
From: Cabinet Member - Environment, Highways & Waste
Mike Austerberry, Corporate Director - Enterprise & Environment

To: Environment, Highways and Waste Cabinet Committee

Date: 10 January 2013

Subject: Enterprise and Environment Directorate (Environment, Highways and Waste Portfolio) Financial Monitoring 2012/13

Classification: Unrestricted

Summary:

Members of the Cabinet Committee are asked to note the second quarter's full budget monitoring report for 2012/13 reported to Cabinet on 3 December 2012.

FOR INFORMATION

1. Introduction:

- 1.1 This is a regular report to this Committee on the forecast outturn for Enterprise & Environment Directorate (Environment, Highways and Waste Portfolio).

2. Background:

- 2.1 A detailed quarterly monitoring report is presented to Cabinet, usually in September, December and March and a draft final outturn report in either June or July. These reports outline the full financial position for each portfolio and will be reported to Cabinet Committees 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 second quarter's monitoring report for 2012/13 is attached.

3. Enterprise & Environment Directorate 2012/13 Financial Forecast - Revenue

- 3.1 There are no exceptional revenue changes since the writing of the attached quarter 2 report.

4. Enterprise & Environment Directorate/Portfolio 2012/13 Financial Forecast - Capital

4.1 There are no capital movements from the attached quarter 2 report.

5. Recommendations

5.1 Members of the Environment, Highways and Waste Cabinet Committee are asked to note the revenue and capital forecast variances from budget for 2012/13 for the Enterprise & Environment Directorate (Environment, Highways & Waste Portfolio based on the second quarter's full monitoring to Cabinet.

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ENTERPRISE & ENVIRONMENT DIRECTORATE SUMMARY SEPTEMBER 2012-13 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 for the A-Z service analysis have been adjusted since the quarter 1 monitoring report to reflect a number of technical adjustments to budget including the centralisation of training budgets and room hire budgets.
- The inclusion of a number of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 of the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Environment, Highways & Waste portfolio							
E&E Strategic Management & Directorate Support Budgets	8,149	-408	7,741	-201	-79	-280	ICT development costs; saving on feasibility studies
<u>Environment:</u>							
- Environment Management	4,142	-1,526	2,616	0	0	0	
<u>Highways:</u>							
<u>Highways Maintenance:</u>							
- Adverse Weather	3,238	0	3,238	-4	0	-4	
- Bridges & Other Structures	2,685	-239	2,446	-53	53	0	
- General maintenance & emergency response	13,231	-487	12,744	262	0	262	Dual carriageway maintenance; office relocation; depot savings
- Highway drainage	3,244	-82	3,162	700	0	700	Backlog of scheduled cleaning; additional drainage costs due to exceptional adverse weather
- Streetlight maintenance	3,974	-167	3,807	-10	10	0	
	26,372	-975	25,397	895	63	958	
<u>Highways Safety & Management:</u>							
- Development Planning	2,135	-1,283	852	-43	0	-43	
- Highways Improvements	7,718	-50	7,668	-188	2	-186	savings from recent procurement exercise
- Road Safety	3,264	-2,234	1,030	198	-280	-82	Speed awareness and bike training
- Streetlight energy	5,845	0	5,845	-540	0	-540	Energy savings
- Traffic management	5,543	-2,622	2,921	-139	-532	-671	Contract saving; Lane rental scheme development costs; s74 fees and permit scheme

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Environment, Highways & Waste portfolio							
- Tree maintenance, grass cutting & weed control	3,331	-78	3,253	630	-12	618	Increased weed control activity due to exceptional adverse weather; Shrub maintenance; Tree stump removal
	27,836	-6,267	21,569	-82	-822	-904	
Planning & Transport Strategy:							
- Planning & Transport Policy	1,252	-15	1,237	-15	14	-1	
- Planning Applications	1,128	-550	578	-122	122	0	Staffing vacancies held to offset reduced income
	2,380	-565	1,815	-137	136	-1	
Transport Services:							
- Concessionary Fares	16,307	-27	16,280	-205	0	-205	Reduced usage
- Freedom Pass	13,648	-2,459	11,189	391	0	391	Increased usage; education transport policy changes
- Subsidised Bus Routes	9,115	-1,454	7,661	-143	124	-19	Retendering/changing contracts
- Transport Planning	457	-219	238	-24	48	24	
	39,527	-4,159	35,368	19	172	191	
Waste Management							
Recycling & Diversion from Landfill:							
- Household Waste Recycling Centres	8,620	-1,482	7,138	-62	-622	-684	Reduced waste tonnage; income from recyclables
- Partnership & Waste Co-ordination	722	-168	554	-43	14	-29	
- Payments to Waste Collection Authorities (DCs)	5,473	-102	5,371	-462	0	-462	Reduced waste tonnage
- Recycling Contracts & Composting	10,516	-601	9,915	436	-42	394	Increased waste tonnage; slight increase in income from recyclables
	25,331	-2,353	22,978	-131	-650	-781	
Waste Disposal:							
- Closed Landfill Sites & Abandoned Vehicles	764	-180	584	0	0	0	
- Disposal Contracts	29,297	-156	29,141	-2,356	0	-2,356	Reduced waste processed by the Allington WtE plant; waste sent for landfill instead
- Haulage & Transfer Stations	8,575	-75	8,500	-193	0	-193	Reduced waste tonnage
- Landfill Tax	7,165	0	7,165	1,372	0	1,372	Increased landfill due to extended planned maintenance of Allington WtE plant
	45,801	-411	45,390	-1,177	0	-1,177	
Total E, H & W portfolio	179,538	-16,664	162,874	-814	-1,180	-1,994	
Assumed Management Action							
- EHW portfolio						0	
- R&E portfolio						0	
Forecast after Mgmt Action				0	0	0	

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:

Environment, Highways & Waste portfolio:

1.1.3.1 **E&E Strategic Management & Directorate Support Budgets: Gross -£201k, Income -£79k, Net -£280k**

Although there is a forecast gross underspend of -£201k, this includes a pressure of £150k for ICT development costs associated with system contracts being brought back in house from an external contractor. There is a forecast underspend on the Head of Transportation budget of -£175k due to a reduction in spend on feasibility studies for major transportation projects to cover the pressures elsewhere in the division. There are a number of other gross underspends all less than £100k which total -£176k and include savings on an annual management charge and staff vacancies.

