

TO: Environment, Highways and Waste (EHW) Policy Overview & Scrutiny Committee – 29th July 2010

**BY: Nick Chard, Cabinet Member, EHW
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SUBJECT: EHW Financial Outturn and Unit Operating Plan Outturn for 2009/10

Classification: Unrestricted

Summary:

This report summarises the 2009/10 financial outturn for each of the Service Units within the EHW Directorate. This report should be read in conjunction with papers under Item B3A, bringing together financial and key activity and performance outcome information.

Members are also asked to consider how the committee should contribute to formulating the 2011/12 budget and medium term plan at an earlier stage than previous years.

FOR INFORMATION

1. Introduction:

- 1.1 In the March/April cycle of meetings, POSCs received a report setting out the latest forecast outturn for the 2009/10 financial year as reported to Cabinet based on the position as at the end of the third quarter. Half-year performance monitoring against unit business unit plans was reported in the January cycle.
- 1.2 Last year each directorate prepared a combined unit level budget and performance outturn report for the July cycle of POSC meetings for the first time. Previously outturn reports had been included in the September cycle. This report builds on the lessons from last year.
- 1.3 At it's April meeting the Scrutiny Board recommended that all POSCs need to formulate their arrangements for contributing to the development of the budget so that they are able to have an input at an earlier stage than previous years. In particular POSCs should consider whether the Informal Member Groups set up following the November 2009 meeting should meet regularly between now and December when the draft budget needs to be finalised for formal consultation. This was re-affirmed at a recent training session for all Overview and Scrutiny members.

2. EHW Portfolio 2009/10 Financial Outturn- Revenue

- 2.1 The provisional revenue outturn was reported to Cabinet on 14th June together with recommendations on rollover for committed projects and contributions to reserves for uncommitted under spends. The overall position for the EHW portfolio was a net underspend of £2,700 having taken into account the rephased projects.
- 2.2 Table 1 sets out the original budget, final approved cash limit and spending for each service unit within the EHW portfolio. The changes between the original budget and final approved cash limit are all within KCC's "virement" rules as set out in Financial Regulations.

Table 1 – revenue outturn

Service Unit	Original budget £000s (net)	Approved cash limit £000s (net)	Final outturn £000s (net)	Variance from cash limit £000s (net)
Kent Highway Services Group	51,297	53,131	58,390	5,259
Public Transport Contracts Group	17,091	15,878	16,221	343
Waste Management Group	67,592	67,854	62,383	-5,471
Environmental Group	4,166	4,706	4,471	-235
Strategic Management	1,008	925	926	1
Resources	5,969	5,338	4,723	-615
Transport Strategy Group	470	470	470	0
Planning and Development Group	0	808	807	-1
Planning Applications	0	963	963	0
Support Services purchased from CED	2,409	1,871	1,871	0
Total	150,002	151,944	151,225	-719
Rephased projects				-717
Net real underspend				-2

- 2.3 There were no significant changes since the third quarter monitoring reported to POSC at the March 2010 meeting.
- 2.4 The rephased projects summarised in table 1 above, are shown in table 2 over:

Table 2 – rephased projects

Rephased projects	£000s
Signs and lines refresh project	-432
Permit scheme start-up costs	441
Land use survey	-225
Surface water management plan	-57
Kent Waste Partnership	-39
Replacement of the MIDAS financial system	-405
Total rephased projects	-717

3. EHW Portfolio 2009/10 Financial Outturn – Capital

3.1 Table 3 identifies the planned and actual spend on all capital projects in 2009/10 and the total approved and forecast spending over the lifetime of these projects.

Table 3 – capital outturn

	2009/10 Spend				Total Scheme Cost		
	Original Budget £000s	Approved Cash Limit £000s	Final Outturn £000s	Variance from Cash Limit £000s	Approved Cash Limit £000s	Forecast Spending £000s	Variance from Cash Limit £000s
Rolling Programmes							
PROW- Structural Maintenance	900	1,029	1,001	-28	3,979	4,000	21
Country Park Access and Development	800	612	533	-79	2,651	2,651	0
Highway Major Maintenance	43,485	49,681	49,768	87	149,083	149,121	38
Integrated Transport	14,752	11,733	11,954	221	58,848	59,069	221
Major Scheme- Preliminary Design Fees	900	1,435	1,511	76	4,702	4,778	76
Non TSG Land ,Compensation Claims and Blight	1,200	751	1,034	283	5,900	6,205	305
Management & Modernisation of Assets	200	250	250	0	580	580	0
Old Scheme Residual works			-380	-380		-380	-380
Total	62,237	65,491	65,670	179	225,743	226,024	281

