

Direct Dial/Ext: 01622 694367  
Fax:  
e-mail:  
Ask for: Karen Mannering  
Your Ref:  
Our Ref:  
Date: 23 March 2010

Dear Member

**ENVIRONMENT, HIGHWAYS AND WASTE POLICY OVERVIEW AND SCRUTINY COMMITTEE  
- THURSDAY, 25 MARCH 2010**

I am now able to enclose, for consideration at next Thursday, 25 March 2010 meeting of the Environment, Highways and Waste Policy Overview and Scrutiny Committee, the following reports that were unavailable when the agenda was printed.

**Agenda No    Item**

- 2.     Financial Monitoring Report (To follow) (Pages 1 - 16)**

Yours sincerely



**Peter Sass**  
**Head of Democratic Services & Local Leadership**

This page is intentionally left blank

**TO: Environment, Highways and Waste (EHW) Policy Overview  
and Scrutiny Committee – 25 March 2010**

**BY: Nick Chard, Cabinet Member for EHW  
Mike Austerberry, Executive Director of EHW**

**SUBJECT: Financial Monitoring 2009/10**

**Classification: Unrestricted**

---

**Summary:**

Members of the POSC are asked to note the March budget monitoring report to be reported to Cabinet on 29 March 2010.

**FOR INFORMATION**

---

**1. Introduction**

1.1 This is a regular report to this Committee on the forecast outturn against budget for the EHW portfolio.

**2. Background**

2.1 A detailed quarterly budget monitoring report is presented to Cabinet, usually in September, December and March, and a draft final outturn report in June. These reports outline the full financial position for each portfolio and are reported to POSCs after they have been considered by Cabinet. In the intervening months an exception report is made to Cabinet outlining any significant variations from the quarterly report. The detailed quarterly report for March cabinet is attached.

**3. Revenue**

3.1 There are no significant variances to report on the revenue budget since the report was written. The major elements of this predicted outturn remain a significant underspend on Waste offset by additional spending required on Highways.

**4. Capital**

4.1 Since the report was written there has been some slippage on the energy and water investment fund.

**5 Recommendations**

5.1 Members of the POSC are asked to note the budget variations for the EHW Portfolio for 2009/10 based on the March report to Cabinet.

Richard Hallett, Head of Finance and Resources  
01622 69 4035

# ENVIRONMENT, HIGHWAYS & WASTE DIRECTORATE JANUARY 2009-10 FULL MONITORING REPORT

## 1.1 REVENUE

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- The inclusion of new 100% grants (i.e. grants which fully fund the additional costs) awarded since the last full monitoring report. These are detailed in Appendix 2 of the executive summary.

1.1.2 **Table 1** below details the revenue position by Service Unit:

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
<b>Environment, Highways &amp; Waste portfolio</b>							
Kent Highways Services	59,986	-6,860	53,126	5,181	0	5,181	Signs & lines +£0.39m, dilapidations +£0.25m, winter weather +£1.4m, Permit Scheme +£0.474m, energy +£0.567m and resurfacing +£2.1m
Public Transport Contracts	18,273	-2,400	15,873	360	0	360	Freedom Pass
Waste Management	69,827	-1,973	67,854	-5,230	-156	-5,386	Reduced tonnage -£3.9m, Allington WtE off-line -£1.3m, KWP -£0.030m and additional recycling income -£0.156m
Environmental Group	9,263	-4,692	4,571	-494	309	-185	-£0.120m rephasing & -£0.065m additional external income for land use survey. £0.374m reduced spend & income on KDAONB
Strategic Planning	808		808	0	0	0	
Planning Applications	1,440	-477	963	0	0	0	
Transport Strategy Group	470		470	0	0	0	
Strategic Management	850		850	0	0	0	
Resources	5,660	-159	5,501	-615	0	-615	Vacancies -£0.21m, re-phasing of MIDAS replacement -£0.405m
Support Services purchased from CED	1,871		1,871	0	0	0	
<b>Total E, H &amp; W</b>	<b>168,448</b>	<b>-16,561</b>	<b>151,887</b>	<b>-798</b>	<b>153</b>	<b>-645</b>	
<b>Assumed Management Action</b>							
<b>Forecast after Mgmt Action</b>				<b>-798</b>	<b>153</b>	<b>-645</b>	

1.1.3 **Major Reasons for Variance:** *[provides an explanation of the 'headings' in table 2]*

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

Waste Management:

