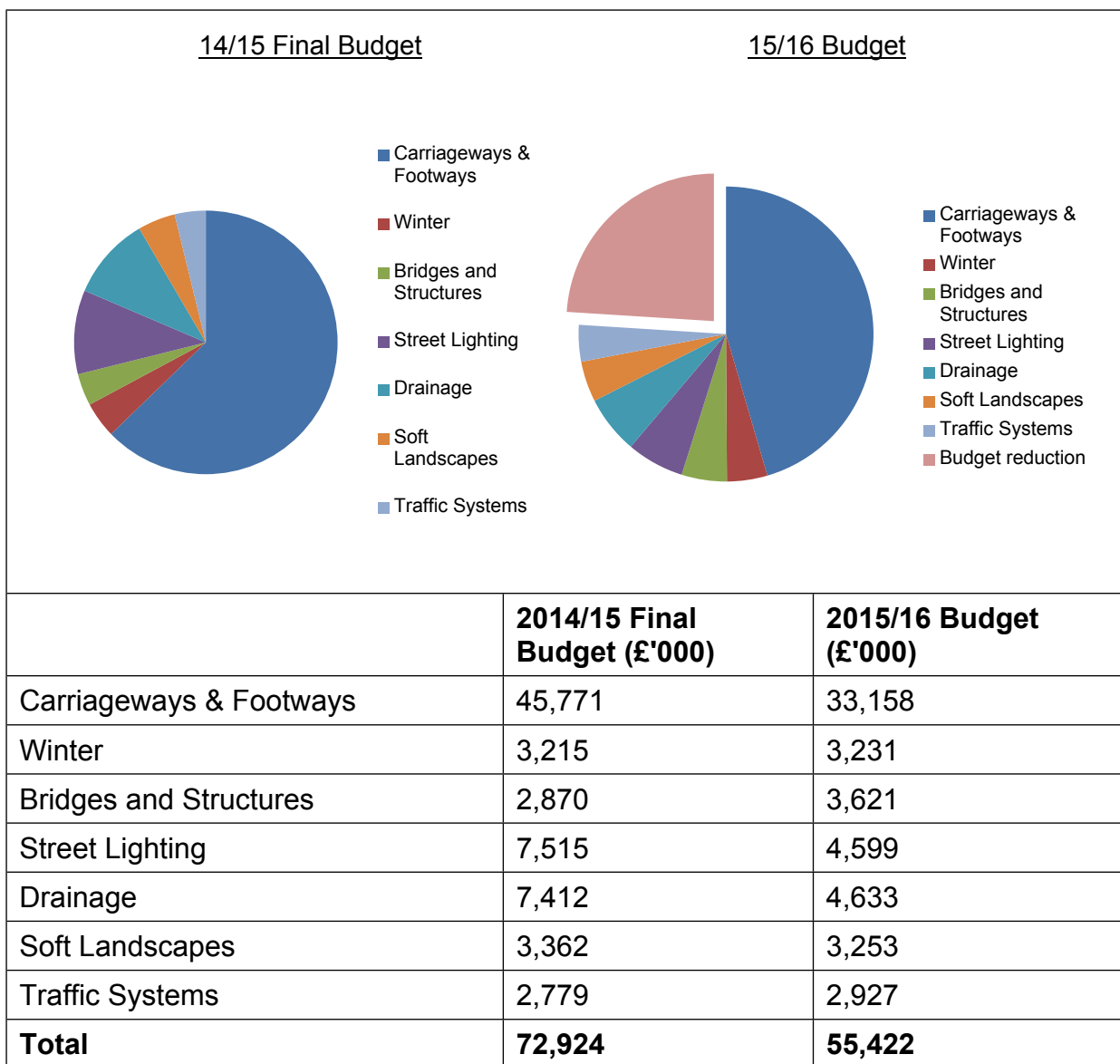
4.4. On the basis of the latest condition data, the backlog of road maintenance alone comprises of over 5,250 sites and is valued at over £200m. If the current levels of investment are maintained, this backlog is expected to increase to around £370m over the next 10 years. However, at present the current level of investment is expected to decrease.

4.5. In recent years, highway budget reductions have been masked by additional funding from the Department for Transport. The cumulative budget reduction for all highway maintenance comparing 14/15 with 15/16 is a highly significant reduction of 24% or £17.5m. The reduction includes the removal of one off funding to the value of £14.7m. This funding has meant the full impact of DfT base budget cuts and KCC led savings initiatives has not fully resonated at a time when demands on the service, and our highways network, is at an all-time high.

4.6. Highway Maintenance Combined Revenue and Capital Budget



4.7 A comparison of the 2014/15 and 2015/16 budget allocations illustrates the impacts of this budget reduction:



4.8 It should be noted that the values above do not equate to the budget for physical works delivered. All budgets include the associated cost for staff, supplies and

services. They also encompass the budget for associated works; for example the roads and footways budget includes the budgets for signs, lining, crash barrier maintenance and traffic management to facilitate the works.

- 4.9 A certain amount of reactive maintenance will always be necessary to deal with unforeseen safety critical defects however on the whole, it is inefficient and costly. Given the challenges outlined above, we need to consider the most effective and efficient way of managing and maintaining our roads and footways not only now but for future generations to come.
- 4.10 Asset Management provides an alternative to our largely reactive service provision. It is a common sense approach to maintenance and investment decisions and involves using knowledge and forward planning to manage the highway network effectively and efficiently. Asset Management enables the delivery of services shaped by the needs of customers now and in the future; promotes a focus on best use of resource to meet legal obligations and embeds greater resilience.
- 4.11 To manage our assets effectively we need to understand them. We need to know what they are, where they are and whether or not they are doing what we need them to do to keep the highway safe, reliable and meet the needs of our customers. We already have a considerable amount of information about our assets which is routinely updated as we carry out routine maintenance, repairs and improvements.
- 4.12 All of our assets are created, maintained and eventually repaired, replaced or removed. We need to understand what is involved at each stage, when it needs to happen and how much it costs. By understanding the life cycle of our assets we can predict the impact of different maintenance strategies and determine whether or not we can afford them.
- 4.13 If we understand our assets, know whether or not they are doing what we need them to do and are able to forecast the impact of different maintenance strategies we can set informed levels of service that are best suited to meeting the needs of our customers now and in the future.
- 4.14 Given the ever increasing financial constraints, it is also important to identify the most efficient and affordable way of delivering services.
 - When considering different maintenance strategies it is important to think about the future and keep costs to a minimum for the whole life of the asset. For example repairing potholes might be cheaper than surface dressing a road in the short term but not if it means that the road needs to be reconstructed and resurfaced in five years' time.