1.1.3.2 **Highways:**

Overall the Highways Division is forecasting a net pressure of £54k. All variances over £100k are detailed below:

1.1.3.2.1 **Highways Maintenance**

a. **General Maintenance & Emergency Response: Gross +£262k, Income Nil, Net +£262k**

The £262k gross pressure on this budget includes a forecast pressure of £232k for dual carriageway maintenance. In addition there is a £120k pressure for relocating the Transport Integration team to the Aylesford Highways depot. Highways depots are forecasting an underspend of £111k including underspends on both depot maintenance and energy costs.

b. **Highway Drainage: Gross +£700k, Income Nil, Net +£700k**

There is a gross pressure of £500k for additional drainage costs due to the exceptional wet weather and £200k to cover the costs of a backlog in scheduled gully cleaning.

1.1.3.2.2 **Highways Safety & Management**

a. **Highway Improvements: Gross -£188k, Income +£2k, Net -£186k**

The gross underspend of £188k includes savings from a recent procurement exercise of -£179k on the resurfacing budget to ease the pressure on the drainage budget (section 1.1.3.2.1.b above).

b. **Road Safety: Gross +£198k, Income -£280k, Net -£82k**

The forecast pressure on this budget includes +£332k of additional costs relating to speed awareness courses which are offset by increased income of £459k. There has been a reduction in expenditure on bike training of -£76k together with a corresponding reduction in income from schools and the Department of Transport of £109k. There are a number of other minor gross and income variances all less than £100k in value.

c. **Streetlight energy: Gross -£540k, Income Nil, Net -£540k**

There is a forecast underspend on streetlight energy of -£540k as the funding awarded for price increases in the 2012-13 budget build has proved to be in excess of what has been required.

d. **Traffic Management: Gross -£139k, Income -£532k, Net -£671k**

There is a gross pressure on this budget of £145k for development costs in respect of a new lane rental scheme where companies will pay to rent lanes whilst undertaking work on the most critical/busiest roads of our road network. This is a one-off cost for 2012-13 and the scheme if approved, will yield income for future years. These set up costs are declared as an overspend but will be requested to roll forward to be offset against future income streams once the implementation of the scheme is approved by the Department of Transport and the Cabinet Member for EH&W. Under the terms of the proposed scheme the Council would retain revenues

obtained from charges to meet the costs incurred for operating the Kent Lane Rental Scheme (KLRS), with any surplus revenue used for initiatives associated with the objectives of the KLRS within the areas of transportation, enabling infrastructure and industry practices and research and development. A Board including representatives from each utility area (i.e. gas, communications, water and electricity) and from Kent County Council will oversee the administration of the surplus revenues. **Cabinet is asked, pending approval of the scheme by the Department of Transport, to agree that surplus funds from the KLRS be transferred to a new specific earmarked reserve and drawn down as expenditure is incurred in line with initiatives approved by the Board.**

There is also an underspend of £260k as a result of the transfer of staff and contracts back to the council from an external contractor.

The forecast additional income of -£532k has resulted from a combination of section 74/road closure fees (-£206k) and income from Permit Scheme (-£326k). Section 74 fees are recovered from works promoters (utility companies etc) who have taken an unreasonably prolonged occupation of the highway and the additional Permit fee income reflects the recovery of the full costs incurred, including Directorate and Corporate overheads, which are not charged directly to this budget line.

- e. Tree maintenance, grass cutting & weed control: Gross +£630k, Income -£12k, Net +£618k
The forecast pressure on this budget, due to additional activity on weed control that has arisen as a result of the particularly rainy spring and summer months, has increased to +£216k and weather conditions in the past few months have also impacted on shrub maintenance activity leading to a further pressure of +£150k. There is also a pressure of +£252k due to the removal of tree stumps.

1.1.3.3 **Planning & Transport Strategy:**

- a. Planning Applications: Gross -£122k, Income +£122k, Net Nil
Although there is no net variance on this budget, there is a gross variance of -£122k which primarily results from -£104k of staffing vacancies which are being held to offset an under-recovery in income of +£122k, largely relating to reduced income from planning applications.

1.1.3.4 **Transport Services:**

- a. Concessionary Fares: Gross -£205k, Income Nil, Net -£205k
The reduction in usage, probably due to the poor summer weather, has led to a forecast underspend on this budget line of £205k due to fewer journeys travelled.
- b. Freedom Pass: Gross +£391k, Income Nil, Net +£391k
There is a pressure forecast for the freedom pass budget of +£391k due to an increase in the number of passes in issue, of which +£246k is estimated to be as a result of changes in education transport policy, namely the withdrawal of free home to school transport for new entrants to selective and denominational schools.
- c. Subsidised Bus routes: Gross -£143k, Income +£124k, Net -£19k
The gross underspend of £143k and similar corresponding shortfall in income comprises of a number of small variances all under £100k, including reduced costs and income due to the re-tendering of local bus services, reduced costs and income following the transfer of services to a voluntary organisation and reduced costs and income due to the number of entitled scholars using the subsidised bus network.

1.1.3.5 **Waste Management:**

Overall the Waste Management Division is forecasting a net underspend of £1,958k.

The waste tonnage for the first six months of 2012-13 is 4,698 tonnes below the affordable level to the end of September. This indicates that waste tonnage will be below the affordable level for the year and an estimated overall tonnage of 720,400 tonnes is predicted, which is 9,600 tonnes below the affordable level. This contributes to an overall forecast underspend on the waste budgets of £1,958k. The levels of waste tonnage will continue to be carefully reviewed as part of the regular monitoring process to Cabinet. Waste tonnage trends are shown in section 2.4 of this annex.

