

# ENVIRONMENT, HIGHWAYS & WASTE DIRECTORATE SUMMARY

## OCTOBER 2010-11 FULL MONITORING REPORT

### 1. FINANCE

#### 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” ie 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.
- Cash limits have been adjusted since the last full monitoring report to reflect a number of technical adjustments to budget.
- The inclusion of new 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. 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	62,942	-12,724	50,218	752	0	752	Find & fix completion +£0.372m, contract re-procurement +£0.130m, emergency works +£0.250m
Public Transport Contracts	21,490	-2,977	18,513	778	-100	678	Freedom Pass +£0.898m/-£0.1m income, Subsidised buses contract renewal - £0.120m
Waste Management	69,945	-1,973	67,972	-1,354	0	-1,354	Increase in contract prices +£1.1m, offset by reduced tonnage -£2.176m & new wood contract -£0.244m
Environmental Group	10,114	-4,860	5,254	0	0	0	
Planning & Development Group	770	-15	755	0	0	0	
Planning Applications	1,134	-477	657	0	0	0	
Transport Strategy Group	503		503	0	0	0	
Strategic Management	850		850	-25	0	-25	PA vacancy
Resources	5,242	-129	5,113	-375	0	-375	Vacancies -£0.175m, MIDAS replacement - £0.2m (rephasing)
Support Services purchased from CED	1,768		1,768	0	0	0	
<b>Total E, H &amp; W</b>	<b>174,758</b>	<b>-23,155</b>	<b>151,603</b>	<b>-224</b>	<b>-100</b>	<b>-324</b>	
<b>Assumed Management Action</b>							
<b>Forecast after Mgmt Action</b>				<b>-224</b>	<b>-100</b>	<b>-324</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:

#### Kent Highways Services (KHS):

- 1.1.3.1 The pothole find and fix programme has now concluded. The project was a combination of revenue and capital expenditure, with £5.948m of funding found in revenue (Government £2.448m, reserves £2.5m and KHS redirection £1m). The revenue element of the programme has cost an extra £0.372m to complete. The remainder of the expenditure was on capital and was found from efficiencies in the existing capital budget.
- 1.1.3.2 KHS is incurring additional costs of £0.130m for the re-procurement of the highways term maintenance contract, which will come into effect from September 2011. KHS are using a competitive dialogue process with the bidders, to ensure the most appropriate and cost-effective final solution for the new contract.
- 1.1.3.3 There have been some emergency works for subsidence on Boughton Hill (£0.25m). These are being carried out in capital but will be funded from a revenue contribution.
- 1.1.3.4 The Freedom Pass numbers continue to grow due to the popularity of the pass and the number of journeys now being undertaken. Over 25,500 passes have been issued so far and the final figure for this year is expected to top 26,000, against a budget of 24,000. This brings a forecast net pressure of £0.798m, (£0.898m costs and £0.1m additional income), but it is now offset by an underspend of £0.120m on the support to socially necessary but uneconomic bus services. This underspend has resulted from cash set aside for the renewal of 25% of the contracts, not being needed, as keen prices were achieved from contractors.

#### Waste Management:

- 1.1.3.5 The RPI index for April was much higher than budgeted, which has put significant price pressure on some of the Waste contracts. The Allington waste to energy price per tonne is £2.38 more than the budgeted figure which increases costs (assuming minimum tonnage through Allington of 325,000 tonnes) by £0.773m. Inflation on other disposal and Household Waste Recycling Centre contracts is expected to increase the total price pressure on waste to £1.1m.
- 1.1.3.6 This price pressure is expected to be offset by overall tonnage being less than the budgeted 760,000 tonnes. Although the cumulative September and draft October tonnage figures are about 4,000 tonnes greater than for the same period last year, they are still below the affordable level for the two months. It is expected that overall tonnage for the year will be 32,000 tonnes below the affordable level. This will give a saving of around £2.176m at an average disposal cost per tonne of £68. As explained in previous reports, relying on waste tonnage to remain permanently low is not advisable and the next few months will be watched closely to see if they repeat the slight upward trend shown in September and October as illustrated in the key activities section 2.1 below.
- 1.1.3.7 A new wood recycling contract is due to be let shortly which is expected to save approximately £0.244m for the rest of this financial year.

#### Resources and Strategic Management

- 1.1.3.8 Staff vacancies of £0.2m are being held in order to help offset the pressure on the Freedom Pass and other highway issues; (£0.175m within Resources and £0.025m within Strategic Management).
- 1.1.3.9 The MIDAS financial system replacement project is progressing well and it is anticipated that the final phase will be completed by the end of this financial year. There will however be residual development costs for reporting, training and final configurations in the new year and it is expected that £0.2m will need to be rephased in to 2011-12.

**Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER**

(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
EHW	Waste contract prices including Allington WtE incinerator	+1,100	EHW	Waste tonnage	-2,176
EHW	Freedom Pass	+898	EHW	New wood recycling contract	-244
EHW	Find and fix completion	+372	EHW	Vacancy savings within Resources and Strategic Management	-200
EHW	Emergency road repairs Boughton Hill	+250	EHW	MIDAS financial system replacement rephasing	-200
EHW	Term maintenance re-procurement costs	+130	EHW	Subsidised buses contract renewal	-120
			EHW	Increase in Freedom Pass income	-100
		<b>+2,750</b>			<b>-3,040</b>

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

Vacancies in Resources and Strategic Management are being deliberately held in order to achieve this position.

**1.1.5 Implications for MTP:**

The base budget implications of issues identified in this monitoring report will be a call on the amounts identified in the 2010/13 MTP as emerging pressures in 2011/12 and 2012/13. The details of individual amounts will be included when the revised plan is published for consultation in January 2011 together with any new pressures forecast for 2011/12 and 2012/13. The significant issues for this portfolio arising from 2010/11 budget monitoring are:

- price increases on waste contracts – the April RPI figure, to which the indexation on many waste contracts is linked, was higher than expected in the MTP. Therefore if the index does not reverse in 2011, some catch up funding will be required, to maintain the purchasing power of the budget. This is estimated at about £1.2m currently.
- take-up and usage of the Freedom Pass – the Freedom Pass has proved extremely popular and the numbers of passes issued and the number of journeys undertaken is increasing. This will put a demand pressure on next year's budget of around £1.56m

The revised MTP will include proposals on how the in-year cuts in Government grants will be accommodated in base budgets once it has been confirmed that these reductions are permanent following the announcement of the provisional local government finance settlement for 2011/12 which we anticipate will be in early December. The revised plan will also include the strategy to address the likely reductions in funding over the lifetime of the current parliament following the Chancellor's emergency budget statement on 22<sup>nd</sup> June in which he outlined his plans to address the national budget deficit, and the Spending Review announcement on 20 October.

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

The MIDAS replacement project is progressing well and it is anticipated that the final phase will be completed by the end of this financial year. There will however be residual development costs for reporting, training and final configurations in the new year and it is expected that £0.2m will need to be rephased in to 2011-12.

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

It is proposed that the residual forecast underspend of £0.124m (having taken into account the MIDAS rephasing of £0.2m) is held at present to deal with possible future pressures. These pressures are likely to come from Highways for dealing with the extraordinary number of insurance claims currently being experienced, the popularity of the Freedom Pass, the possibility of another bad winter and general maintenance pressures (although KHS is working hard currently to contain these additional general pressures).

## 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 since last reported to Cabinet on 11<sup>th</sup> October 2010, as detailed in section 4.1.

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

**Table 3**

	Prev Yrs Exp £000s	2010-11 £000s	2011-12 £000s	2012-13 £000s	Future Yrs £000s	TOTAL £000s
<b>Environment, Highways &amp; Waste Portfolio</b>						
Budget	100,869	161,106	92,010	89,904	247,185	691,074
Adjustments:						
- rephasing August monitoring		-955	955	-500	500	
Revised Budget	100,869	160,151	92,965	89,404	247,685	691,074
Variance		-5,870	5,201	-108	-4,939	-5,716
<b>split:</b>						
- real variance		+47	+397	-128	-6,032	-5,716
- re-phasing		-5,917	+4,804	+20	+1,093	0
<b>Real Variance</b>		<b>+47</b>	<b>+397</b>	<b>-128</b>	<b>-6,032</b>	<b>-5,716</b>
<b>Re-phasing</b>		<b>-5,917</b>	<b>+4,804</b>	<b>+20</b>	<b>+1,093</b>	<b>0</b>

### 1.2.3 Main Reasons for Variance

Table 4 below, details all forecast capital variances over £250k in 2010-11 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 £'000s	Approval to Spend £'000s	Approval to Plan £'000s	Preliminary Stage £'000s
<b>Overspends/Projects ahead of schedule</b>						
EHW	Integrated Transport Scheme	real	+1,540			
EHW	LCA Part1 and Land	real	+501			
EHW	Highways Maintenance	real	+494			
			<b>+2,535</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>
<b>Underspends/Projects behind schedule</b>						
EHW	Kent Highways Accom	phasing		-1,712		
EHW	LCA Part1 and Land	phasing	-1,243			
EHW	Household Waste Recycling/ T.Station - Approval to Spend	real		-1,074		
EHW	LCA Part1 and Land	real	-915			
EHW	Sittingbourne N Relief Road	phasing		-909		
EHW	East Kent Access Road Ph2	phasing		-742		
EHW	Kent Thameside Strategic Transport	phasing			-677	
EHW	Household Waste Recycling/ T.Station - Approval to Plan	phasing			-650	
EHW	Rushenden Relief Road	real		-364		
			<b>-2,158</b>	<b>-2,361</b>	<b>-1,327</b>	<b>0</b>
			<b>+377</b>	<b>-2,361</b>	<b>-1,327</b>	<b>-0</b>