- 1.1.3.1 The waste tonnage figures April to January are significantly below the affordable (budgeted) level. This means that there is a substantial saving from reduced waste tonnage and it is expected that waste volumes will continue to be below the budgeted level for the remainder of the financial year. Our current estimate for the reduced tonnage is around 60,000 tonnes, which at an average of roughly £65 per tonne produces a budget saving for 2009-10 of approximately £3.9m.
- 1.1.3.2 The recently published budget shows tonnage savings of £1.343m in 2010-11, with the expectation that tonnage levels will remain static for 2011-12 and 2012-13. However, over the longer term, given the volatile nature of the waste volumes, reliance on permanently lower waste tonnage is inadvisable. Waste tonnage reductions could easily reverse. Very small changes in consumer behaviour, if they are replicated across the households in Kent, can have a very large effect on the cost of waste disposal. Each 1% increase in waste tonnage on the existing 796,000 tonne budget will cost around £0.5m. If each household throws away just one additional kilogramme of rubbish per week, this would equate to an increase of 3.6% and a disposal cost of nearly £2m. We have however included an additional saving of £0.806m in 2010-11 which we expect to be a permanent reduction in tonnage due to changes in behaviour brought about by our reduce waste campaigns, bringing the total budgeted reduction in 2010-11 to £2.149m.
- 1.1.3.3 There has also been some further downtime for the Allington waste to energy plant for maintenance prior to handover to KentEnviroPower Ltd from the construction contractor, resulting in 100,000 tonnes being diverted to landfill. This gives a one-off saving of approximately £1.3m.
- 1.1.3.4 Recycling income is ahead of target, with textile sales providing the largest element. This is resulting in forecast over recovery of income of £0.156m.

Kent Highways Services (KHS):

- 1.1.3.5 The highways budget continues to be under significant pressure. The backlog of capital maintenance remains high, which in turn puts pressure on revenue spend. There has been an injection of capital cash in 2009-10 to start reducing some of the backlog, but there are a number of roads in serious need of resurfacing which cannot be met from current allocations. Cabinet agreed therefore that KHS could make a £2.1m revenue contribution, (to be funded from the underspending on Waste Management), to bring forward these essential resurfacing works into 2009-10.

- 1.1.3.6 The prolonged periods of adverse weather in the run up to Christmas and in January, coupled with the early February heavy snow in the east of the County has resulted in a likely pressure of around £1.4m (the costs of dealing with the East Kent snow are ongoing at the point of writing this report and will be refined in due course). The large underspend on Waste means that this pressure can be accommodated within the existing base budget, therefore protecting the emergency conditions reserve for any future periods of adverse weather or other emergency conditions. This bad weather has resulted in additional road surface issues and the portfolio had set aside some of its budget to deal with these potholes and also Cabinet agreed at its meeting on 11 January to redirect £1m from the uncommitted 2008-09 underspend held in the Economic Downturn reserve to address this pothole damage. It is currently expected that the £1m will all be spent in the new financial year.
- 1.1.3.7 The signs and lines projects previously reported as a pressure of £0.85m will now straddle two financial years, as the lining work is not able to be completed during the severe winter weather. £0.39m has been spent so far with an additional £0.46m committed for the new financial year. It will be requested therefore that the £0.46m be rolled to meet this commitment. Once finished we will have a complete refresh of white lines in 31 towns across Kent and a comprehensive clean of all of our signs.
- 1.1.3.8 The previously reported pressure on vegetation control of £0.2m has now been absorbed and is no longer reported as an overspend. The dilapidation charges against Beer Cart lane premises have been settled at £0.25m, for which there is no budget provision.
- 1.1.3.9 The costs of setting up the Permit Scheme from the Traffic Management Act have reduced to £0.474m. Kent County Council received approval from the Secretary of State for Transport to introduce a Permit Scheme into Kent in July 2009 and the scheme was implemented formally in January 2010. These set up costs are declared as an overspend but will be rolled forward to be offset by future income.
- 1.1.3.10 The portfolio had significant savings targets on energy costs in this financial year (£1.25m). We expect to fall about £0.567m short of this target in this year. Streetlight energy is largely unmetered and the anticipated saving was to come from renegotiating our consumption levels and moving to "half-hourly" billing. This has not been possible at this stage due to the time taken to finalise the inventory of street lights and delays with implementing the array, which has been constructed to give a more accurate picture of our actual consumption.
- 1.1.3.11 KHS Public Transport Contracts - The Freedom Pass, which completed its roll out in June 2009 is likely to have a pressure of £0.360m. Now that the project is operating countywide, we have a better understanding of the number of journeys each child is undertaking. Whilst the take-up of passes is very close to estimates, the number of passenger journeys is above original estimates. This is positive in terms of the popularity and use of the pass, but is causing a budget pressure. This variance may change over the coming months as pass take-up and usage settles down.

Environmental Group:

- 1.1.3.12 There is an underspend on the land use survey, partly caused by a re-phasing of the project (£0.120m) and partly by receiving additional income for the project (£0.065m), which it is proposed to use before KCCs funding. This underspend is committed to the project and will be required in 2010-11 in order to fund the completion of the project.
- 1.1.3.13 Kent Downs Area of Outstanding Natural Beauty (KDAONB) has re-phased projects of £0.374m. The projects are fully externally funded so there is no effect on the net budget position, as there will also be a re-phasing of the income into next year.

Resources:

- 1.1.3.14 There are a number of staff vacancies in the Resources function, which will result in an underspend of £0.210m. In addition, the project to replace the MIDAS financial system with ORACLE will not be completed by the end of the year. Waste and PROW will transfer across to ORACLE from 31/3/10 but the KHS will not transfer until the new financial year. The balance on the project budget is £0.405m which will be needed to roll forward to 2010/11 to complete the KHS transfer.

**Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER**  
(shading denotes that a pressure/saving has an offsetting entry which is directly related)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
EHW	KHS - revenue contribution to capital in order to reduce backlog of capital maintenance	+2,100	EHW	Reduced waste tonnage	-3,900
EHW	Adverse weather emergencies	+1,400	EHW	Diversion to landfill while Allington Waste to Energy plant off-line for maintenance	-1,300
EHW	Shortfall in streetlighting energy saving due to delay in renegotiating consumption levels	+567	EHW	re-phasing of MIDAS replacement	-405
EHW	Traffic Management Act Permit scheme costs	+474	EHW	Resources - staff vacancies	-210
EHW	KHS - Signs and lines refresh	+390	EHW	Env Grp - Additional external income and re-phasing of Land Use survey	-185
EHW	Freedom Pass - higher than expected number of passenger journeys	+360	EHW	increased waste recycling income	-156
EHW	KHS - dilapidation charge on Beer Cart lane premises	+250			
		<b>+5,541</b>			<b>-6,156</b>

**1.1.4 Actions required to achieve this position:**

There are no specific actions required to achieve this position.

### 1.1.5 Implications for MTP:

The waste tonnage is currently in our favour and a reduction of £2.149m has been reflected in the 2010-11 budget. £0.806m of this reduction is expected to be a permanent change to behaviour, while the other £1.343m may only be a temporary reduction due to the slowdown in the economy, (as described in paragraph 1.1.3.2 above, very small changes in household behaviour may affect the overall level of waste significantly).

### 1.1.6 Details of re-phasing of revenue projects:

The following projects are re-phasing into 2010-11:

	£m
• Environment land use survey	0.120
• Environment land use survey - some new external funding has also been secured which means that some KCC funding will also not be needed now until the new financial year	0.065
• Kent Waste Partnership – some of the Partnership work has re-phased and therefore part of our contribution to the Partnership will not be required until 2010-11. Under the Partnership Agreement we have an obligation to provide this funding	0.030
• KHS – re-phasing of white line refresh programme due to adverse weather	0.460
• KHS - set up costs of the Permit Scheme to be recovered from future income from the permits	-0.474
• Resources – re-phasing of replacement of MIDAS financial system	0.405
	<b>0.606</b>

### 1.1.7 Details of proposals for residual variance: [e.g. roll forward proposals; mgmt action outstanding]

The current forecast underspend is £0.645m of which £0.606m will be required to roll forward to fund the committed re-phasing identified in section 1.1.6 above. This leaves an uncommitted residual balance of £0.039m. There are no detailed plans for this but it may be needed to address any further spells of adverse weather.

## 1.2 CAPITAL

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

The capital cash limits have been adjusted to reflect the position reflected in the 2010-13 MTP as agreed by County Council on 18 February 2010, any further adjustments are detailed in section 4.1.

1.2.2 **Table 3** below provides a portfolio overview of the latest capital monitoring position excluding PFI projects.

	Prev Yrs Exp £000s	2009-10 £000s	2010-11 £000s	2011-12 £000s	Future Yrs £000s	TOTAL £000s
<b>Environment, Highways &amp; Waste Portfolio</b>						
Budget	93,972	105,041	153,024	123,883	310,154	786,074
Adjustments:						
- Major Schemes - design fees		635				635
- Non-grant supported land claims		500				500
Revised Budget	93,972	106,176	153,024	123,883	310,154	787,209
Variance		-4,767	11,723	-4,699	-1,888	369
<b>split:</b>						
- real variance		+369				+369
- re-phasing		-5,136	+11,723	-4,699	-1,888	0

<b>Real Variance</b>		<b>+369</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>+369</b>
<b>Re-phasing</b>		<b>-5,136</b>	<b>+11,723</b>	<b>-4,699</b>	<b>-1,888</b>	<b>0</b>

### 1.2.3 Main Reasons for Variance

Table 4 below, details all forecast capital variances over £250k in 2009-10 and identifies these between projects which are:

- part of our year on year rolling programmes e.g. maintenance and modernisation;
- projects which have received approval to spend and are underway;
- projects which are only at the approval to plan stage and
- Projects at preliminary stage.

The variances are also identified as being either a real variance i.e. real under or overspending which has resourcing implications, or a phasing issue i.e. simply down to a difference in timing compared to the budget assumption.

Each of the variances in excess of £1m which is due to phasing of the project, excluding those projects identified as only being at the preliminary stage, is explained further in section 1.2.4 below.

All real variances are explained in section 1.2.5, together with the resourcing implications.

**Table 4: CAPITAL VARIANCES OVER £250K IN SIZE ORDER**

portfolio	Project	real/ phasing	Project Status			
			Rolling Programme	Approval to Spend	Approval to Plan	Preliminary Stage
			£'000s	£'000s	£'000s	£'000s
<b>Overspends/Projects ahead of schedule</b>						
			<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>
<b>Underspends/Projects behind schedule</b>						
EHW	East Kent Access Ph2	phasing		-1449		
EHW	Sittingbourne N Relief Road	phasing		-1443		
EHW	Victoria Way & Matalan R/about	phasing			-1,337	
EHW	Rushenden Link Road	phasing		-500		
EHW	Old Schemes residual	real	-338			
EHW	Re-shaping Kent Highways Accom	phasing		-276		
			<b>-338</b>	<b>-3,668</b>	<b>-1,337</b>	<b>-0</b>

**1.2.4 Projects re-phasing by over £1m:**

**1.2.4.1 Victoria Way & Matalan Roundabout - re-phasing of -£1.337m**

Victoria Way is a major scheme to support the growth agenda for new jobs and homes in Ashford. The scheme will provide a strategic link within the town centre that will be a catalyst for growth in this part of Ashford. The scheme has secured money from the Community Infrastructure Fund (CIF) and this must be spent by 31 March 2011.