1.1.3.5.1 Recycling & Diversion from Landfill

a. Household Waste Recycling Centres: Gross -£62k, Income -£622k, Net -£684k

A small underspend of -£62k on gross expenditure is due to a slight tonnage reduction in the first six months of this year, however there is significant additional income of £622k. The new contract for textiles, agreed last December, is generating an additional £390k, and income on lead acid batteries is adding a further £120k. There are also small over-recoveries in income from glass, paper and card, and metal. However concern remains that the prices paid for recycled metals may reduce and the impact on the income forecast will need to be re-assessed in future monitoring reports.

b. Payments to Waste Collection Authorities (District Councils): Gross -£462k, Income Nil, Net -£462k

A gross underspend of £462k is forecast due to a decrease in waste and recyclables being managed by the District Councils of approximately 7,300 tonnes.

c. Recycling Contracts & Composting: Gross +£436k, Income -£42k, Net +£394k

The tonnage for recycling and composting is approximately 5,200 tonnes over budget due to an increase in food and garden waste composting, resulting in a pressure of £436k in this financial year.

1.1.3.5.2 Waste Disposal

a. Disposal Contracts: Gross -£2,356k, Income Nil, Net -£2,356k

A gross underspend of £2,356k is forecast for this budget as a result of reduced contractual payments of £2,831k to the operators of the Allington Waste to Energy Plant due to extended planned maintenance, which has resulted in less tonnage being processed at the plant than previously forecast. However, for the same reason, part of this underspend has been offset by an increase in spend of £475k on Landfill Disposal Contracts due to more waste being diverted to landfill; this has also resulted in a corresponding increase in landfill tax referred to in section c) below. Overall the final tonnage figure is expected to be 7,500 tonnes under the affordable level.

b. Haulage and Transfer Stations: Gross -£193k, Income Nil, Net -£193k

This line is forecasting a gross underspend of £193k as a result of the overall forecast reduction in waste tonnage.

c. Landfill Tax: Gross +£1,372k, Income Nil, Net +£1,372k

The increased level of waste sent for landfill referred to in section 1.1.3.5.2a above generates a forecast pressure of £1,372k.

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	Landfill Tax - Additional waste (approx. 21,500 tonnes) sent to landfill due to extended planned maintenance at the Allington WtE Plant. Offset by reduced contractual payments in Disposal Contracts.	+1,372	EHW	Disposal Contracts - reduced level of residual waste being processed at the Allington Waste to Energy plant and sent to landfill due to extended planned maintenance	-2,831
EHW	Highways: Highways Drainage - additional costs due to exceptional wet weather conditions	+500	EHW	Highways: Streetlight energy	-540
EHW	Disposal Contracts - additional volumes of waste (approx 21,500 tonnes) sent to landfill as a result of the extended planned maintenance at the Allington WtE Plant. Offset by reduced contractual payments in Disposal Contracts.	+475	EHW	Payments to Waste Collection Authorities (District Councils) - reduced tonnage meaning reduced level of recycling credits paid to Districts	-462
EHW	Recycling Contracts and Composting - increased level of waste	+436	EHW	Highways: Road Safety - increased income for speed awareness courses to cover increased costs	-459
EHW	Highways: Road Safety - increased speed awareness costs offset by increased income	+332	EHW	Household Waste Recycling Centres - additional income from textiles contract	-390
EHW	Highways: Tree maintenance, grass cutting and weed control - Tree stump removal	+252	EHW	Highways: Traffic Management - Permit Scheme income	-326
EHW	Transport Services: Freedom Pass - change of education transport policy	+246	EHW	Highways: Traffic Management - contract saving	-260
EHW	Highways: General maintenance and emergency response - dual carriageway maintenance	+232	EHW	Highways: Traffic Management - s74 and road closure income	-206
EHW	Highways: Tree maintenance, grass cutting and weed control - Additional weed control activity due to exceptional adverse weather	+216	EHW	Transport Services: Concessionary Fares - reduced usage	-205
EHW	Highways: Highways Drainage - backlog of scheduled cleaning	+200	EHW	Haulage & Transfer Stations - waste tonnage below affordable level	-193
EHW	Strategic Management & Directorate Support Budgets - ICT development costs	+150	EHW	Highways: Highways Improvements - savings from procurement exercise on resurfacing budget to offset drainage pressures	-179
EHW	Highways: Tree maintenance, grass cutting and weed control - Shrub maintenance	+150	EHW	Strategic Management & Directorate Support - saving on feasibility studies for major Transportation projects	-175
EHW	Highways: Traffic Management - Lane rental scheme development costs	+145	EHW	Household Waste Recycling Centres - income from lead acid batteries	-120
EHW	Transport Services: Freedom Pass - increased usage	+145	EHW	Highways: General maintenance and emergency response - depots maintenance and energy	-111
EHW	Planning Applications - under recovery of income due to reduced number of planning applications; offset by vacancies within staffing	+122	EHW	Planning Applications - staffing vacancies offsetting reduced income from planning applications	-104

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
EHW	Highways: General maintenance and emergency response - relocation of Transport Integration Team	+120			
EHW	Highways: Road Safety - reduced income for bike training	+109			
		+5,202			-6,561

1.1.4 Actions required to achieve this position:

None

1.1.5 Implications for MTFP:

Highways Safety and Management:

The underspend on street light energy reported in 1.1.3.2.2.c will be matched by a planned budget reduction in the 2013-16 MTFP.

Waste Management:

The extra income from sale of recyclable materials reported in 1.1.3.5.1.a is forecast to continue in future years and the income budget will be increased in the 2013-16 MTFP for this.

In addition, based on current year tonnage levels to date and expected changes as a result of recent waste initiatives, there is scope to reduce budgeted waste tonnage for 2013-14 for somewhere between 10,000 and 15,000 tonnes, to save up to £1.5m.

1.1.6 Details of re-phasing of revenue projects:

There is a forecast pressure on the lane rental scheme which is a one-off cost for 2012-13 and the scheme if approved, will yield income for future years. These set up costs are declared as an overspend but will be requested to roll forward to be offset against future income streams once the implementation of the scheme is approved by the Department of Transport and the Cabinet Member for EH&W.

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

None

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.

1.2.2 The Enterprise & Environment Directorate has an approved budget for 2012-15 of £173.875m (see table 1 below). The forecast outturn against this budget is £179.750m, giving a variance of £5.875m. After adjustments for funded variances and reductions in funding, the revised variance comes to -£3.580m (see table 3).