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

##### 1.2.4.1 Re-shaping Kent Highways Accommodation - re-phasing of -£1.712m

The scheme is designed to deliver service improvements in creating a depot in west Kent that is equivalent to the new Ashford depot in east Kent. Due to the current economic climate, it has been decided to redevelop the existing Aylesford site rather than purchase a new site. The redevelopment includes office accommodation and an operational depot with salt barn facilities. Planning approval has been granted and the internal demolition work was completed in September. The main building work has started and is expected to be completed by March 2011; with the mobilisation of staff being in the new building in April 2011. The depot work is anticipated to complete by July 2011, ready for the new term maintenance contract in September

Revised phasing of the scheme is now as follows:

	Prior Years	2010-11	2011-12	2012-13	future years	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>BUDGET &amp; FORECAST</b>						
Budget	17,286	4,300				21,586
Forecast	17,286	2,560	1,712			21,558
Variance	0	-1,740	+1,712	0	0	-28
<b>FUNDING</b>						
<b>Budget:</b>						
creditor provision	362					362
prudential	4,555				0	4,555
Ex Other	9					9
prudential/revenue	10,802	2,493				13,295
Capital Receipt	1,558	701				2,259
PEF2		1,106				1,106
TOTAL	17,286	4,300	0	0	0	21,586
<b>Forecast:</b>						
creditor provision	362					362
prudential	4,555					4,555
Ex Other	9					9
prudential/revenue	10,802	2,493				13,295
Capital Receipt	1,558	67	606			2,231
PEF2			1,106			1,106
TOTAL	17,286	2,560	1,712	0	0	21,558
<b>Variance</b>	<b>0</b>	<b>-1,740</b>	<b>+1,712</b>	<b>0</b>	<b>0</b>	<b>-28</b>

**1.2.4.2 Non TSG Land and Part 1 compensations (LCA) - -£0.228m (-£1.243m of re-phasing and -£0.414m real in 2010-11, +£0.630m of re-phasing and +£0.131m real in 2011-12, +£0.020m of re-phasing and +£0.065m real in 2012-13 and +£0.593m of re-phasing and -£0.010m real in future years)**

The revised phasing of £1.243m is primarily due to delays in the remaining land acquisition for Edenbridge Relief Road, some of which has been referred to the Land Tribunal. Alongside this re-phasing there is expected to be a real underspend of £0.915m as a result of more favourable projected settlement figures (see real underspend in S.1.2.5 below).

Revised phasing of the scheme is now as follows:

	Prior Years	2010-11	2011-12	2012-13	future years	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>BUDGET &amp; FORECAST</b>						
Budget		3,275	1,071	373	453	5,172
Forecast		1,618	1,832	458	1,036	4,944
Variance	0	-1,657	+761	+85	+583	-228
<b>FUNDING</b>						
<b>Budget:</b>						
Ex Dev Con		16	16	8	10	50
Prudential		3,259	1,055	365	443	5,122
TOTAL	0	3,275	1,071	373	453	5,172
<b>Forecast:</b>						
Revenue		250				250
prudential		1,100	1,685	386	1,036	4,207
Ex Dev Con		267	147	73		487
TOTAL	0	1,617	1,832	459	1,036	4,944
<b>Variance</b>	<b>0</b>	<b>-1,658</b>	<b>+761</b>	<b>+86</b>	<b>+583</b>	<b>-228</b>

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

There is a real variance of -£5.716m (+£0.0497m in 2010-11, +£0.397m in 2011-12, -£0.128m in 2012-13 and -£6.032m in future years) which is detailed as follows:

**Major Scheme Preliminary Design +£0.069m** (in 2010-11): This net overspend is made up of the following:

- £0.136m is due to strategic project management fees which are expected to be charged by the Ashford Future team for managing the Smart Link Project. This will be funded from additional Growth Area Fund (GAF3).
- £0.067m is no longer required as no more major schemes designs costs are expected in this financial year.

**Highway Major Maintenance +£0.494m** (in 2010-11): The real overspend is mainly due to the following:

- £0.120m of additional maintenance works has been agreed from Member Highway Fund (MHF) contributions
- £0.124m of additional essential works on drainage, street lighting and structures to be funded from de-trunking commuted sum (revenue contribution).
- £0.250m of emergency work, stabilising carriageway at Boughton Hill to be funded from revenue contribution.