The scheme was originally programmed to start in the latter part of this financial year. The re-phasing is mainly due to land acquisition complexities. This has delayed the anticipated start of utilities works and the main contract that was scheduled in this financial year. Despite this delay, it is still expected that the scheme can be delivered by the CIF funding deadline.

Revised phasing of the scheme is now as follows:

**Victoria Way & Matalan Roundabout**

	Prior Years	2009-10	2010-11	2011-12	future years	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>BUDGET &amp; FORECAST</b>						
Budget		4,037	12,176			16,213
Forecast		2,700	13,513			16,213
Variance	0	-1,337	+1,337	0	0	0
<b>FUNDING</b>						
<b>Budget:</b>						
grant		4,037	12,176			16,213
TOTAL	0	4,037	12,176	0	0	16,213
<b>Forecast:</b>						
grant		2,700	13,513			16,213
TOTAL	0	2,700	13,513	0	0	16,213
<b>Variance</b>	<b>0</b>	<b>-1,337</b>	<b>+1,337</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### 1.2.4.2 Sittingbourne Northern Relief Road – re-phasing of -£1.443m

Sittingbourne Northern Relief Road is 1.4 km of new single carriageway road in the north east of Sittingbourne, with bridges over Milton Creek and the Sittingbourne and Kemsley Light Railway.

The new road will connect two sections of the relief road built by developers.

The works started on site on 2 November 2009, following the award of the contract to Jackson Civils Limited in late September.

Poor weather has been a particular problem for this scheme, as the site is on a low lying field and next to Milton Creek. The scheme has re-phased by £1.443m in this financial year. The latest estimate assumes that the programme will recover and the completion will be on target. The Department of Transport has confirmed that any under spend on the grant can be rolled forward to spend in future years.

Revised phasing of the scheme is now as follows:

#### Sittingbourne Northern Relief Road

	Prior Years	2009-10	2010-11	2011-12	future years	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>BUDGET &amp; FORECAST</b>						
Budget	3,553	9,207	13,876	3,024	4,699	34,359
Forecast	3,553	7,764	13,977	6,254	2,811	34,359
Variance	0	-1,443	+101	+3,230	-1,888	0
<b>FUNDING</b>						
<b>Budget:</b>						
Revenue	58	80				138
Ex Dev Cont	67				2811	2,878
grant	3,427	9,127	13,876	3,024	1,888	31,342
<b>TOTAL</b>	<b>3,552</b>	<b>9,207</b>	<b>13,876</b>	<b>3,024</b>	<b>4,699</b>	<b>34,358</b>
<b>Forecast:</b>						
Revenue	58	80				138
Ex Dev Cont	67				2811	2878
grant	3,427	7,684	13,977	6,254		31,342
<b>TOTAL</b>	<b>3,552</b>	<b>7,764</b>	<b>13,977</b>	<b>6,254</b>	<b>2,811</b>	<b>34,358</b>
<b>Variance</b>	<b>0</b>	<b>-1,443</b>	<b>+101</b>	<b>+3,230</b>	<b>-1,888</b>	<b>0</b>

#### 1.2.4.3 East Kent Access Road Phase 2 (EKA ph2) – re-phasing of -£1.449m

EKA Phase 2 is the improvement of the A299 and the A256 leading to the Lord of the Manor junction and connecting with phase 1 at the old Richborough power station site. The purpose of the scheme is to improve accessibility and safety. It will help support the economy of east Kent and connect the ports of Dover and Ramsgate. The revised estimate shows that the scheme has re-phased by £1.449m in this financial year. The adverse weather conditions have hindered the archaeological dig on site, and this in turn has delayed the construction and utility works. The contractor is still confident that the scheme will be completed on target.

The council has submitted the revised spend profile to the Department for Transport to inform them of the grant requirements.

The Revised spend profile is shown below:

#### East Kent Access Road Phase 2

	Prior Years	2009-10	2010-11	2011-12	future years	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>BUDGET &amp; FORECAST</b>						
Budget	262	12,161	37,286	28,201	9,090	87,000
Forecast	262	10,712	47,044	19,892	9,090	87,000
Variance	0	-1,449	+9,758	-8,309	0	0
<b>FUNDING</b>						
<b>Budget:</b>						
Prudential				1660		1,660
Prudential/revenue					3240	3,240
Grant	262	12,161	37,286	26,541	5,850	82,100
TOTAL	262	12,161	37,286	28,201	9,090	87,000
<b>Forecast:</b>						
Prudential				1660		1660
Prudential/revenue					3240	3240
grant	262	10,712	47,044	18,232	5,850	82,100
TOTAL	262	10,712	47,044	19,892	9,090	87,000
<b>Variance</b>	<b>0</b>	<b>-1,449</b>	<b>+9,758</b>	<b>-8,309</b>	<b>0</b>	<b>0</b>

#### 1.2.5 Projects with real variances, including resourcing implications:

**Highway Major Maintenance & Integrated Transport +£0.298m** (in 2009/10): This overspend is due to the following:

- Drop kerb works which is done in conjunction with the programmed footways resurfacing. The cost of this work is met from third party contributions.
- The implementation of real time bus information and car park signing which is being met by contributions from some district councils.