1.2.3 Tables 1 to 3 summarises the Directorate's approved budget and forecast.

1.2.4 Table 1 – Revised approved budget

	£m
Approved budget last reported to Cabinet	173.875
Approvals made since last reported to Cabinet	0.000
Revised approved budget	173.875

1.2.5 Table 2 – Funded and Revenue Funded Variances

Cabinet to agree cash limit changes:	£m	
Integrated transport	-0.013	
Highway Major Maintenance	6.000	Revenue funded
No cash limit changes to be made:		
Integrated transport	0.630	
Non TSG Land Compensation	0.185	
Member Highway Fund	-0.018	
A2 Cyclopark	0.018	
Victoria Way	0.033	
Drovers Roundabout	1.451	
Highway Major Maintenance	0.950	Revenue funded
Member Highway Fund	0.377	Revenue funded
Energy Water Efficiency	0.286	Revenue funded
A2 Cyclopark	0.012	Revenue funded
Total	9.911	

1.2.6 Table 3 – Summary of Variance

Unfunded variance	0.120
Funded variance (from table 2)	2.286
Variance funded by revenue (from table 2)	7.625
Project Underspend	-0.456
Rephasing (to 2015-16)	-3.700
Total variance	5.875

Project Underspends

1.2.7 The project underspend comprises two major schemes – Sittingbourne Northern Relief Road and East Kent Access Phase 2. It should be noted that if the forecast underspends come to fruition, the related funding would need to be repaid, and will therefore not be available to be used for other purposes.

Main reasons for variance

1.2.8 Table 4 below details each scheme, indicating all variances and the status of the scheme. Each scheme with a Red or Amber status will be explained including what is being done to get the scheme back to budget/on time.

Table 4 – Scheme Progress

Scheme name	Total cost	Previous	2012-15	Later	2012-15	Later	2012-15	Total project	Status
	£m	£m	£m	£m	£m	£m	£m	£m	
	(a) = b+c+d	(b)	(c)	(d)	(e)	(f)	(g) = (e-c)	(h)=(b+e+f)-a	
Major Scheme- Preliminary Design Fees	0.900	0.000	0.900	0.000	0.900	0.000	0.000	0.000	
Highway Major Maintenance	149.823	0.000	90.157	59.666	97.107	59.666	6.950	6.950	
Member Highway Fund	6.898	0.000	6.898	0.000	7.257	0.000	0.359	0.359	
Integrated Transport Scheme	17.307	0.000	11.191	6.116	11.808	6.116	0.617	0.617	
A2 slip Road	0.056	0.000	0.056	0.000	0.056	0.000	0.000	0.000	
Commercial Services Vehicle Plant & Equipment	5.100	0.000	3.800	1.300	3.800	1.300	0.000	0.000	
Non TSG Land , Compensation Claims and Blight	2.967	0.000	2.967	0.000	3.152	0.000	0.185	0.185	
Energy & Water Investment Funds-External	0.560	0.445	0.115	0.000	0.778	0.010	0.663	0.673	
Energy and Water Efficiency Investment	1.989	1.173	0.736	0.080	0.359	0.010	-0.377	-0.447	
Coldharbour Gypsy site	1.861	0.314	1.547	0.000	1.667	0.000	0.120	0.120	real
Sandwich Sea Defences	3.640	0.000	3.640	0.000	2.624	1.016	-1.016	0.000	phasing
Hernebay Site Improvement	1.595	0.306	1.289	0.000	1.289	0.000	0.000	0.000	
East Kent Waste Facilities	4.597	3.021	1.576	0.000	1.576	0.000	0.000	0.000	
East Kent Waste Facilities-Ashford TS	0.750	0.287	0.463	0.000	0.463	0.000	0.000	0.000	
Ashford Transfer Station	4.250	0.000	4.250	0.000	4.250	0.000	0.000	0.000	
LTP- A228 Leybourne and West Malling Imp	28.579	28.560	0.019	0.000	0.019	0.000	0.000	0.000	
Ashford Ring Road	15.554	15.457	0.097	0.000	0.097	0.000	0.000	0.000	
Sittingbourne Northern Relief Road	31.705	28.356	3.312	0.037	2.719	0.450	-0.593	-0.180	
East Kent Access PH2	87.001	81.317	5.684	0.000	2.876	2.532	-2.808	-0.276	
Rushenden Link Road	11.468	10.655	0.813	0.000	0.813	0.000	0.000	0.000	
Re-shaping Kent Highways Accommodation	22.073	21.928	0.145	0.000	0.145	0.000	0.000	0.000	
A2 Cyclo Park	8.583	7.569	1.014	0.000	1.044	0.000	0.030	0.030	
Victoria Way Ph 1	18.552	17.843	0.709	0.000	0.742	0.000	0.033	0.033	risk
Ashford-Drover's Roundabout junct.	20.543	20.393	0.150	0.000	1.601	0.000	1.451	1.451	risk

Scheme name	Total cost	Previous spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast spend	Later Years Forecast spend	2012-15 Variance	Total project variance	Status Red/amber /green
	£m	£m	£m	£m	£m	£m	£m	£m	
	(a) = b+c+d	(b)	(c)	(d)	(e)	(f)	(g) = (e-c)	(h)=(b+e+f)-a	
Swale Transfer Station	3.630	0.000	3.630	0.000	3.630	0.000	0.000	0.000	
HWRC-Ton & Malling	2.300	0.000	2.300	0.000	0.500	1.800	-1.800	0.000	
HWRC-West Kent	2.600	0.000	0.000	2.600	0.000	2.600	0.000	0.000	
Mid Kent Joint Waste Project	4.440	0.000	4.440	0.000	4.440	0.000	0.000	0.000	
Growth without Gridlock	10.000	0.000	10.000	0.000	7.500	2.500	-2.500	0.000	
Kent Thameside Strategic Transport Programme	145.331	0.670	9.071	135.590	10.032	105.498	0.961	-29.131	
Street Lighting Timing	2.906	0.000	2.906	0.000	2.906	0.000	0.000	0.000	
Orchard Way Railway Bridge	15.000	0.000	0.000	15.000	0.000	15.000	0.000	0.000	
A28 Chart Road	15.000	0.000	0.000	15.000	3.600	13.000	3.600	1.600	real
A228 Colts Hill Strategic Link	25.000	0.000	0.000	25.000	0.000	25.000	0.000	0.000	
South East Maidstone Strategic Route	35.000	0.000	0.000	35.000	0.000	35.000	0.000	0.000	
TOTAL	707.558	238.294	173.875	295.389	179.750	271.498	5.875	-18.016	

1.2.9 Status:

Green – Projects on time and budget

Amber – Projects either delayed or over budget

Red – Projects both delayed and over budget

1.2.10 Assignment of Green/Amber/Red Status

1.2.11 Projects with variances to budget will only show as amber if the variance is unfunded, i.e. there is no additional grant, external or other funding available to fund.