- We need to understand and document the risks associated with different maintenance strategies and manage them effectively. For example, increasing the intervention level for a pot hole from 50mm to 100mm will save money but increase the safety risk to an unacceptable level. This approach in real terms only delays the inevitable i.e. there will be a pothole to repair at some point, it will be deeper and more costly and customer perception will be that the roads are deteriorating to a greater extent.
- Where it is not financially viable to enhance the level of service across all assets key areas of the service should be prioritised. For example the frequency of maintenance on main roads might be increased whilst the current frequency is maintained or reduced on minor roads.

4.15 Asset Management has been widely accepted by central and local government as the way forward in highway service provision. It forms the basis for two of the recommendations in the draft code of practice “Well Managed Highway Infrastructure” and underpins a proportion of the DfT Capital maintenance grant. The full Capital maintenance block grant now has three components:

- Needs based grant, based upon wider asset volumes, network length plus cycle lanes, this is fixed.
- Incentive formula, award by DfT following an assessment conducted by DfT of how efficiently Highways and Transportation operates, and whether it follows asset management principles including lifecycle planning.
- Challenge fund, which relies upon the Highways and Transportation bidding for funding over two tranches, lasting three years. Two schemes – one from in from £5m - £20m and another of £20m+. In 2015 we were unsuccessful in our bid for Challenge funding and will not have the opportunity to submit another bid for three years

4.16 The following table details the Funding model summary for English Local Authorities;

Year	Needs formula	Incentive formula	Challenge Fund	Total
2015/16	£901m	£0m	£75m	£976m
%	92.3%	0.0%	7.7%	100%
2016/17	£826m	£50m	£100m	£976m
%	84.6%	5.1%	10.2%	100%
2017/18	£801m	£75m	£100m	£976m

Year	Needs formula	Incentive formula	Challenge Fund	Total
%	82.1%	7.7%	10.2%	100%
2018/19	£725m	£151m	£100m	£976m
%	74.3%	15.5%	10.2%	100%
2019/20	£725m	£151m	£100m	£976m
%	74.3%	15.5%	10.2%	100%
2020/21	£725m	£151m	£100m	£976m
%	74.3%	15.5%	10.2%	100%
Total	£4.7bn	£578m	£575m	£5.8bn

4.17 The Incentive element of funding will be introduced from 2016/17. Local Authorities will be required to carry out a self-assessment which will culminate in an overall score of 1 to 3. The completed assessment will then be submitted to DfT with details of supporting evidence. The score achieved will determine the level of funding received. If we fail to demonstrate sufficient commitment to efficiency and asset management to score a 3 the financial risk to KCC is nearly £13m over 5 years.

Year	Total needs/formula allocation (£)*	Indicative incentive element by “band” of self-assessment ranking (£)			Cost of not being in Band 3
		Band 3	Band 2	Band 1	
2015/16		No incentive allocation in 2015/16			
2016/17	£25,006,000	£1,514,000	£1,514,000	£1,362,000	£152,000
2017/18	£24,249,000	£2,271,000	£2,043,000	£1,362,000	£909,00
2018/19	£21,949,000	£4,571,000	£3,200,000	£1,371,000	£3,200,000
2019/20	£21,949,000	£4,571,000	£2,286,000	£457,000	£4,114,000
2020/21	£21,949,000	£4,571,000	£1,371,000	£0	£4,571,000
Total cost of not being in Band 3:					£12,946,000

*announced in December 2014

4.18 During a dry run of the Incentive Fund Questionnaire we assessed service delivery in relation to 22 questions covering asset management, resilience, customers, operational delivery, benchmarking and efficiency. Whilst we scored highly in a number of areas such as resilience and customer service, our scores for the asset management questions were comparatively low and in places we were on the borderline of Band 1 and Band 2.

4.19 Our score for the asset management is a particular concern as the DfT guidance states that if an Authority scores a Level 1 in any or all of the three questions relating to Asset Management Policy and Strategy, Communications or Lifecycle Planning they will automatically be placed in Band 1 overall, regardless of their other scores. With this in mind we have assessed the work needed to ultimately

achieve a “Band 3” score for the asset management questions. In doing so we have developed a document outlining our approach to asset management and the actions we will take to further enhance the way we work; this document can be found at Appendix A. Completing the actions outlined in this document will significantly improve our ability to achieve a Band 3 score.

5. Conclusion

- 5.1. Despite the County Councils investment in previous years our highway assets are continuing to deteriorate, an ever increasing number of repairs, renewals and improvements are required and further investment is urgently needed.
- 5.2. As funding continues to be reduced it is vital that we invest the budget we have in the most efficient and effective way we can for the benefit of our customers now and in the future. Moreover we need to be mindful of the requirements that will underpin funding allocation in the future.
- 5.3. Some reactive repairs will always be necessary however moving away from a reactive approach and further embedding asset management principles will enable us to make informed decisions about where the need for investment is greatest and preserve the highway network for the benefit of residents, communities and businesses now and in the future.
- 5.4. It is proposed that a Member Task and Finish Group is established to support the development of our approach to highway asset management in Kent.
- 5.5. A subsequent report with recommendations for decision will be presented to the Cabinet Committee for decision in July 2016 prior to any public consultation, should it be required.

6. Recommendations

Recommendations: It is recommended that the Cabinet Committee note the challenges highlighted in this report and support further embedding of asset management principles in our approach to highways maintenance.

It is also recommended that a Member Task and Finish Group is established to support the development of our approach to highway asset management in Kent.

7. Background documents

Appendix A: Asset Management in Highways

8. Contact Details

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Asset Management in Highways

Our approach to asset management in highways

Introduction

Kent County Council maintains 8,500km of highway network and associated “assets”.

Our roads, footways, street lights, bollards, traffic signals, gullies and drains, trees, grass verges, signs, road markings, bridges and other structures are all different types of highway asset. These assets help to ensure that journey around and through the County are safe and reliable. For example, they drain water off the road, provide directions to guide road users to where they want to go and improve the highway environment.

“Asset Management” describes a common sense approach to the maintenance and future investment decisions for all the parts (or what we call “assets”) that make up our highway.

This short guide outlines how we use asset management principles to support and achieve the County Council’s priorities.