**Old schemes residual works -£0.338m** (in 2009/10): This total underspend includes various completed schemes that had some outstanding creditor provisions which are now being settled either for a lesser amount, or they are no longer required. The reversal of these creditor provisions has given additional funding which is now earmarked to fund Salt Storage infrastructure and Works Asset Management system enhancements as part of Reshaping KHS Accommodation.

**Salt Storage Infrastructure +£0.175m** (in 2009/10): This was part of a spend to save programme which was approved by County Council in the 2007/08 budget process. It is now estimated that £0.175m is needed to purchase the remaining five salt spreading vehicles to complete the original programme.

**Re-shaping Kent Highways Accommodation +£0.234m** (in 2009/10): This major project includes providing co-locations for the alliance and implementing Works Asset Management System (WAMS) to enable the alliance partnership to work efficiently. The expenditure incurred for WAMS 2 is due to system development required as a result of the Kent Highway Services contract compliance audit and a requirement to increase the number of licences.

Taking these into account, there is no underlying real variance. All real variances are either funded from external income or reversal of surplus creditor provisions.

#### 1.2.6 **General Overview of capital programme:**

(a) **Risks**

The anticipated funding agreements for Ashford schemes are very tight. To assure Community Infrastructure Fund (CIF) and Regional Infrastructure Fund (RIF), Victoria Way and Ashford Drivers Roundabout constructions have to be completed by 31 March 2011.

East Kent access phase 2 is a complex scheme. The nature of the underpass construction is such that there will be a risk to the railway and it follows that there will also be a risk to the Network Rail Approval process. This can delay the contractor's work programme and could lead to costs increase.

(b) **Details of action being taken to alleviate risks**

Programme, procurement and risk are being actively managed. Ashford contracts will not be awarded if Kent ultimately considers that the expenditure will go beyond the 31 March 2011 deadline, with no guarantee that funding can be claimed beyond that date.

Every effort is being made by all parties to manage the Network Rail risk. We have also appointed independent cost consultants on the East Kent access scheme to control costs as far as possible.

#### 1.2.7 **Project Re-Phasing**

Cash limits are changed for projects that have re-phased by greater than £0.100m to reduce the reporting requirements during the year. Any subsequent re-phasing greater than £0.100m will be reported and the full extent of the re-phasing will be shown. The possible re-phasing is detailed in the table below.