1.2.12 Projects are deemed to be delayed if the forecast completion date is later than what is in the current project plan

Amber and Red Projects – variances to cost/delivery date and why.

- 1.2.13 Coldharbour Gypsy site: (Real overspend +£0.120m) The overspend is mainly due to unplanned works to be carried out by utility companies to avoid any damage to the existing cables and pipes. The initial survey did not pick up these anomalies. Action is being taken to find additional external funding to cover the overspend.
- 1.2.14 Sandwich Sea Defence: (Re-phasing beyond 2012-15 -£1.016m). The schedule of planned contributions from KCC now reflects the anticipated progression of the scheme, giving more realistic phasing, as was reported in the last exception report to Cabinet.
- 1.2.15 Drovers Roundabout-M20 J9 and Victoria Way: (Risk) These schemes have been classed as amber due to the risk around these. As previously reported contractors' claims assessments and the negotiations are still ongoing. The assessment and the negotiation are showing good progress, however the full extent of the final costs have not yet been resolved.
- 1.2.16 A28 Chart Road (Real overspend in later years of +£1.600m) This project is likely to be delivered in phases, as funding streams are confirmed. The initial phase has funding approval in principle from the Growing Places fund. It is unlikely to require planning consent on land and should therefore be able to deliver soon. Other phases are likely to be related to the rate of development in South Ashford. The forecast overspend is anticipated to be funded from developer contributions.

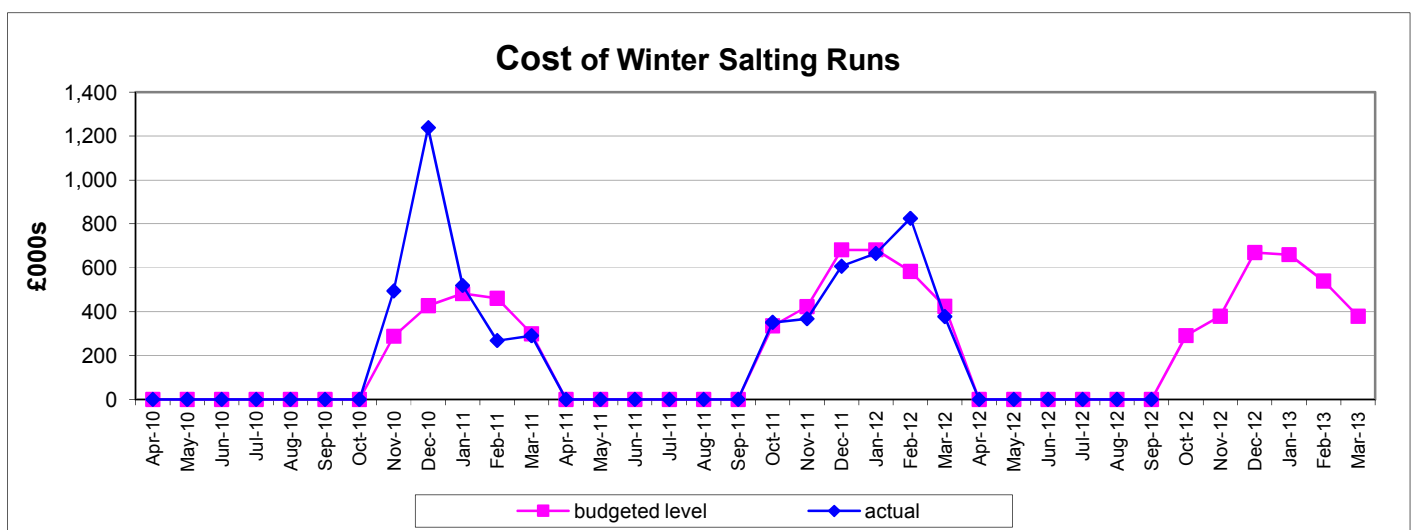
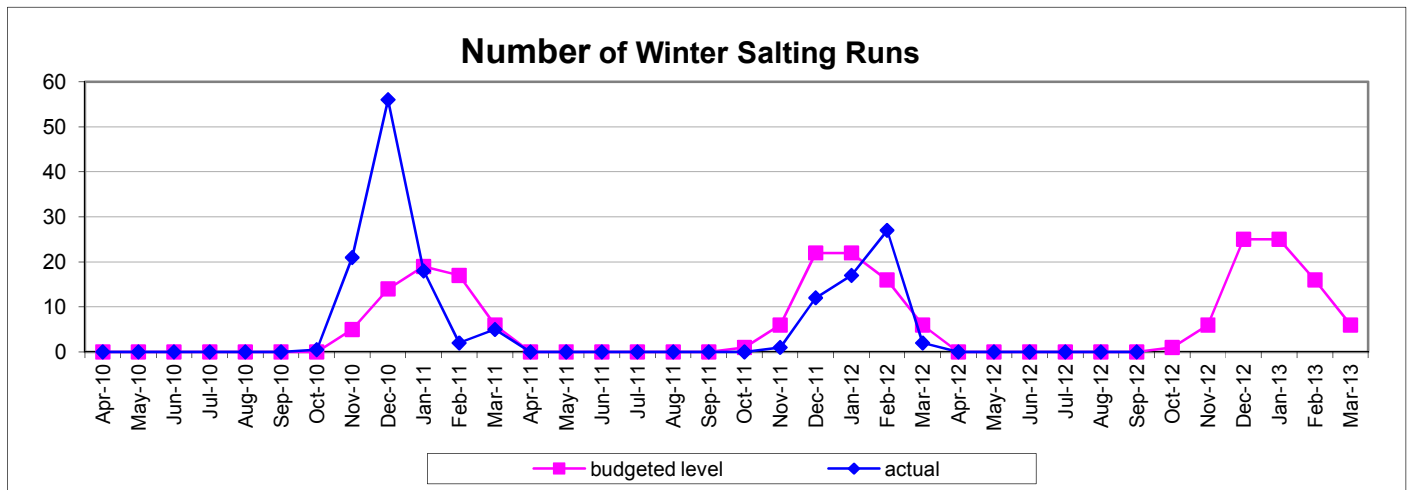
Key Issues and Risks