**Integrated Transport Schemes +£1.240m** (+£1.540m in 2010-11 and -£0.300m in 2011-12): This increased expenditure is due to undertaking various MHF, S106 and externally funded schemes (£1.439m in total). Also, £0.101m is to replace real time information signs, funded from Repairs and Renewals reserve.

The Upper Stone street lay-by scheme is not considered viable within current plans and identified funding, and therefore it is proposed not to continue with this scheme. The £0.300m general capital receipt that was identified to fund the scheme could be re-allocated to a different Maidstone town centre project. It is proposed that the receipt is used to support the Maidstone High Street improvement project at a maximum cost of £0.400m and **Cabinet is asked to approve the use of the receipt.**

**Non TSG Land and Part 1 -£0.228m** see details in 1.2.4.2: There is a net real under spend of £0.414m in 2010-11 due to the following:

- A real over spend of £0.501m is mainly due to settling part 1 claims for developer funded schemes (Hawkinge Ph 2 and M20 J 4) and capitalisation of staff and Kent Property group's time in dealing with the claims and outstanding land settlements. This overspend will be funded from developer contributions and revenue.
- Land settlements for Edenbridge Relief Road are estimated to provide savings of at least £0.915m. **Cabinet is asked to approve the reallocation of this underspend to the East Kent Access phase 2 scheme to offset the Directorate's prudential/revenue contribution, which will be difficult to secure given the likely level of savings required in the revenue budget.**

**Wetland -£0.478m** (in 2011-12): The development of the wetland will now go ahead by the RSPB without the need for further KCC input or land purchase.

**House Hold Waste Recycling Centre/Transfer Station – Approval to Spend and Plan – -£0.200m** (-£0.650m of re-phasing and -£1.074m real in 2010-11, +£0.150m of re-phasing and +£0.899m real in 2011-12 and +£0.500m of re-phasing and -£0.025m real in later years):

The whole waste programme has been reviewed and the following savings have been identified to fund the additional costs on East Kent joint waste containerisation project.

- Herne Bay: revised estimated project cost delivers a saving of £0.532m.
- Lydd/New Romney: the project is currently underway and the revised forecast outturn identifies a saving of £0.328m.

The savings identified are sufficient to cover the additional East Kent costs. The additional capital costs on the East Kent waste programme are necessary to achieve maximum revenue savings.

A decision has been taken not to proceed with the Hawkinge incinerator capital project and this will save £0.200m.

**Rushenden Relief Road -£0.417m** (-£0.364m in 2010-11, +£0.42m in 2011-12 and -£0.195m in 2012-13 ): It was reported in quarter 1 that the scheme is expected to under spend by £0.344m in 2010-11. A further review of the scheme following completion of phase 1 and assessment of remaining costs has identified that the overall scheme can be delivered at a cost of £11.8m. This has generated a further savings of £0.073m. There is a switch of funding of £2.08m from SEEDA to a developer contribution and this has already been reported in quarter 1 monitoring report.

**Bredhurst Woodlotting -£0.100m** (in 2010-11): This project would need additional funding to go ahead and it has therefore been put on hold.

After taking into consideration some of the small under and over spends on projects there is a real variance of +£0.25m that needs an additional revenue contribution (see revenue monitoring report).

## 1.2.6 General Overview of capital programme:

(a) Risks and action being taken to alleviate risks

**East Kent Access Phase 2** - spend on this project is currently predicted to be ahead of the original DfT allocation for this year. DfT will be approached formally to bring forward its phasing of the budget in October. The total scheme outturn remains a concern particularly because of construction price inflation and utility costs but this is being closely monitored together with robust contract management to ensure that necessary management action can be taken at the appropriate time to reduce the risk.

**Sittingbourne Northern Relief Road** - spend on this project is also currently predicted to be ahead of the original DfT allocation for this year. DfT will be approached formally to bring forward its phasing of the budget in October.

**Rushenden Relief Road** - SEEDA has not been able to secure the £1.9m funding required to complete the scheme. The preferred option is not to leave this road part-finished

because of the impact this will have on the development and regeneration of this area and therefore other ways of funding the shortfall are currently being explored. A charge on the land or S106 is being considered by Legal and it is thought they are likely to recommend S106. There is no work on-site at present while the completed earthworks are allowed to settle. Should the funding not be available the risk to KCC is minimal due to the fact that the construction of road has not started. A Member decision will be sought in the autumn, to approve the alternative funding (when secured) and to complete the road build.