Our Vision

The County Council has a five year strategic statement called “Increasing Opportunities, Improving Outcomes” and this sets out the following vision:

“Our focus is on improving lives by ensuring every pound spent in Kent is delivering better outcomes for Kent’s residents, communities and businesses”

Effective Asset Management is a key factor in upholding the County Council’s vision. Highway Asset Management is about spending the right amount of money at the right time to keep our assets working properly to meet the needs of our customers now and in the future. It is important that the decisions we make about maintenance priorities, levels of service and investment are shaped by an understanding of the current and future requirements of the County’s residents, communities and businesses.

Our Strategic Outcomes

The County Council is committed to achieving its vision through three strategic outcomes which provide a simple and effective focus for everything we do.

Effective asset management is vital in supporting the delivery of the County Council's three strategic outcomes:

1. Children and young people in Kent get the best start in life

A resilient road network enabling reliable, safe journeys will provide Kent's young people with access to work, education and training opportunities, supporting them to achieve their potential through academic and vocational education.

The requirements of Kent's children and young people now and in the future will inform the decisions we make about levels of service and maintenance priorities. Furthermore our long term view will enable us to maximise the benefits of the highway network for their future prosperity.

2. Kent communities feel the benefits of economic growth by being in work, healthy and enjoying a good quality life

Our roads play a vital role in Kent's economic prosperity. They provide access to shops, jobs, schools, friends, family and other opportunities. As well as connecting the County's towns and villages, Kent roads also provide a key strategic link between the Capital and ferry, air and rail services to mainland Europe.

Taking a long term view will enable us to deliver greater value for money. By making the right investment decisions we will be better able to maximise the benefits for future affluence and quality of life in Kent.

3. Older and vulnerable residents are safe and supported with choices to live independently.

Safe and reliable roads provide valuable access to services, amenities and social activities for older and vulnerable people supporting them to live with greater independence.

The demands of an aging population and the potential barriers to independent living will be recognised and inform decisions we make about levels of service and maintenance priorities.

Our Approach

Our highway network is very important; it is one of the most valuable assets we own. It enables safe and reliable journeys around and through Kent and in doing so supports social and economic prosperity. We are committed to good management of our highway

network not only now but also, for future generations and our approach is underpinned by asset management principles.

Asset management has been widely accepted by central and local government as a way of using knowledge and forward planning to manage the highway network efficiently and effectively. The benefits to Kent of implementing an asset management approach are:

- It facilitates the delivery of services that are shaped by the needs of our customers now and in the future
- It promotes a focus on the best use of resources and maximise efficiency to meet with our legal obligations
- It enables us to be more resilient and better able to respond to changes and financial challenges

We already take a largely asset management based approach to looking after our assets but there are still aspects that we want to develop to further enhance service delivery.

The following questions and answers explain our approach to asset management and highlight the actions that we plan to take to make improvements. Moving forward, progress against our Asset Management Action Plan will be reviewed and reported on an annual basis and captured in our [Business Plan](#).

1. What are KCC’s highway assets?

The highway network is made up of a diverse range of assets. Every year Central Government asks us to report on the value of our assets and we do this by estimating the value of replace them.

We have divided our assets into key asset groups as follows:

Asset Group	Quantity	Estimated Value (The cost of a like for like replacement)
Roads and Footways	<ul style="list-style-type: none"> → 8,500km roads; → 6,500 km footways → Associated lines & crash barriers 	£9.9bn

Asset Group	Quantity	Estimated Value (The cost of a like for like replacement)
Drainage	<ul style="list-style-type: none"> → 250,000 roadside drains; → 8,500 soakaways → 250 ponds and lagoons; 	
Structures	<ul style="list-style-type: none"> → 1595 bridges and viaducts → 568 culverts → 437 other structures 	£1.4bn
Street Lighting	<ul style="list-style-type: none"> → 120,000 street lights → 17,500 lit signs → 4,600 lit bollards 	£154m
Intelligent Traffic Systems	<ul style="list-style-type: none"> → 740 traffic lights → 120 CCTV cameras → 340 interactive warning signs 	£51m
Soft Landscape	<ul style="list-style-type: none"> → 500,000 trees → 8,604,000m² roadside verges → 54,000m² urban hedges 	-
Street Furniture	<ul style="list-style-type: none"> → Non illuminated signs → Pedestrian barriers → Salt bins 	£58m
Land	75km ²	£8.2bn
Total Estimated Value		£11.563bn

More detailed information about how we look after our assets can be found in our [Asset Plans](#).

In order to take an asset management approach and make informed decisions we need to understand our assets. We need to know:

- What they are,
- Where they are,
- What condition they are in,
- Whether or not they are meeting the needs of our customers and
- What we need to do to keep them working now and in the future.

To help us understand our assets we collect information about our assets. We call this information our “asset data”.

Action 1: We will ensure we have current, appropriate and complete data that supports the management of each of our main asset groups.

2. What asset data do KCC need to help them understand their assets?

We need three types of asset data:

- **Inventory:** This describes the full extent of an asset and can include location, age, size, construction and details of previous maintenance. Examples of how we collect this data include digitalisation of historic records, data collection exercises and as part of routine maintenance works.

This data helps us to plan maintenance activities and communicate with our customers. It also helps us to understand of the cost of replacing our assets with equivalent new assets. For example replacing a 2 year old Cosmo street light lantern with a new LED lantern; this cost is known as the “Gross Replacement Cost” (GRC).

Action 2: We will ensure that we have the right information to support the calculation of the Gross Replacement Cost of each of our asset groups as we collect and update our asset data.

- **Performance:** This is the data we use to determine whether or not our assets are doing what we need them to do to keep the highway safe, reliable and meet the needs of our customers. Examples of how we collect this data include routine inspections and testing, customer enquiries, third party claims, crash records, traffic flows and energy bills.

This data helps us to understand where we need to carry out maintenance activities, where our assets are going to need replacing now or in the future and where we need to think about changing, adding or removing assets . It also helps us to understand of the cost of replacing an asset with its modern equivalent less deductions for all physical deteriorations. For example replacing a 2 year old Cosmo street light with a new LED lantern minus the cost of 2 years deterioration; this cost is known as the “Depreciated Replacement Costs” (DRC)

Action 3: We will ensure that we have the right information to support the calculation of the Depreciated Replacement Cost of each of our asset groups as we collect and update asset data.

→ **Financial:** This is the data we use to assess how much it will cost to maintain or replace an asset or how much it will cost to deliver a certain level of service. Our schedule of rates for different maintenance activities is one example this kind of data.

More detailed information about the information we need to understand each asset group can be found in our [Asset Plans](#).