- 1.2.17 Kent Thameside Strategic Transport Programme - As previously reported the funding gap for delivery of this programme over the next 15-20 years still remains unsolved. At present the delivery of the programme is being managed within the level of funding available.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number and Cost of winter salting runs:

	2010-11				2011-12				2012-13			
	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	-	-	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-	-	-
October	0.5	-	6	-	0	1	351	335	1	-	291	-
November	21	5	494	288	1	6	368	423	6	-	379	-
December	56	14	1,238	427	12	22	607	682	25	-	670	-
January	18	19	519	482	17	22	665	682	25	-	660	-
February	2	17	268	461	27	16	825	584	16	-	540	-
March	5	6	291	299	2	6	378	425	6	-	379	-
TOTAL	102.5	61	2,816	1,957	59	73	3,194	3,131	-	79	-	2,919

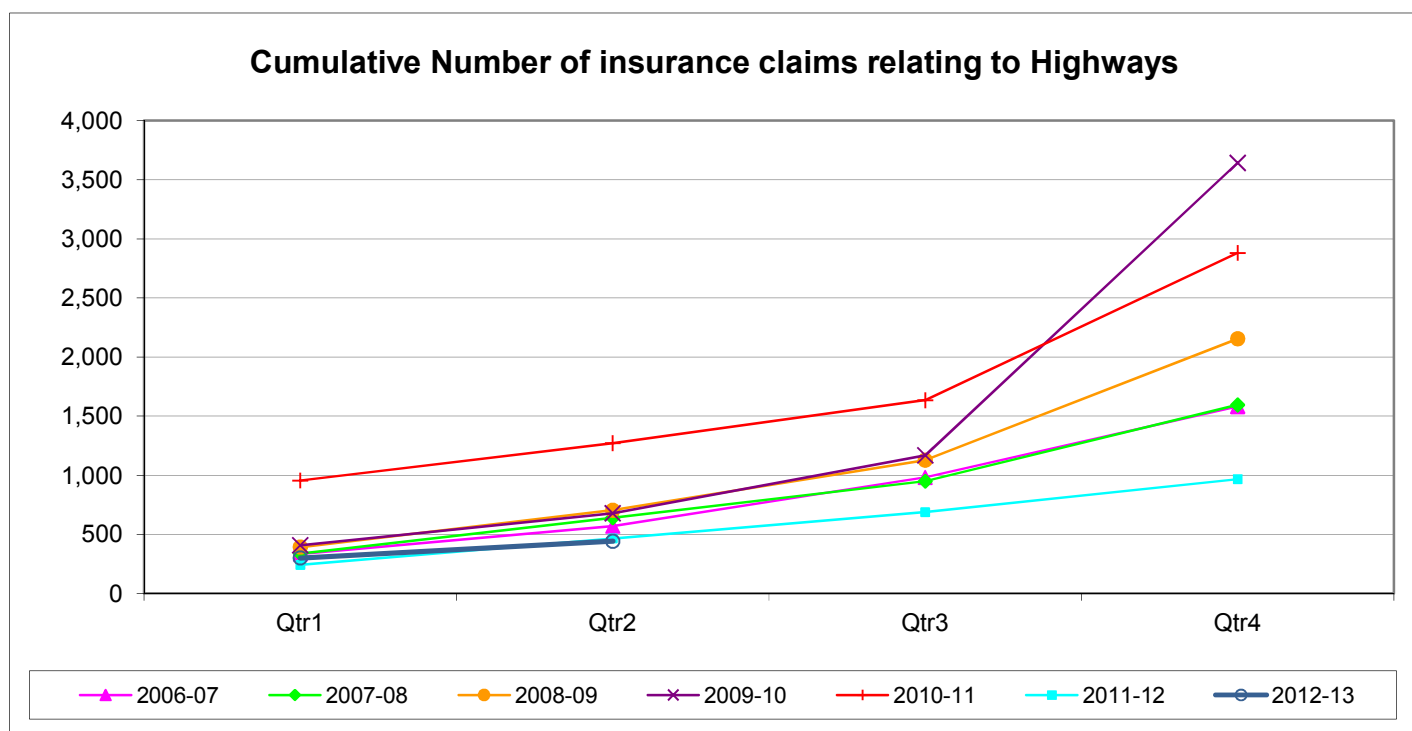


Comment:

- Under the old Ringway contract, local and specific overheads, plus depot charges were budgeted for and dealt with separately, these costs were therefore not included in the winter service expenditure figures, whereas the new Enterprise contract is an all inclusive price so these costs are now included in the graph, hence the apparent increase in the budgeted cost in 2011-12 and 2012-13 compared to previous years.
- Although the budgeted number of salting runs is higher in 2012-13 than in 2011-12, the budgeted cost is lower because 2011-12 was a transition year due to the change in contractor from Ringway to Enterprise and in 2012-13 the full year efficiency savings will be realised, hence the reduction in the budgeted costs.
- It had been anticipated that the generally mild winter in 2011-12 would mean that the number and cost of salting runs would be below budget. However, the snow emergency in February 2012 required emergency salting runs, which were more expensive than the routine salting runs due to a higher rate of spread of salt than originally budgeted. Also, additional costs were incurred as part of the new Winter Policy introduced for 2011-12, as smaller vehicles needed to be leased in order to service parts of the routes that were inaccessible to the larger vehicles (approx £140k) and some of the salting routes were extended in order to meet local needs. This resulted in outturn expenditure of £3.194m against a budget of £3.131m, despite the number of salting runs being below the budgeted level.