**Victoria Way, Ashford** - this scheme is funded from the Community Infrastructure Fund. Funding expires at 31 March 2011. Late award has always made this completion date challenging and the need to remove unforeseen land contamination and difficulties with utilities are already threatening a delay beyond 31 March 2011. The project team are focused on preparing a plan of action to overcome the difficulties and to mitigate the risk of overrun beyond the funding deadline.

**Drovers Roundabout - M20 Junction 9** - this scheme is funded by the Regional infrastructure Fund (RIF) and Growth Area Fund. As with Victoria way the funding expires on 31 March 2011. Progress is good so far but the feature bridge remains the biggest risk of delay. The team are focussed on plans to overcome that risk but if there is a RIF timing issue and consequent shortfall in funding, Ashford Borough Council has agreed that KCC will be able to claim S106 money to cover any underfunding. It is expected there will be sufficient S106 monies to cover any risk to KCC.

#### 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 rephasing will be shown. The proposed re-phasing is detailed in the table below.

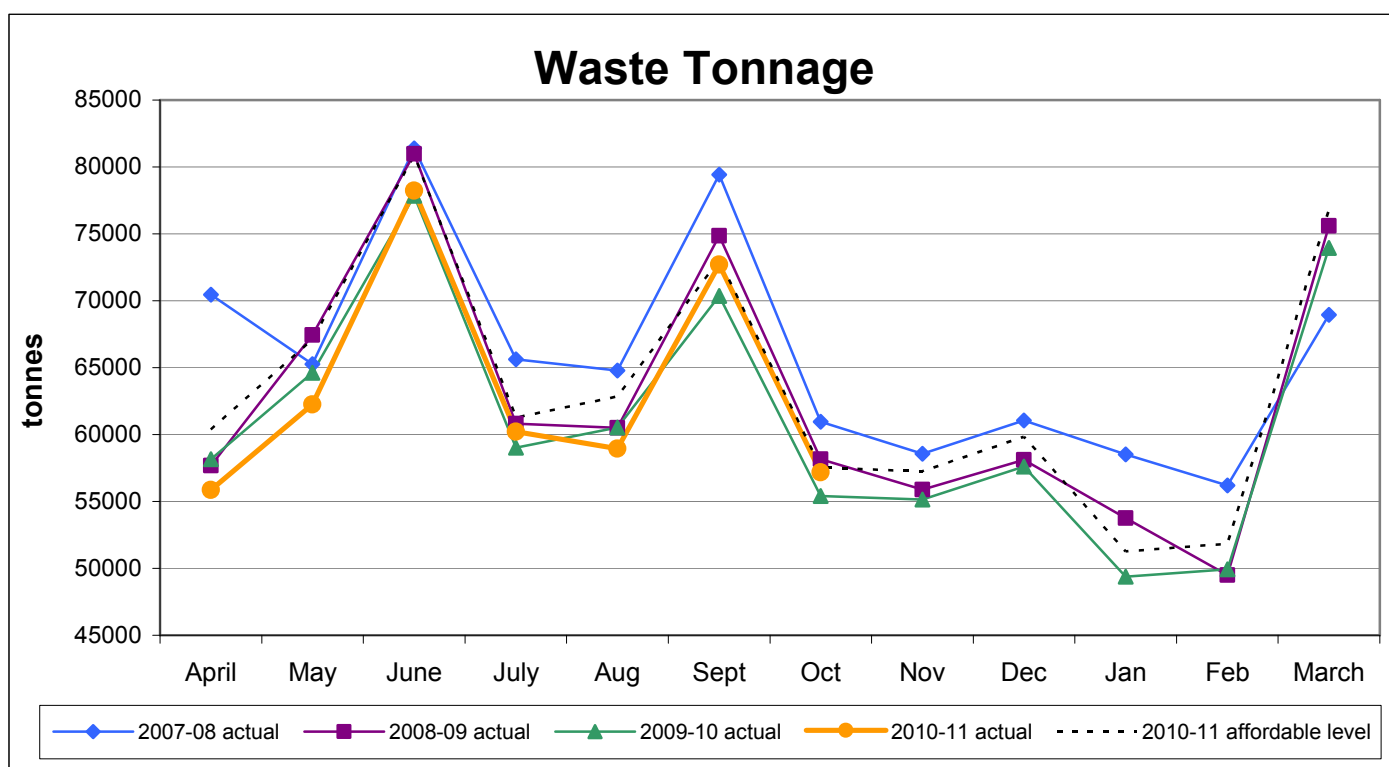
	2010-11	2011-12	2012-13	Future Years	Total
	£k	£k	£k	£k	
<b>Non TSG Land, Compensation Claims and Blight</b>					
Amended total cash limits	+3,275	+1,071	+373	+453	+5,172
re-phasing	-1,243	+630	+20	+593	0
<b>Revised project phasing</b>	<b>+2,032</b>	<b>+1,701</b>	<b>+393</b>	<b>+1,046</b>	<b>+5,172</b>