Action 4: We will use the Gross Replacement Cost and Depreciated Replacement Cost to inform our investment decisions.

3. How do KCC decide what data they need to collect?

We continually collect information about our new, replacement and improved assets.

It is important that the data we collect is accurate, reliable and useful. Before information is collected we consider the following questions:

- How does the data support our approach to asset management?
- Who will “own” the data and be responsible for its collection?
- Who will need access to the data and how will they use it?
- What is the most cost effective way of collecting the data?
- Can a risk based approach be taken i.e. target high risk assets only?
- How will the data be stored and managed?
- How will out-of-date data be dealt with?

The quality, appropriateness and completeness of our asset data is reviewed regularly to ensure that it fully supports our approach to asset management.

4. Where do KCC store their asset information?

Effective asset management relies on systems that can be used to support decision making at all levels. Our asset inventory, condition and defect data is currently stored and interpreted in a number of ways.

Asset Group	Systems Used
Roads and Footways	Works and Asset Management System (WAMS)
Signs and Lines	We do not record details of this asset but do undertake regular

		inspections and respond to customer requests to carry out ad-hoc visits to specific locations.
Drainage		Works and Asset Management System (WAMS)
Structures		Works and Asset Management System (WAMS) together with a specialist database with details of inspection records.
Street Lighting		Works and Asset Management System (WAMS)
Intelligent Systems	Traffic	Works and Asset Management System (WAMS)
Soft Landscape		Works and Asset Management System (WAMS)
Safety Barrier		Works and Asset Management System (WAMS)

Action 5: We will set out in our Asset Plans when and how we will collect asset data and details how that data will be stored and used to support investment decisions and manage risks.

5. How do KCC use their asset data to develop maintenance plans?

We have a four step approach to developing our maintenance plans for each asset group:

(a) Firstly we need to understand the “life cycle” of our assets.

All of our assets are created, maintained and eventually repaired, replaced or removed. We need to understand what is involved at each stage, when it needs to happen and how much it costs. If we understand the life cycle of our assets we can predict the impact of different maintenance strategies and determine whether or not we can afford them.

For example, we have found that cutting urban grass verges eight times per year is more cost effective than a lower frequency which would require different equipment, more operator time to carry out cuts and generate longer grass cuttings that can blow onto pavements, clog drains and in some cases require costly manual removal.

Action 6: We will have documented lifecycle plans for each of our major asset groups and use them to inform our maintenance plans and investment decisions.

(b) Secondly we need to determine the levels of service we want to deliver.

Levels of service explain to our customers what they can expect from our assets for example, our customers should feel safe and be confident about their personal safety when using the highway.

To determine our desired levels of service we have to think about a range of different things:

- The County Council’s statutory obligations: these are the things that we must do because they are a legal requirement. For example we have a duties to maintain the highway in a safe condition and secure the efficient movement of traffic on our road network. .
- The County Council’s Strategic Statement: these are the vision and outcomes that the County Council want to achieve as an organisation. For example putting the customer at the heart of everything we do
- Our customer’s expectations: the views of our customers are very important to us, these are the things that we are not obliged to do but that are wanted by our customers.

(c) Thirdly we need to understand whether or not we are already meeting our levels of service.

We can do this by measuring performance at three different levels:

Type of Performance Measure	What are we measuring?	Example
Strategic Performance	A snapshot of overall performance which tells us whether or not we are delivering the intended benefits to our customers.	<p>We want to: Deliver services that are shaped by the needs of our customers and that align to KCC’s Corporate outcomes and vision.</p> <p>Strategic Performance Measure: We report key measures to Cabinet and use surveys such as our annual satisfaction tracker and complaints monitoring to ask a sample of our customers whether or not they are satisfied with the services we are providing.</p>
Asset Performance	More detailed information that tells us which asset groups are succeeding or failing to deliver the intended benefits to our customers.	<p>We want to: Deliver services that are shaped by the needs of our customers</p> <p>Asset Performance Measure: We use monthly data to see if our assets are performing in accordance with our asset management plans. For example our Customer 100 survey to ask a sample of our customers whether or not they are satisfied</p>

Type of Performance Measure	What are we measuring?	Example
		with the service provided by each asset group or customer enquiry demand about pothole or flooding problems.
Operational Performance	Operational information that tells us why a specific asset group is succeeding or failing to deliver the intended service standards/benefits to our customers.	<p>We want to: Deliver services that are shaped by the needs of our customers</p> <p>Operational Performance Measure: We use monthly measures to ensure we are delivering our published service standards such as “the average time taken to fix a pothole”.</p>

More detailed information about the performance measures we use for each asset group can be found in our [Asset Plans](#).

Action 7: We will review our existing performance management framework to incorporate strategic, asset and operational performance measures that fully supports our approach to asset management

(d) Finally, once we know where we are and where we want to be we need to decide on our maintenance strategy.

We can adopt one of the following strategies:

- **Reduce the level of service:** if the level of service exceeds the desired standard or is unaffordable it should be reduced. For example the frequency of maintenance might be reduced or the intervention level might be increased.
- **Sustain the current level of service:** if the level of service meets the desired standard and is affordable it should be sustained
- **Enhance the level of service:** if the level of service is below the desired standard and improvement is financial viable, the level of service should be enhanced. For example the frequency of maintenance might be increased or the intervention level might be reduced.

We have to work within the constraints of our budget so it is also important to identify the most efficient and affordable way of delivering services.

- **Minimising whole life cost:** When considering different maintenance strategies it is important to think about the future and keep costs to a minimum for the whole life of the asset. For

example repairing potholes might be cheaper than surface dressing a road in the short term but not if it means that the road needs to be reconstructed and resurfaced in five years' time.

When the desired levels of services are not financially viable it is important that we know the risks and prioritise:

- **Managing risk:** We need to understand and document the risks associated with different maintenance strategies and manage them effectively. For example, increasing the intervention level for a pot hole from 50mm to 100mm will save money but increase the safety risk to an unacceptable level.
- **Enhance priority areas of the service:** Where it is not financially viable to enhance the level of service across all assets key areas of the service should be prioritised. For example the frequency of maintenance on main roads might be increased whilst the current frequency is maintained on minor roads.

Action 8: We will publish in our Asset Plans how we minimise the whole life cost of our assets and manage current and future risks associated with them.

Our maintenance plans are reviewed annually, summarised in [Our Service Standards](#) and reported to Members before the start of each financial year.