2.2 Number of insurance claims arising related to Highways:

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	Cumulative no. of claims	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	335	337	393	407	956	242	301
July-Sept	570	640	704	679	1,271	465	442
Oct-Dec	982	950	1,128	1,168	1,635	688	
Jan- Mar	1,581	1,595	2,155	3,642	2,881	968	

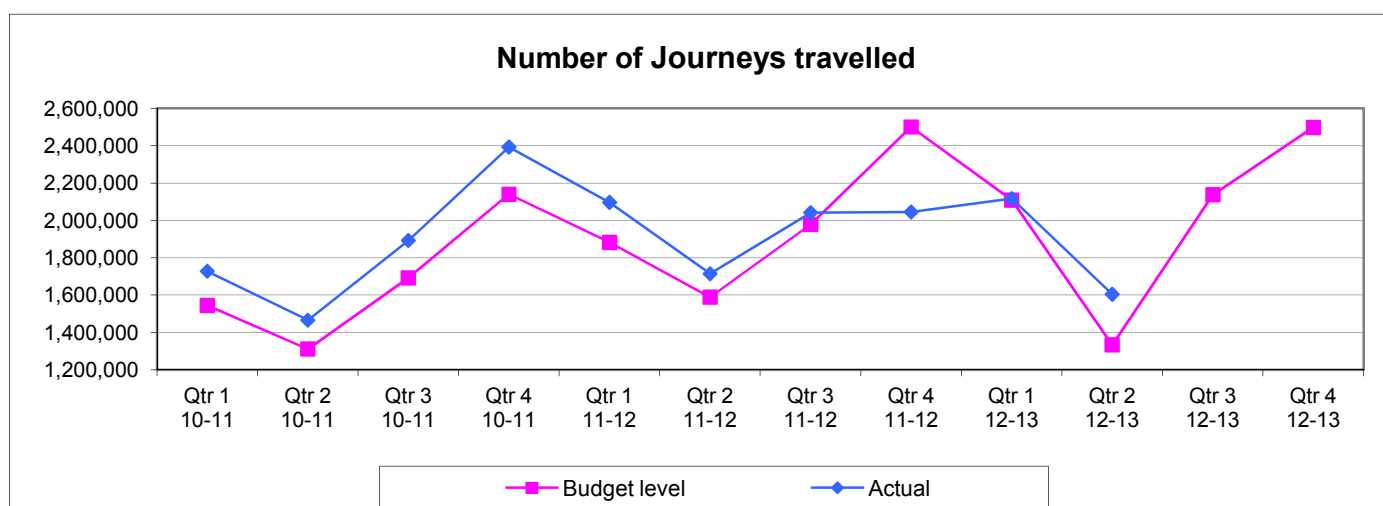
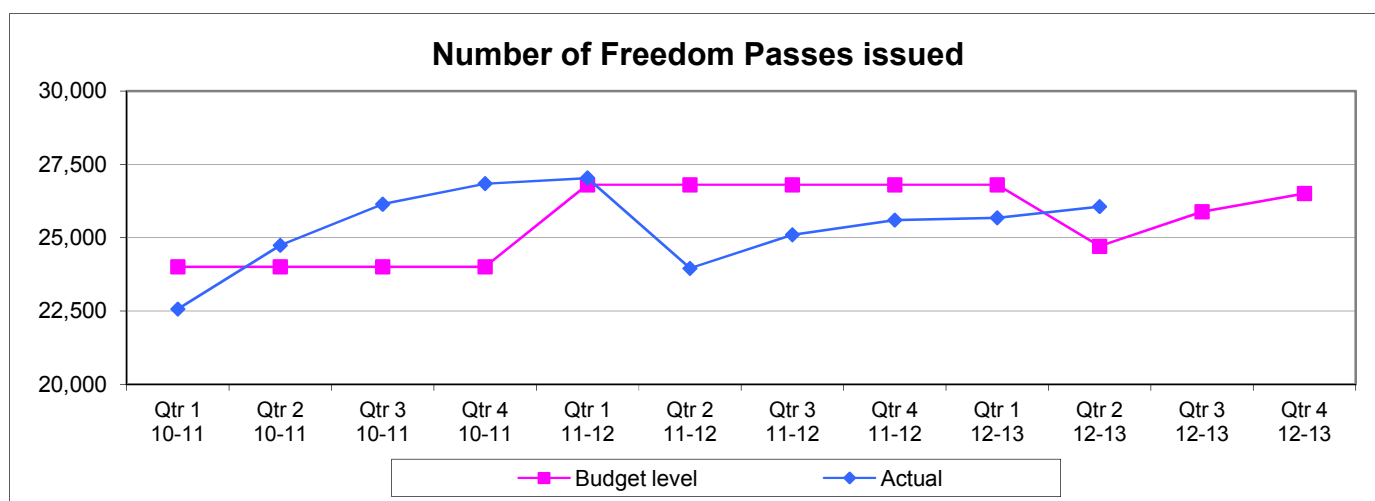


Comments:

- Numbers of claims will continually change as new claims are received relating to incidents 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 30 September 2012.
- Claims were high in the three years from 2008-09 to 2010-11 largely due to the particularly adverse weather conditions and the consequent damage to the highway along with some possible effect from the economic downturn. These claim numbers are likely to increase further as more claims are received for incidents which occurred during the period of the bad weather.
- Claims were lower in 2011-12 than in recent years. This could be due to many factors including: an improved state of the highway following the find and fix programmes of repair, an increased rejection rate on claims, and a mild winter. Also, it is likely that these claim numbers will increase as new claims are received relating to incidents occurring in previous years as explained in the first bullet point above.
- The Insurance section continues to work closely with Highways to try to reduce the number of claims and currently the Authority is managing to achieve a rejection rate on 2012-13 claims where it is considered that we do not have any liability, of about 87%.