<b>Sittingbourne Northern Relief Road</b>					
Amended total cash limits	+13,820	+6,254	+1,701	+1,110	+22,885
re-phasing	-909	+909			0
<b>Revised project phasing</b>	<b>+12,911</b>	<b>+7,163</b>	<b>+1,701</b>	<b>+1,110</b>	<b>+22,885</b>
<b>East Kent Access PH2</b>					
Amended total cash limits	+47,049	+19,892	+5,850	+3,240	+76,031
re-phasing	-742	+742			0
<b>Revised project phasing</b>	<b>+46,307</b>	<b>+20,634</b>	<b>+5,850</b>	<b>+3,240</b>	<b>+76,031</b>
<b>Re-shaping Kent Highways Accomodation</b>					
Amended total cash limits	+4,300				+4,300
re-phasing	-1,712	+1,712			0
<b>Revised project phasing</b>	<b>+2,588</b>	<b>+1,712</b>	<b>0</b>	<b>0</b>	<b>+4,300</b>
<b>Kent Thameside Strategic Transport Programme</b>					
Amended total cash limits	+1,290	+1,947	+7,796	+140,034	+151,067
re-phasing	-677	+677			0
<b>Revised project phasing</b>	<b>+613</b>	<b>+2,624</b>	<b>+7,796</b>	<b>+140,034</b>	<b>+151,067</b>
<b>Household Waste Recycling Centres and Transfer Station</b>					
Amended total cash limits	+1,150	+8,932	+1,750	+500	+12,332
re-phasing	-650	+150		+500	0
<b>Revised project phasing</b>	<b>+500</b>	<b>+9,082</b>	<b>+1,750</b>	<b>+1,000</b>	<b>+12,332</b>
<b>Total re-phasing &gt;£100k</b>					
	<b>-5,933</b>	<b>+4,820</b>	<b>+20</b>	<b>+1,093</b>	<b>0</b>
<b>Other re-phased Projects below £100k</b>					
	<b>+16</b>	<b>-16</b>			
<b>TOTAL RE-PHASING</b>	<b>-5,917</b>	<b>+4,804</b>	<b>+20</b>	<b>+1,093</b>	<b>0</b>