	2009/10 Spend				Total Scheme Cost		
	Original Budget £000s	Approved Cash Limit £000s	Final Outturn £000s	Variance from Cash Limit £000s	Approved Cash Limit £000s	Forecast Spending £000s	Variance from Cash Limit £000s
<u>Schemes with Approval to Spend</u>							
Shornewoods Heritage Project	3	70	59	-11	930	919	-11
Wetland Creation-East Kent	500	10	25	15	501	516	15
Archaeological Resource Centre	200	0	0	0	900	900	0
Energy and Water Efficiency fund	652	377	354	-23	2,014	2,014	0
Energy and Water Efficiency fund	106	0	0	0	740	740	0
Small Community Projects		24	8	-16	24	24	0
Dartford Heath Site Replacement	500	0	0	0	11	11	0
Herne bay Site Improvement	800	100	68	-32	2,127	2,127	0
Swanley Site Improvements	0	133	133	0	243	243	0
Hawkinge Site Improvements	0	17	3	-14	165	165	0
Deal Household Waste	0	100	101	1	100	101	1
Kent Highway Partnership-Co Location Depots	4,150	274	681	407	21,074	21,586	512
Safety Camera Partnership	766	763	745	-18	1,828	1,828	0
Energy Usage Reduction	86	75	0	-75	300	300	0
East Kent Access Road Ph1	0	2	1	-1	22,783	22,782	-1
Ashford Ring Road	0	130	79	-51	15,806	15,806	0
A228 Leybourne West Malling Bypass	0	40	9	-31	29,513	29,524	11
Sittingbourne Northern Relief Road	10,150	7,921	7,952	31	34,358	34,373	15
East Kent Access Phase 2	21,392	10,712	10,708	-4	87,000	87,000	0
Rushenden Relief Road	9,350	6,775	6,775	0	12,225	12,225	0
Traffic Signal Head Replacement	0	186	183	-3	2,013	2,010	-3
E-skip Computer system	0	60	58	-2	60	58	-2
Salt Storage Infrastructure	0	0	140	140	0	175	175
Resign North Down Way	100	75	54	-21	75	54	-21
Waste Vehicle	0	0	21	21	0	21	21
Traffic Counter Vehicle	0	15	15	0	15	15	0
Victoria Way	6,850	2,855	2,854	-1	16,824	16,824	0
Ashford Drovers Roundabout	4,915	1,255	1,255	0	17,747	17,747	0
Total	60,520	31,969	32,280	311	269,376	270,087	711
<u>Schemes with Approval to Plan</u>							
Kent Natural Burial Ground	960	0	0	0	0	0	0
Lydd/New Romney New Site	500	133	150	17	2,480	2,479	-1
Maidstone/Ton & Malling New site	200	0	0	0	0	0	0
Church Marshes Site Expansion	1,000	0	0	0	3,630	3,630	0
North Farm Transfer Station	0	50	41	-9	1,050	1,050	0
Kent Thameside Strategic Transport programme	3,036	76	76	0	151,298	151,298	0
A2 Linear Project	180	926	934	8	3,482	3,502	20
Total	5,876	1,185	1,202	17	161,940	161,959	19
TOTAL EHW CAPITAL PROGRAMME	128,633	98,645	99,151	506	657,059	658,069	1,010

- 3.2 The movements from the original budget and the approved cash limit have been reported in monitoring during the year and the cash limits were changed when the capital programme in 2010/13 medium term plan was approved in February. The main changes were the rephrasing of some of the major projects and the bringing forward of highway capital maintenance money from 2011/12

4. EHW 2009/10 Unit Business Plan Outturn

- 4.1 A detailed performance return has been made by the Head of Service for each of the Units within the EHW Directorate. A full report on this has been included in the papers under Item B3A.

5 Recommendations

- 5.1 Members of the EHW POSC are asked to:

- a) NOTE the revenue and capital financial outturn for 2009/10 including rollovers for committed projects and changes to capital programme
- b) CONSIDER how the POSC should contribute to the development of the 2011/12 budget and to agree that an Informal Member Group be asked to meet on a regular basis over the next 6 months in order to get a fuller understanding of the implications of potential budget reductions and report back to the full POSC in November and January.

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