2.3 Freedom Pass - Number of Passes issued and Journeys travelled:

	2010-11				2011-12				2012-13			
	Passes		Journeys travelled		Passes		Journeys travelled		Passes		Journeys travelled	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
Qtr 1 April - June	24,000	22,565	1,544,389	1,726,884	26,800	27,031	1,882,098	2,095,980	26,800	25,668	2,108,385	2,116,536
Qtr 2 July - Sept	24,000	24,736	1,310,776	1,465,666	26,800	23,952	1,588,616	1,714,315	24,703	26,051	1,332,935	1,603,400
Qtr 3 Oct - Dec	24,000	26,136	1,691,828	1,891,746	26,800	25,092	1,976,884	2,040,713	25,877		2,136,769	
Qtr 4 Jan - Mar	24,000	26,836	2,139,053	2,391,818	26,800	25,593	2,499,462	2,045,000	26,500		2,497,561	
			6,686,046	7,476,114			7,947,060	7,896,008			8,075,650	3,719,936



Comments:

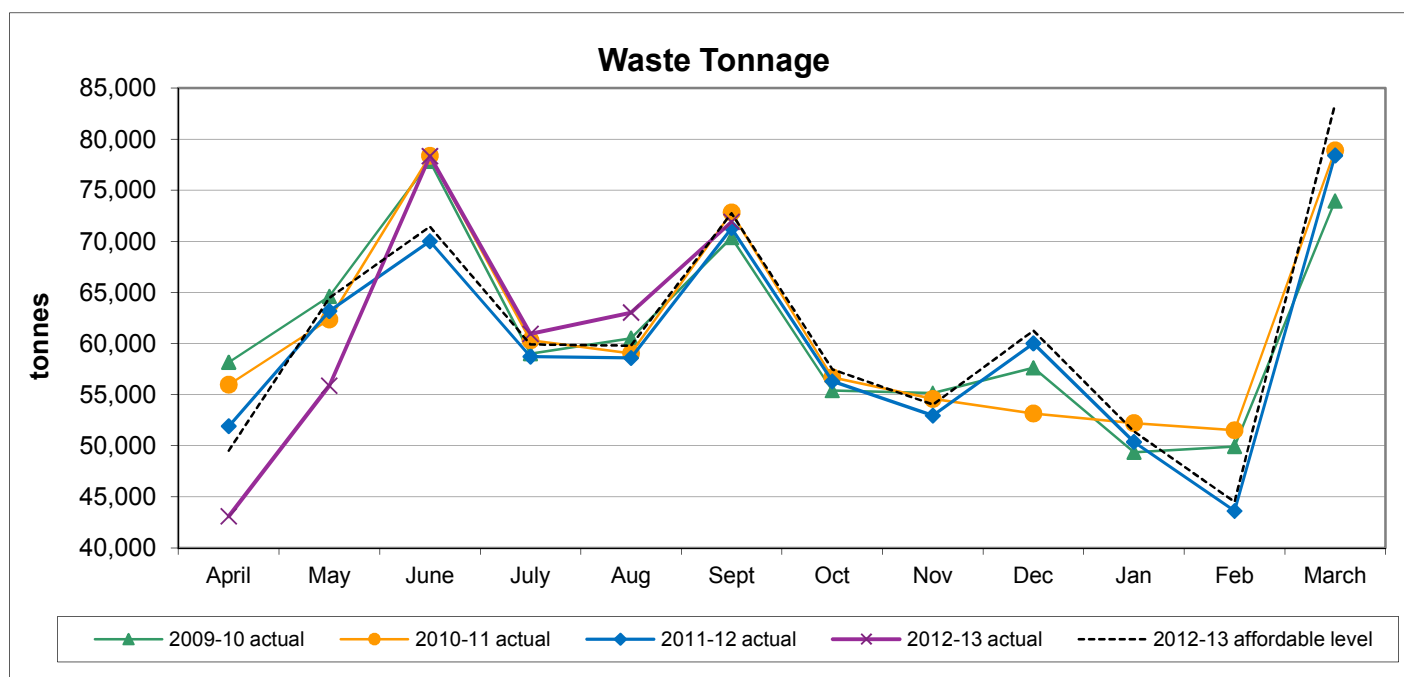
- As predicted the number of Kent Freedom Passes has fallen slightly since the fee increase in 2011-12, but those who possess a pass are frequent/heavy users of the scheme. Applications are now being received for the new school year and this data will be used to review future expenditure against budget for the next quarterly review.

- The above figures do not include journeys travelled relating to free home to school transport as these costs are met from the Education, Learning & Skills portfolio budget and not from the Kent Freedom Pass budget.

2.4 Waste Tonnage:

	2009-10	2010-11	2011-12	2012-13	
	Waste Tonnage	Waste Tonnage	Waste Tonnage	Waste Tonnage *	Affordable Level
April	58,164	55,975	51,901	43,094	49,499
May	64,618	62,354	63,168	55,875	64,467
June	77,842	78,375	70,006	78,334	71,446
July	59,012	60,310	58,711	60,936	59,919
August	60,522	59,042	58,581	63,028	59,787
September	70,367	72,831	71,296	71,916	72,763
October	55,401	56,690	56,296		57,454
November	55,138	54,576	52,942		54,031
December	57,615	53,151	60,009		61,244
January	49,368	52,211	50,366		51,403
February	49,930	51,517	43,607		44,504
March	73,959	78,902	79,469		83,483
TOTAL	731,936	735,934	716,351	373,183	730,000

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



Comments:

- The March 2012 actual figure has been adjusted to take account of revised data received from districts.
- It has been necessary to revise the affordable tonnage levels for April and March to reflect the actual number of days in each accounting period. Historically contracts with service providers have been on the basis of a four/four/five week cycle of accounting periods (with weeks ending on a Sunday), rather than on calendar months, and reported waste tonnages have reflected this. It is expected that by April 2013 all service providers will have transferred to a calendar month basis.
- These waste tonnage figures include waste processed either through Allington Waste to Energy plant or landfill, recycled waste and composting.
- To date, the cumulative tonnage activity for the first six months is approximately 4,698 tonnes less than the affordable level for the same period, and this reduction is reflected in the current forecast in section 1.1.3.5 of this annex which assumes waste volumes will be approximately 9,600 tonnes below budget by year end.

- Waste tonnages will continue to be carefully reviewed as part of the regular monitoring process to Cabinet.