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

### 2.1 Waste Tonnage:

	2007-08	2008-09	2009-10	2010-11	
	Waste Tonnage	Waste Tonnage	Waste Tonnage	Waste Tonnage *	Affordable Level
April	70,458	57,688	58,164	55,870	60,394
May	65,256	67,452	64,618	62,248	67,096
June	81,377	80,970	77,842	78,231	80,826
July	65,618	60,802	59,012	60,219	61,274
August	64,779	60,575	60,522	58,951	62,842
September	79,418	74,642	70,367	72,709	73,065
October	60,949	58,060	55,401	57,182	57,526
November	58,574	55,789	55,138		57,252
December	61,041	58,012	57,615		59,825
January	58,515	53,628	49,368		51,260
February	56,194	49,376	49,930		51,845
March	68,936	76,551	73,959		76,795
<b>TOTAL</b>	<b>791,115</b>	<b>753,545</b>	<b>731,936</b>	<b>445,410</b>	<b>760,000</b>

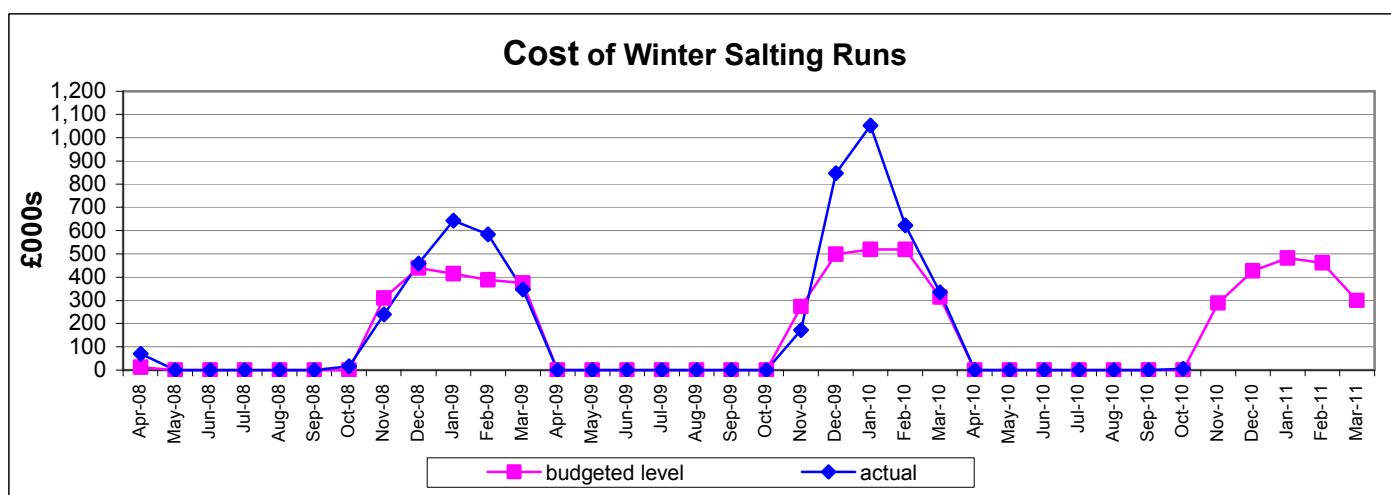
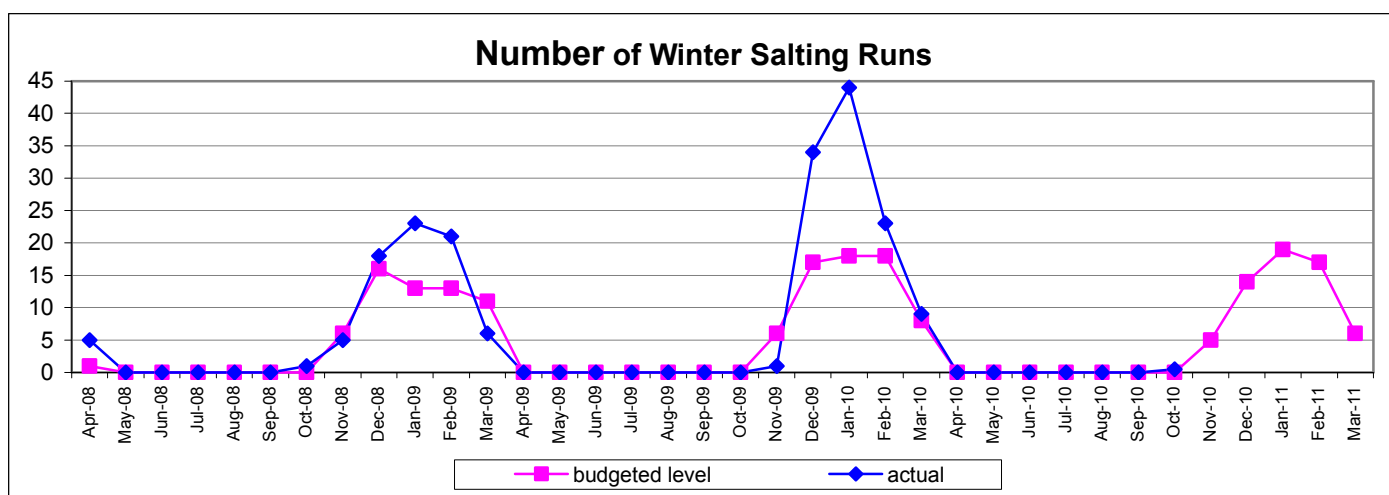
\* Note: waste tonnages are subject to slight variations between quarterly reports as figures are refined and confirmed with Districts



**Comments:** Waste volumes are below the affordable level for the first seven months of 2010-11 and the outturn assumptions in 1.1.3.6 above assume that tonnage will continue to remain below the budgeted levels for the rest of the year. It is estimated that outturn tonnage will 32,000 tonnes below budget based on current figures. However waste may start to increase again at any point, now that the economy is picking up and continued falls in waste cannot be relied upon. An early warning of this may be the September and draft October tonnage figures, which cumulatively are about 4,000 tonnes greater than for the same period last year. The next few months will be watched closely to see if they repeat this upward trend and if this does happen, the forecast underspend will be reduced.