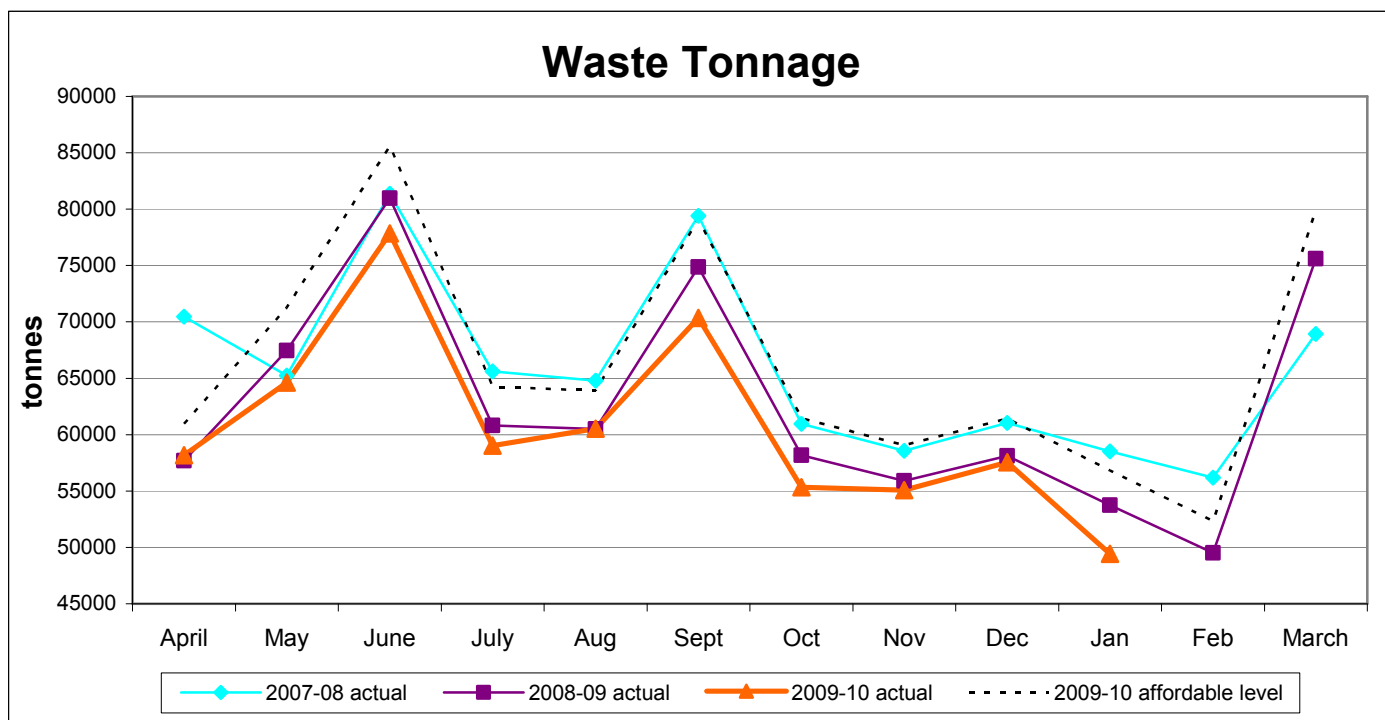
	2009-10	2010-11	2011-12	Future Years	Total
	£k	£k	£k	£k	
<b>Non-grant supported Land, Part 1 Compensation claims</b>					
Amended total cash limits	+990	+3,275	+809	+826	+5,900
re-phasing	-114	0	+114	0	0
<b>Revised project phasing</b>	<b>+876</b>	<b>+3,275</b>	<b>+923</b>	<b>+826</b>	<b>+5,900</b>
<b>East Kent Access Ph2</b>					
Amended total cash limits	+12,161	+37,286	+28,201	+9,090	+86,738
re-phasing	-1,449	+9,758	-8,309	0	0
<b>Revised project phasing</b>	<b>+10,712</b>	<b>+47,044</b>	<b>+19,892</b>	<b>+9,090</b>	<b>+86,738</b>
<b>Sittingbourne NR Rd</b>					
Amended total cash limits	<b>+9,207</b>	<b>+13,876</b>	+3,024	+4,699	+30,806
re-phasing	-1,443	+101	+3,230	-1,888	0
<b>Revised project phasing</b>	<b>+7,764</b>	<b>+13,977</b>	<b>+6,254</b>	<b>+2,811</b>	<b>+30,806</b>
<b>Rushenden Link Road</b>					
Amended total cash limits	+8,000	+969	+1,624	+765	+11,358
re-phasing	-500	+100	+400	0	0
<b>Revised project phasing</b>	<b>+7,500</b>	<b>+1,069</b>	<b>+2,024</b>	<b>+765</b>	<b>+11,358</b>
<b>Reshaping Highways Accommodation</b>					
Amended total cash limits	+550	+3,919			+4,469
re-phasing	-276	+276			0
<b>Revised project phasing</b>	<b>+274</b>	<b>+4,195</b>	<b>0</b>	<b>0</b>	<b>+4,469</b>
<b>Ashford Futures - Victoria Way &amp; Matalan Roundabout</b>					
Amended total cash limits	+4,037	+12,176			+16,213
re-phasing	-1,337	+1,337			0
<b>Revised project phasing</b>	<b>+2,700</b>	<b>+13,513</b>	<b>0</b>	<b>0</b>	<b>+16,213</b>
<b>Energy and Water Efficiency Investment</b>					
Amended total cash limits	+883	+180	+498	+502	+2,063
re-phasing	+59	+84	-143		0
<b>Revised project phasing</b>	<b>+942</b>	<b>+264</b>	<b>+355</b>	<b>+502</b>	<b>+2,063</b>
<b>Total re-phasing &gt;£100k</b>	<b>-5,060</b>	<b>+11,656</b>	<b>-4,708</b>	<b>-1,888</b>	<b>0</b>
<b>Other re-phased Projects below £100k</b>	<b>-76</b>	<b>+67</b>	<b>+9</b>		
<b>TOTAL RE-PHASING</b>	<b>-5,136</b>	<b>+11,723</b>	<b>-4,699</b>	<b>-1,888</b>	<b>0</b>

## 2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

### 2.1 Waste Tonnage:

	2006-07	2007-08	2008-09	2009-10	
	Waste Tonnage	Waste Tonnage	Waste Tonnage	Waste Tonnage *	Affordable Level
April	69,137	70,458	57,688	58,164	60,957
May	69,606	65,256	67,452	64,618	71,274
June	82,244	81,377	80,970	77,842	85,558
July	63,942	65,618	60,802	59,012	64,248
August	62,181	64,779	60,575	60,522	63,921
September	77,871	79,418	74,642	70,367	79,100
October	61,066	60,949	58,060	55,345	61,465
November	60,124	58,574	55,789	55,082	59,065
December	64,734	61,041	58,012	57,555	61,414
January	60,519	58,515	53,628	49,429	56,798
February	58,036	56,194	49,376		52,313
March	73,171	68,936	76,551		79,887
<b>TOTAL</b>	<b>802,631</b>	<b>791,115</b>	<b>753,545</b>	<b>607,936</b>	<b>796,000</b>

\* Note: waste tonnages are subject to slight variations between quarterly reports as figures are refined and confirmed with Districts