6. Where do KCC publish their maintenance plans?

We publish information about how and when we do maintenance on the KCC website. Our customers can see how we look after our assets, the levels of service they can expect and when the work will be carried out.

7. How do KCC develop works programmes?

Forward works programmes provide an effective and efficient way of delivering maintenance, repairs and improvements. The enable prioritisation and optimisation of schemes to meet available budgets.

The process for developing a works programme is a five stage process:

- **Identification:** Potential schemes may be identified from a range of sources including inspections, surveys, local knowledge, customer enquiries, complaints and wider transport or corporate objectives. These schemes are collated into an initial works programme for each asset.
- **Prioritisation:** All schemes are prioritised to identify those that are highest risk and need to be done in the short term and those that can be done in the future. When prioritising assets the following things need to be considered:
 - The **safety** of road users

- The impact on the **movement of traffic** if the asset fails
- The **cost** of bringing forward or delaying works
- The impact on **future** use of the highway
- The **environmental** impact
- The impact on the **community** including damage to property or impacts on local businesses

Action 9: We will publish in our Asset Plans how we manage current and future risks in the way we prioritise our schemes and works programmes.

- **Selection:** The lists of schemes of each asset group need to be combined, costed and listed in priority order. The “cut off” point then needs to be determined by totalling up the cost to the point where the budget is fully utilised.
- **Programming & Optimisation:** Selected schemes can be optimised within the forward works programme. This is done by coordinating or combining works to minimise both cost and disruption.
- **Delivery:** Finally an annual works programme is confirmed and delivered from the available annual budget.

Action 10: We will develop a process that consistently balances the competing needs of each asset group to create a prioritised forward works programme for a rolling period of 3 to 5 years that is updated on an annual basis.

8. Where do KCC publish their forward works programmes?

We publish a lot of information about our programmes of work on the KCC website. Our customers can see where and when we plan to do different types of work including resurfacing, drain clearing, grass cutting and major improvement works.

9. How do KCC monitor their approach to managing assets?

We are implementing our approach to asset management to deliver the following benefits to Kent:

- A service that is shaped by the needs of our customers now and in the future
- A service that makes best use of the available resources, maximising efficiency to meet with our legal obligations
- A service that is resilient and able to respond to changes and financial challenges

It is important that we record and demonstrate that these benefits are being delivered. We can do so at a number of levels and in a number of ways:

- **Monitoring Outcomes:** We need to ensure that our approach is being implemented as planned i.e. as explained above and delivering the intended outcomes. For example, we monitor the number of claims upheld against the County Council to measure how successfully we are meeting our obligation to maintain the highway in a safe condition
- **Performance Measures and Targets:** We use a range of metrics and targets to monitor our performance against our levels of service and determine how well we are delivering the intended benefits to Kent. Examples of these measures and targets include the percentage of potholes repaired in 28 calendar days, the percentage of residents satisfied with street lighting repairs and performance against annual savings targets.
- **System Audits:** Our asset managers are accountable for ensuring that their asset data is up to date and fit for purpose.
- **Performance Reviews:** By reviewing performance we can ensure that we are continuously improving the way we work. We routinely review the performance of the service, identify areas where performance is not where we would like it to be and understand why this is the case. Having identified areas for improvement options to address any issues are identified and implemented. Performance is reported on a regular basis to key decision makers, elected representatives and our customers.
- **Benchmarking:** By comparing our service with the services provided by others, we can identify better ways of working at all levels. For example we might compare the outcomes we are achieving using asset management with the outcomes other Councils are achieving. Equally we might compare two or our own services, for example our customers might be more satisfied with the street lighting service than they are with the drainage service. By comparing the two lessons can be learnt and improvements can be implemented.

Action 11: We will continue to identify opportunities to compare the performance of our services both internally and externally and share information to support and demonstrate continuous improvement.

10. How will KCC know that their asset management approach has made a difference?

Effective Asset Management is a key factor in supporting the County Council’s vision of *“improving lives by ensuring every pound spent in Kent is delivering better outcomes for Kent’s residents, communities and businesses”*. We will know that our approach is helping to achieve this vision because:

- Our customers will feel safe and be confident about their personal safety when using the highway network
- Our customers will be confident that the journeys they make will be reliable and timely
- Our customers will be satisfied that we are maximising the number of assets we repair each year.
- Our customers will understand our levels of service and investment decisions

- Our customers will be assured that the highway network is sustainable and able to meet the needs of future generations
- Our customers will see that we are ready to deal with unforeseen events effectively

A Summary of our Actions

In December 2014 the Secretary of State for Transport announced that £6 billion would be made available between 2015/16 and 2010/21 for local highway maintenance funding. Of this £578 million has been set aside for an incentive fund scheme to reward councils who demonstrate they are delivering value for money in carrying out cost effective improvements. We plan to ensure we demonstrate this effectiveness and are doing well but we have some work to do before the autumn of 2016 and this is set out in the actions below.

Action 1: We will ensure we have current, appropriate and complete data that supports the management of each of our main asset groups.

Action 2: We will ensure that we have the right information to support the calculation of the Gross Replacement Cost of each of our asset groups as we collect and update asset data.

Action 3: We will ensure that we have the right information to support the calculation of the Depreciated Replacement Cost of each of our asset groups as we collect and update asset data.

Action 4: We will use the Gross Replacement Cost and Depreciated Replacement Cost to inform our investment decisions.

Action 5: We will have an asset information strategy that demonstrates when and how we will collect asset data and details how that data will be stored and used to support investment decisions and manage risks.

Action 6: We will have documented lifecycle plans for each of our major asset groups and use them to inform our maintenance plans and investment decisions.

Action 7: We will enhance our existing performance management framework to incorporate strategic, asset and operational performance measures that fully supports our approach to asset management

Action 8: We will develop maintenance plans that minimise the whole life cost of our assets and manage current and future risks associated with our highway assets.

Action 9: We will embed the management of current and future risks in the way we prioritise our schemes and works programmes.

Action 10: We will develop a process that consistently balances the competing needs of each asset group to create a prioritised forward works programme for a rolling period of 3 to 5 years that is updated on an annual basis.

Action 11: We will identify opportunities to compare the performance of our services both internally and externally and share information to support continuous improvement.