## 2.2 Number and Cost of winter salting runs:

	2008-09				2009-10				2010-11			
	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	-	-	-	-	-	0.5	-	6	-
November	5	6	239	310	1	6	171	273		5		288
December	18	16	458	440	34	17	847	499		14		427
January	23	13	642	414	44	18	1,052	519		19		482
February	21	13	584	388	23	18	622	519		17		461
March	6	11	348	375	9	8	335	315		6		299
<b>TOTAL</b>	<b>79</b>	<b>60</b>	<b>2,357</b>	<b>1,940</b>	<b>111</b>	<b>67</b>	<b>3,027</b>	<b>2,125</b>	<b>0.5</b>	<b>61</b>	<b>6</b>	<b>1,957</b>

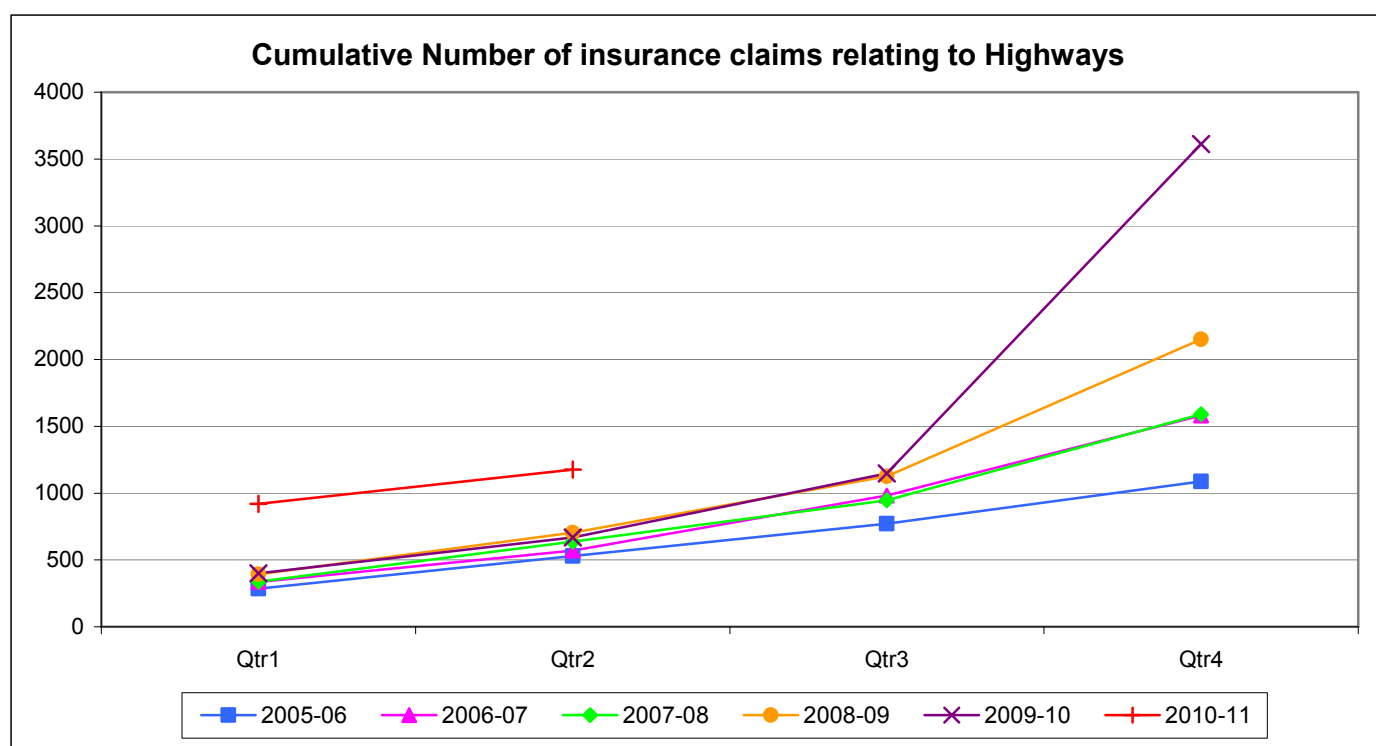


**Comment:**

- The charges for the Winter Maintenance Service reflect two elements of cost: the smaller element being the variable cost of the salting runs undertaken; the major element of costs, relating to overheads and mobilisation within the contract, have been apportioned equally over the 5 months of the salting period.

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

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims
April – June	286	335	337	392	399	919
July – Sept	530	570	637	703	669	1,175
Oct – Dec	771	982	947	1,126	1,148	
Jan - Mar	1,087	1,581	1,590	2,150	3,611	

**Comments:**

- Numbers of claims will continually change 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 5 November 2010.
- The number of claims rose sharply at the end of 2008-09 and 2009-10. 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. Claims for the first two quarters 2010-11 are also significantly above previous years (and will increase as more claims for that period are received in subsequent months).

- The Insurance section continues to work closely with Highways to try to reduce the number of successful claims and currently the Authority is managing to achieve a rejection rate on 2010-11 claims where it is considered that we do not have any liability, of about 89%.
- As previously reported, a new way of charging KHS for highways related insurance claims has been introduced for 2010-11 in order to more accurately reflect the risk and reward associated with managing risk within the Highways service. This will be reviewed at the end of the first year to see whether the new scheme has achieved this objective.