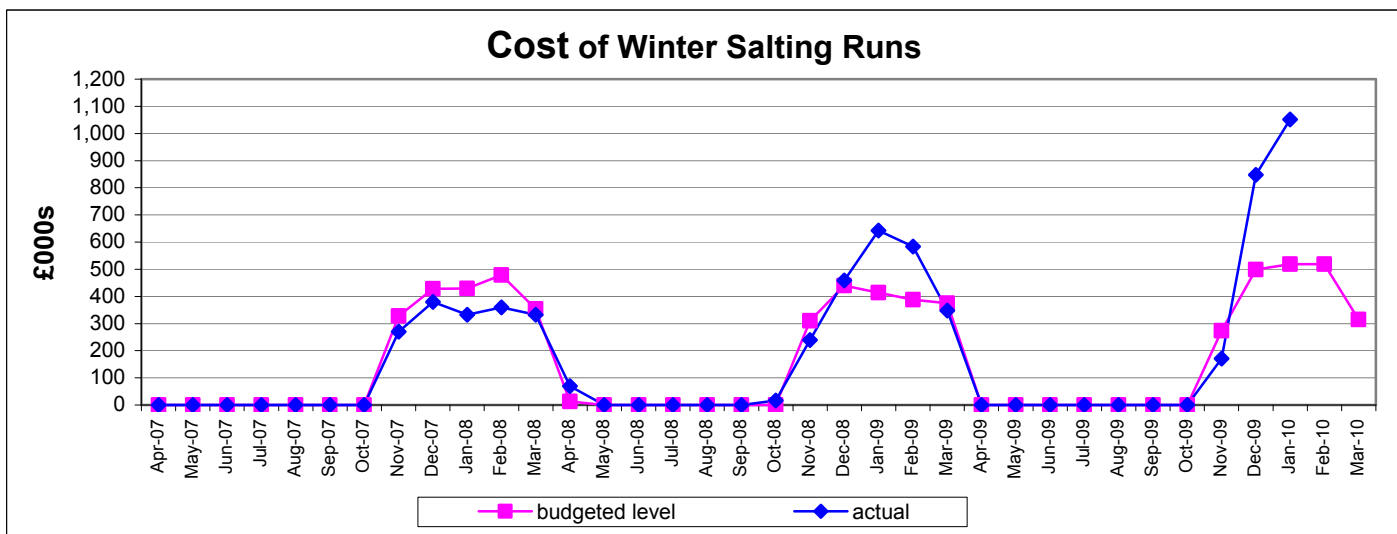
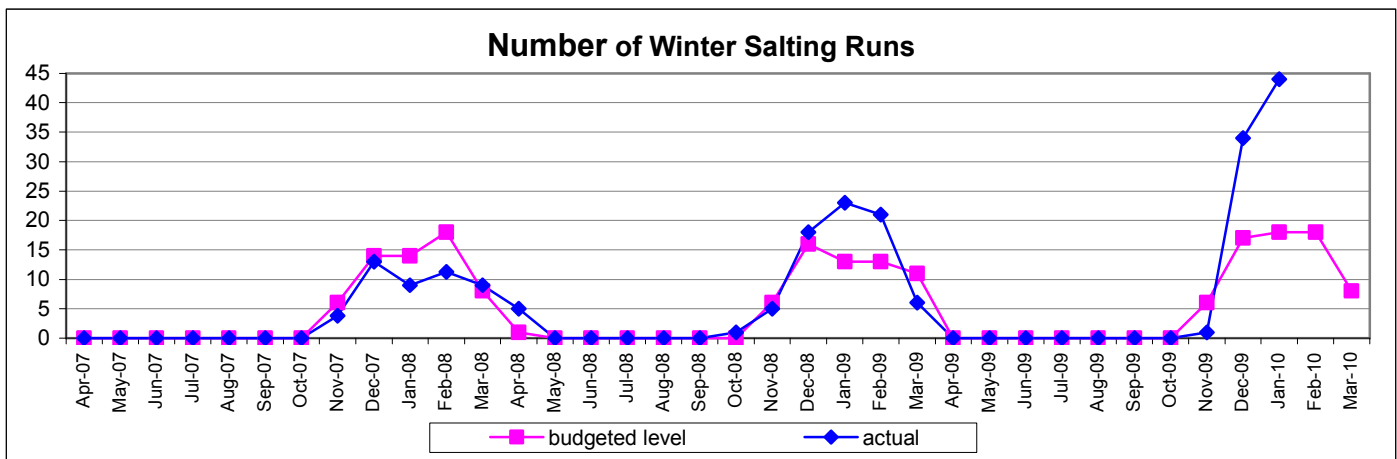


#### Comments:

- The 2009/10 tonnage figures continue to remain at a significantly lower level than budgeted. The January figure is particularly low but it is thought that this is due to the adverse weather and may pick up again in February and March. Tonnage is still expected to come in slightly below the budgeted figures for the remaining two months, giving a predicted outturn somewhere around 736,000 tonnes.