From: **Mark Dance, Cabinet Member for Economic Development**
Matthew Balfour, Cabinet Member for Environment and Transport
Barbara Cooper, Corporate Director for Growth, Environment and Transport

To: **Environment and Transport Cabinet Committee - 13 January 2016**

Subject: **Kent County Council Response to the Department for Transport Report on the First Interim Evaluation of High Speed 1**

Classification: Unrestricted

Past Pathway of Paper: **Growth and Economic Development Cabinet Committee - 12 January 2016**

Future Pathway of Paper: N/A

Electoral Division: All

Summary:

This report sets out Kent County Council's response to the Department for Transport's First Interim Evaluation of High Speed 1. It summarises the key transport and economic / regeneration impacts of High Speed 1, and outlines the principal enhancements to Kent's High Speed rail services that the County Council will propose for inclusion in its submission to the forthcoming Department for Transport consultation on the specification for the new Southeastern franchise.

Recommendations:

The Cabinet Committee is asked to:

1. **CONSIDER** this report; and
2. **ENDORSE** the proposed service enhancements that Kent County Council will seek in its response to the Department for Transport's consultation on the new Southeastern franchise specification.

1. Introduction

- 1.1 In 2013, the Department for Transport (DfT) commissioned Atkins, with Aecom and Frontier Economics, to prepare an evaluation of the impacts of High Speed One (HS1), focusing on the impacts on transport users and providers, regeneration and the economy. Kent County Council (KCC) was consulted during the early stages of the study, which represents the first comprehensive and systematic report to have been prepared on the impacts of HS1.

1.2 The DfT published the first interim report in autumn 2015. As the benefits of HS1 will accrue over the long term, the report provides an initial assessment of the impacts, and will be revised further. However, at this early stage, the report demonstrates that the impact of HS1 is very significant, quantifying the anecdotal evidence that KCC has gathered locally. This report summarises these impacts, before setting out the principal enhancements to Kent's High Speed (HS) rail services which the County Council will propose for inclusion in its submission to the DfT consultation on the specification for the new franchise.

2. Impacts of HS1 on Transport Users and Providers

2.1 The full services enabled by HS1 began operation in December 2009. Journey time savings have been significant, while the frequency of services (and the choice of London termini) have increased:

Journey Time Impacts of HS1 – Peak Services (AM)

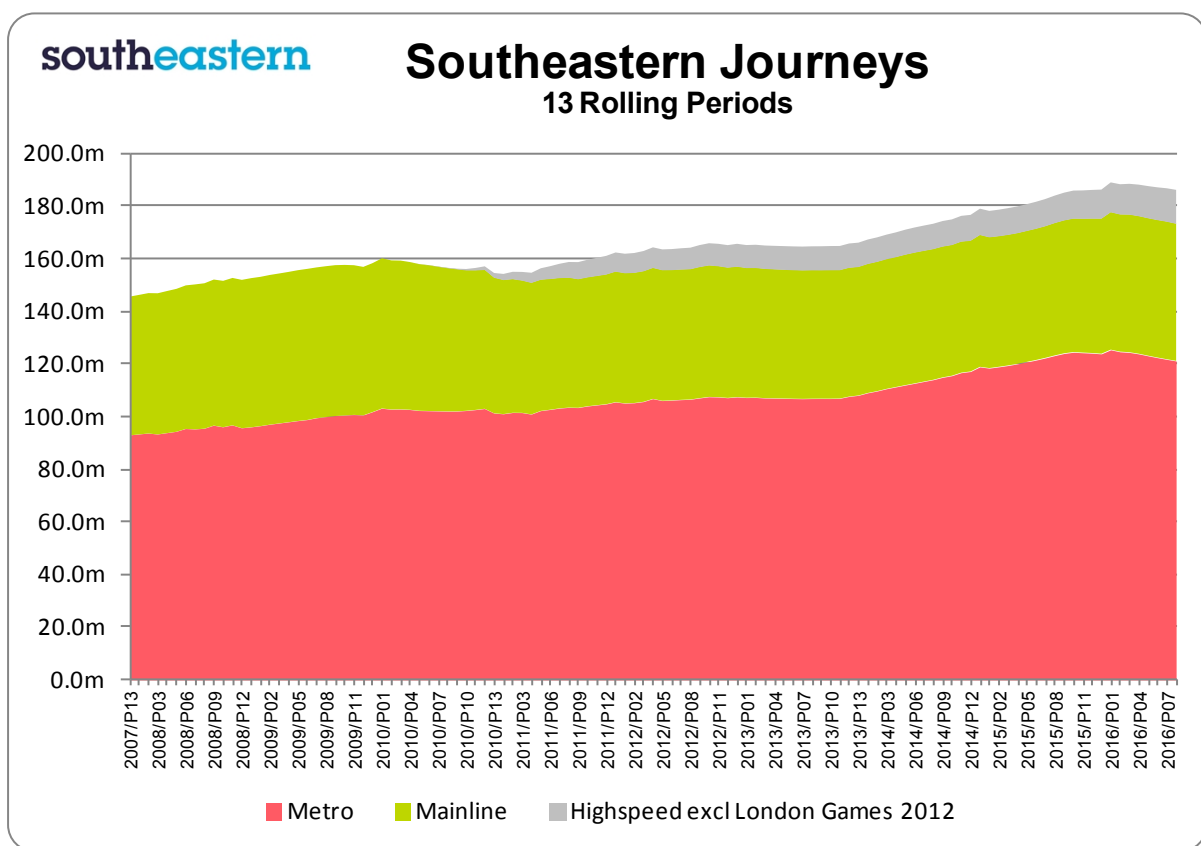
[Source: Current timetable, Southeastern, December 2015]

Station	Mainline journey Time (minutes)	HS1 Journey Time (minutes)	Time Saving (minutes)
Ashford	83	36	47
Ebbsfleet	-	19	-
Gravesend	42	20	22
Maidstone West	*67	53	14
Sittingbourne	65	58	7
Faversham	78	66	12
Canterbury West	102	54	48
Folkestone Central	102	55	47
Dover Priory	116	66	50
Ramsgate	119	74	45

*Journey time from Maidstone East

2.2 The DfT evaluation of HS1 reports that the combination of sizeable demand for HS1 enabled services, together with very significant improvements in journey times, is forecast to result in the delivery of substantial transport user and provider benefits over a 60 year operating period. These benefits are calculated by the DfT using current Treasury and DfT guidance to be over £10 bn (all figures at 2010 prices), reflecting combined international and domestic HS service user travel time benefits of close to £4.7 bn; additional transport user impacts, including benefits associated with modal shift from car to rail, valued at a further £0.9 bn; and a combined additional international and domestic rail revenue of £5.9 bn. These benefits are only slightly offset by a loss of road user tax receipts to the Government of just over £0.8 bn over the 60 year evaluation period.

2.3 These monetised benefits underline the significant additional passenger volumes that have been generated by HS1, some of which are attributable to the new HS services and some of which are attributable to the increase in Kent's population during the period of HS operation. The graph below demonstrates the significant increase in total domestic passenger journeys in Kent since HS1 was fully operational. In December 2009, when the full HS domestic service commenced, there were about 10,000 passenger journeys on HS services and 55,000,000 on Mainline. In December 2015 there were about 15,000,000 journeys on HS and 50,000,000 on Mainline – an overall increase in new passenger journeys of about 10,000,000 which are directly attributable to HS1 and population growth in the county. This high level of demand for HS services has continued to increase throughout 2016, despite the premium fares charged for journeys made using HS1.



3. Forecast Wider Economic Impacts of HS1

3.1 The DfT evaluation of HS1 reports that the shorter journey times and greater frequencies of service delivered by HS1 increase the connectivity, whilst reducing access costs to individuals and firms for making journeys. In the process, the reductions in effective distances that HS1 delivers bring firms closer to potential customers, employees and partners, giving them access to larger labour and product markets and to a greater range of potential suppliers and partners. Adopting the DfT's standard approach to calculation of these impacts, the net value of these wider economic impacts from HS1 over a 60 year operating period is forecast to be a benefit of over £1.3 bn at 2010 prices.

This is equivalent to an annual wider economic benefit (in addition to the value of benefits to passengers) of approximately £21 million.

- 3.2 KCC recognises these significant wider economic impacts. There has been a general growth in expressions of interest by businesses considering locating in areas of Kent served by the HS domestic services, as well as specific examples of individual businesses making location decisions based primarily on HS service provision. For example, the Discovery Park Enterprise Zone near Sandwich now includes businesses whose location decisions were based primarily on the new HS service to Deal and Sandwich, originally provided with financial support from KCC and now incorporated into the Southeastern franchise as an all-day HS service around the East Kent coast.

4. Regeneration Impacts of HS1

- 4.1 The DfT evaluation of HS1 reports that there is evidence of early stage real estate and regeneration effects along the HS1 corridor. Stakeholders have expressed confidence that HS1 will influence the development and property market and lead to future regeneration, an outcome which has been reflected in the adaptation of land use plans and policies to the development of HS1. The DfT report also explains that the lead times associated with major investment and business location decisions meant that the regeneration effects of HS1 will continue to emerge over the coming years. However, the exceptionally adverse conditions in the wider economy and development market in the early years following the completion of HS1 will have delayed the emergence of these effects and it will take longer to fully quantify the impacts
- 4.2 KCC recognises the potential opportunity for regeneration at sites with access to HS1, which include, as the DfT report states, the proposals for Paramount Park adjacent to Ebbsfleet station, as well as the wider development planned at Ebbsfleet Garden City. Ashford Borough Council (ABC) has also identified key sites in the vicinity of Ashford International station, which are already attracting commercial and retail development. The critical importance of the Ashford Spurs project, which will deliver the required upgrade to the signalling at Ashford to enable the new generation of international trains to serve this station and which is being promoted jointly by KCC and ABC, will be essential in ensuring the continued status of Ashford as an international station on HS1.
- 4.3. In addition, there is strong anecdotal evidence of benefits to the East Kent Coast, as improved journey times to London encourage the growth of the residential market and support the development of the visitor economy. Work currently underway to deliver further improvements in journey times between Ashford and Ramsgate, jointly funded by KCC through the Regional Growth Fund and Network Rail, will support these positive impacts.

5. Improved High Speed services within the new Southeastern franchise

- 5.1 In 2016, the DfT will consult on the service specification for the new SouthEastern franchise, which is due to commence in June 2018. KCC will make a formal response to the consultation, which will take place from June to

October 2016. A pre-consultation questionnaire has been sent to all members of the Kent and Medway Economic Partnership (KMEP) seeking members' views on the service levels required during the period of the next franchise, on both High Speed and Mainline services.

- 5.2 The key service level requirements provisionally proposed by KCC for the HS services in Kent are as follows:

Summary of KCC's key requirements for HS services in new SouthEastern franchise:

- HS service enhancements: sufficient capacity to London and principal HS stations in Kent, including enhanced service frequency on HS services to Ebbsfleet and Ashford (where demand already exceeds existing HS peak capacity); to Maidstone West, Canterbury West, Folkestone and Dover; and with provision for extension of HS services via Ashford and Rye to Hastings and Bexhill in East Sussex dependent on approval of electrification of Ashford to Ore in Network Rail's Control Period 6;
- HS fleet requirements: commitment from the DfT to require investment by the new franchisee in an enhanced HS fleet with up to 26 new 6-car sets if the required level of HS service is to be delivered during the course of the new franchise;
- Kent's regulated rail fares (season and peak tickets) on HS and Mainline services to increase by no more than the national increase in regulated fares, and KCC to monitor any deterrent effect of the premium fares charged on HS services on business location decisions in Kent.

6. Financial Implications

- 6.1 There are no financial implications for KCC arising from this report.

7. Legal implications

- 7.1 There are no legal implications for KCC arising from this report.

8. Equalities implications

- 8.1 There are no equalities implications for KCC arising from this report.

9. Other corporate implications

- 9.1 This report refers to the separate Ashford Spurs project in which KCC officers are engaged. KCC supports the delivery of this project, which will deliver an upgrade to the signalling on the spurs which link HS1 with Ashford International station. As the lead partner in this project, KCC is bidding for capital funding from the LGF through the LEP to ensure finance is secured for its delivery.

10. Governance

10.1 The Principal Transport Planner – Rail is already engaged in the ongoing actions to which this report refers, viz. the inclusion of improved HS rail services for Kent in the specification for the new SouthEastern franchise, and delivery of the Ashford Spurs project. There are no other governance implications.

11. Conclusions

11.1 The DfT First Interim Evaluation of HS1 recognises the very high benefits which HS1 has brought to Kent. There have clearly been quantifiable wider economic benefits, and although the economic recession deferred the realisation of the full regeneration benefits of HS1 around Ebbsfleet and Ashford stations, both are now seeing the beneficial effects of HS1 through regeneration plans at both locations.

11.2 KCC's role now will be to ensure that the specification for the new SouthEastern franchise, due to commence in June 2018, includes a substantial improvement in HS service levels to meet the ever increasing demand from all parts of the HS network for greater service capacity and frequency.