## 2.2 Number and Cost of winter salting runs:

	2007-08				2008-09				2009-10			
	Number of salting runs		Cost of salting runs		Number of salting runs		Cost of salting runs		Number of salting runs		Cost of salting runs	
	Actual	Budgeted Level	Actual £000s	Budgeted Level £000s	Actual	Budgeted Level	Actual £000s	Budgeted Level £000s	Actual	Budgeted level	Actual £000s	Budgeted Level £000s
April	-	-	-	-	5	1	70	13	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-	-	-
October	-	-	-	-	1	-	16	-	-	-	-	-
November	3.8	6	270	328	5	6	239	310	1	6	171	273
December	13.0	14	380	428	18	16	458	440	34	17	847	499
January	9.0	14	332	429	23	13	642	414	44	18	1,052	519
February	11.3	18	360	479	21	13	584	388		18		519
March	9.0	8	332	354	6	11	348	375		8		315
<b>TOTAL</b>	<b>46.1</b>	<b>60</b>	<b>1,674</b>	<b>2,018</b>	<b>79</b>	<b>60</b>	<b>2,357</b>	<b>1,940</b>	<b>79</b>	<b>67</b>	<b>2,070</b>	<b>2,125</b>

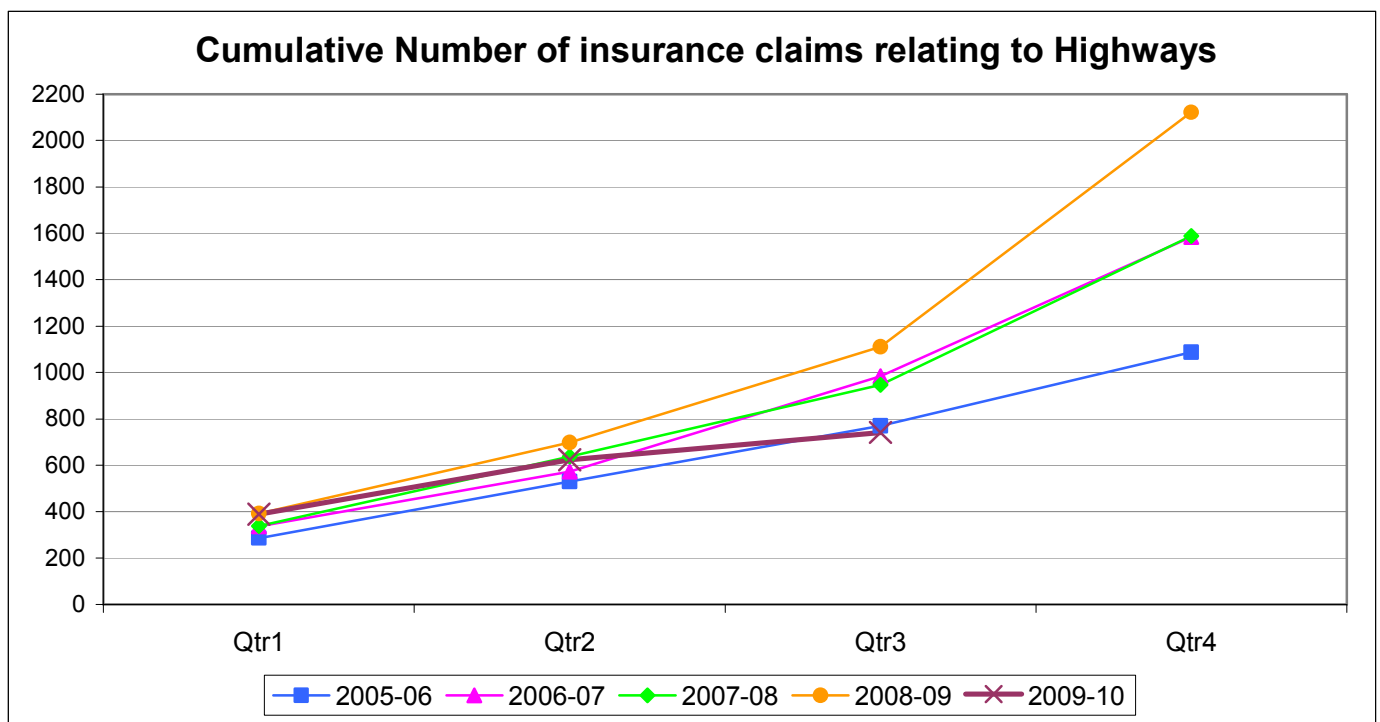


Comment:

- The charges for the Winter Maintenance Service reflect two elements of cost: the variable cost of the salting runs undertaken; the costs relating to overheads and mobilisation within the contract (which have been apportioned equally over the 5 months of the normal salting period).
- If the salting runs remain on budget for February & March, there will be a £0.779m overspend on this budget. In addition, we incurred £0.621m of costs relating to snow clearance in December and January, giving an overspend of £1.4m on winter weather as forecast in section 1.1 of this report.

### 2.3 Number of insurance claims arising related to Highways:

	2005-06	2006-07	2007-08	2008-09	2009-10
	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims
April – June	286	337	339	392	389
July – Sept	530	572	637	697	623
Oct – Dec	771	984	947	1,111	741
Jan - Mar	1,087	1,583	1,588	2,122	



Comments:

- Numbers of claims will change continually as new claims are received relating to accidents occurring in previous quarters. Claimants have 3 years to pursue an injury claim and 6 years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 6 January 2010.

- The number of claims rose sharply at the end of 2008-09. The particularly adverse weather conditions and the consequent damage to the highway seems a major factor with this along with some possible effect from the economic downturn. The number of claims for the first three quarters of 2009-10 is back below the average but this figure is likely to rise as claims continue to be submitted for that period (especially for the final two quarters of the year as a result of the adverse weather).
- The Insurance Section continues to work closely with Highways to try to reduce the number of successful claims and currently the Authority manages to achieve a rejection rate of claims, where it is considered that we do not have any liability, of about 75%.