11.3 In terms of both economic activity and passenger service, Kent continues to benefit enormously from the delivery of HS1 to the county. HS1 continues to support economic growth, while providing a greatly enhanced HS rail service within Kent, to and from London, and via Eurostar services to Paris, Lille and Brussels. In short, HS1 has been and will continue to be a transformational investment for Kent.

12. Recommendations:

The Cabinet Committee is asked to:

1. **CONSIDER** this report; and
2. **ENDORSE** the proposed service enhancements that Kent County Council will seek in its response to the Department for Transport's consultation on the new Southeastern franchise specification.

13. Background Documents

13.1 *First Interim Evaluation of HS1*, Department for Transport, 15 October 2015

The report is located via the following link to the DfT website:

<https://www.gov.uk/government/publications/hs1-first-interim-evaluation>

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From: Peter Sass, Head of Democratic Services
 To: Environment and Transport Cabinet Committee – 13 January 2016
 Subject: Work Programme 2016
 Classification: Unrestricted
 Pathway: Standard Item

Summary: This report gives details of the proposed Work Programme for the Environment & Transport Cabinet Committee.

Recommendation: The Environment & Transport Cabinet Committee is asked to consider and agree its Work Programme for 2016 as set out in Appendix 1 of this report.

1. Introduction

(1) The proposed Work Programme has been compiled from items on the Forthcoming Executive Decision List; from actions arising from previous meetings, and from topics identified at agenda setting meetings, held 6 weeks before each Cabinet Committee meeting in accordance with the Constitution by the Chairman, Mrs Stockell, and the Vice-Chairman, Mr Pearman as well as the 3 Group Spokesman; Mr Baldock, Mr Caller and Mr Chittenden.

(2) Whilst the Chairman, in consultation with the Cabinet Members, is responsible for the final selection of items for the agenda, this item gives all Members of the Cabinet Committee the opportunity to suggest amendments and additional agenda items where appropriate.

2. Terms of Reference

(1) At its meeting held on 27 March 2014, the County Council agreed the following terms of reference for the Environment and Transport Cabinet Committee *'To be responsible for the majority of the functions that fall within the responsibilities of the Director of Highways, Transportation and Waste and Director of Environment Planning and Enforcement and which sit within the Growth, Environment and Transport Directorate'*. The functions within the remit of this Cabinet Committee are:

Highways Transportation & Waste

- Highway Operations
- Programmed Works
- Transportation
- Public Transport
- Future Service Improvement
- Contract Management
- Waste Resource Management
- Road Safety including Road Crossing Patrols

Environment, Planning & Enforcement

- Sustainability and Climate Change
- Heritage Conservation
- Country Parks
- Strategic Transport Planning
- Regulatory Services-Including Public Rights of Way & Access
- Kent Scientific Services & Countryside Management Partnerships
- Flood Risk and Natural Environment
- Environment programmes
- Gypsy and Traveller Unit
- Local Development Plans
- Trading Standards
- Coroners
- Community Safety & Emergency Planning, including Community Wardens

3. Work Programme 2016

(1) An agenda setting meeting was held on 21 October 2015 and items for this meeting's agenda were agreed. The Cabinet Committee is requested to consider and note the items within the proposed Work Programme, set out in Appendix 1 to this report, and to suggest any additional topics that they wish to be considered for inclusion to the agenda of future meetings.

(2) When selecting future items the Cabinet Committee should give consideration to the contents of performance monitoring reports. Any 'for information' or briefing items will be sent to Members of the Cabinet Committee separately to the agenda or separate member briefings will be arranged where appropriate.

(3) The schedule of commissioning activity 2015-16 to 2017-18 that falls within the remit of this Cabinet Committee will be included in the Work Programme and considered at future agenda setting meetings to support more effective forward agenda planning and allows Members to have oversight of significant services delivery decisions in advance. The next agenda setting meeting is scheduled to be held on Monday, 18 January 2016.

4. Conclusion

It is vital for the Cabinet Committee process that the Committee takes ownership of its Work Programme to help the Cabinet Member to deliver informed and considered decisions. A regular report will be submitted to each meeting of the Cabinet Committee to give updates of requested topics and to seek suggestions for future items to be considered. This does not preclude Members making requests to the Chairman or the Democratic Services Officer between meetings for consideration.

5. Recommendation

The Environment and Transport Cabinet Committee is asked to consider and agree its Work Programme for 2016 as set out in Appendix A to this report.

6. Background Documents

None

7. Appendix

Work Programme – Appendix A

8. Contact details

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**Environment and Transport Cabinet Committee
WORK PROGRAMME –2016**

Agenda Section	Items
Friday, 11 March 2016	
A – Committee Business	<ul style="list-style-type: none"> • Declarations of interest • Minutes • Verbal Updates
B - Key or Significant Decisions for Recommendation or Endorsement	<ul style="list-style-type: none"> • Kent and Medway Minerals and Waste Development Plan
C – Other Items for comment / recommendation	<ul style="list-style-type: none"> • Lower Thames Crossing – Update on Consultation • Pilot Community Warden Support Officers Scheme • Thanet Local Transport Plan • GET Business Plan 2016/17 • Local Transport Plan • Active Travel Strategy • Soft Landscaping Contract • GET Directorate Risk Register • Work Programme 2016
D - Performance Monitoring	<ul style="list-style-type: none"> • Performance Dashboard
E - Exempt	<ul style="list-style-type: none"> •
Wednesday, 4 May 2016	
A – Committee Business	<ul style="list-style-type: none"> • Declarations of interest • Minutes • Verbal Updates
B - Key or Significant Decisions for Recommendation or Endorsement	<ul style="list-style-type: none"> •
C – Other Items for comment / recommendation	<ul style="list-style-type: none"> • Maidstone Local Transport Strategy • Tunbridge Wells Local Transport Strategy • A226/B255 St Clements Way • Waste Strategy • Work Programme 2016
D - Performance Monitoring	<ul style="list-style-type: none"> • Performance Dashboard
E – Exempt	<ul style="list-style-type: none"> •
Items for Consideration that have not yet been allocated to a meeting	
B - Key or Significant Decisions for Recommendation or Endorsement	<ul style="list-style-type: none"> • Local Transport Strategies – Approval-Various

	<ul style="list-style-type: none"> • Socially necessary Bus Services • LED Lighting Policy • Flood and Drainage Policy • Littering on Kent's Highways Update – (May)
C – Other Items for comment / recommendation	<ul style="list-style-type: none"> • Aviation/Gatwick report
E - Exempt	<ul style="list-style-type: none"> • Waste Strategy?