

**FROM:** Bryan Sweetland, Cabinet Member for Environment, Highways & Waste  
Mike Austerberry, Corporate Director – Enterprise & Environment

**TO:** Environment, Highways & Waste Cabinet Committee – 20th September 2012

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

**Classification:** Unrestricted

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**Summary:**

Members of the Cabinet Committee are asked to note the first quarter's full budget monitoring report for 2012/13 reported to Cabinet on 17 September 2012.

**FOR INFORMATION**

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**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 Enterprise & Environment directorate annex from the first 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 1 report.

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

4.1 There are no exceptional capital changes since the writing of the attached quarter 1 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 and Waste Portfolio) based on the first quarter's full monitoring to Cabinet.

### **Contact**

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## ENTERPRISE & ENVIRONMENT DIRECTORATE SUMMARY JUNE 2012-13 FULL MONITORING REPORT

### 1. FINANCE

#### 1.1 REVENUE

1.1.1 The cash limits that the Directorate is working to, **and upon which the variances in this report are based**, include adjustments for both formal virement and technical adjustments, the latter being where there is no change in policy. The Directorate would like to request formal virement through this report to reflect adjustments to cash limits required for the following changes required in respect of the allocation of previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process. This primarily relates to transfers between A-Z lines to reflect the agreed contract with Enterprise. In addition, Highways and Transportation gross and income budgets have been realigned in the light of 2011-12 outturn. These adjustments have had an impact on the gross and income budgets which has reduced them both by £0.605m. Within Environment Management gross and income budgets have reduced by £1.304m reflecting realignment in respect of Kent Downs Area of Outstanding Natural Beauty that was not included in the original budget.

A reduction to gross and income budgets has also been made within Public Transport of £0.915m, which predominantly reflects a revision to the income and costs related to the Freedom pass. Changes to the gross and income budgets within Waste Management and Waste Disposal have also been reflected, as a result of revisions to contract prices affecting both spend and income levels and the use of new waste processing outlets for managing various recycle waste streams, all of which were not known when the budget was set. These amount to an increase of £0.042m in the gross budget and a similar increase in the income budget.

Within the Regeneration and Economic Development portfolio there have been revisions to the Development Staff and Projects budget to reflect changes in the external funding of a number of projects. This has decreased gross by £0.606m and income by £0.568m; the difference of -£0.038m affects the element of this budget that sits within the Business Strategy and Support Directorate hence a corresponding increase is shown within Annex 6 of this report.

There have also been a number of corporate adjustments to cash limit to reflect the allocation of £6m roll forward from 2011-12 as approved by Cabinet in June and a further £0.188m roll forward from 2011-12 as approved by Cabinet on 9 July, together with the transfer of responsibilities between units where the effects of the Council restructure are still being refined. These adjustments total -£0.429m against the gross budget.

Therefore the overall movement in cash limits shown in table 1a below is an increase in the gross expenditure budget of £2.371m (-£0.605m - £1.304m - £0.915m + £0.042m + £6.188m - £0.606m - £0.429m from above) and a reduction in the income budget of £3.350m (+£0.605m + £1.304m + £0.915m - £0.042m + £0.568m from above).

Table 1a shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with roll forward from 2011-12 as approved by Cabinet in June and July and the inclusion of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 to the executive summary of the 17<sup>th</sup> September Cabinet report,
- the total value of the adjustments applied to each A-Z budget line.

#### **Cabinet is asked to approve these revised cash limits**

Table 1b shows the latest monitoring position against these revised cash limits.

1.1.2.1 **Table 1a** below details the change in cash limits by A-Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement		
	G	I	N	G	I	N	G	I	N
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Environment, Highways &amp; Waste portfolio</b>									
E&E Strategic Management & Directorate Support Budgets	8,136	-407	7,729	8,420	-408	8,012	284	-1	283
<u>Environment:</u>									
- Environment Management	5,258	-2,830	2,428	4,142	-1,526	2,616	-1,116	1,304	188
<u>Highways:</u>									
<i>Highways Maintenance:</i>									
- Adverse Weather	3,238		3,238	3,238	0	3,238	0	0	0
- Bridges & Other Structures	2,666	-259	2,407	2,685	-239	2,446	19	20	39
- General maintenance & emergency response	14,392	-486	13,906	13,131	-487	12,644	-1,261	-1	-1,262
- Highway drainage	3,188	-82	3,106	3,244	-82	3,162	56	0	56
- Streetlight maintenance	3,768	-167	3,601	3,974	-167	3,807	206	0	206
	27,252	-994	26,258	26,272	-975	25,297	-980	19	-961
<i>Highways Safety &amp; Management:</i>									
- Development Planning	2,159	-1,283	876	2,135	-1,283	852	-24	0	-24
- Highways Improvements	1,611	-120	1,491	7,718	-50	7,668	6,107	70	6,177
- Road Safety	3,703	-2,720	983	3,264	-2,234	1,030	-439	486	47
- Streetlight energy	5,845		5,845	5,845	0	5,845	0	0	0
- Traffic management	5,589	-2,653	2,936	5,643	-2,622	3,021	54	31	85
- Tree maintenance, grass cutting & weed control	3,360	-170	3,190	3,331	-170	3,161	-29	0	-29
	22,267	-6,946	15,321	27,936	-6,359	21,577	5,669	587	6,256
<u>Planning &amp; Transport Strategy:</u>									
- Planning & Transport Policy	1,253	-15	1,238	1,253	-15	1,238	0	0	0
- Planning Applications	1,129	-550	579	1,129	-550	579	0	0	0
	2,382	-565	1,817	2,382	-565	1,817	0	0	0
<u>Transport Services:</u>									
- Concessionary Fares	16,307	-27	16,280	16,307	-27	16,280	0	0	0
- Freedom Pass	13,648	-2,459	11,189	13,648	-2,459	11,189	0	0	0
- Subsidised Bus Routes	10,030	-2,370	7,660	9,115	-1,454	7,661	-915	916	1
- Transport Planning	464	-218	246	457	-219	238	-7	-1	-8
	40,449	-5,074	35,375	39,527	-4,159	35,368	-922	915	-7
<u>Waste Management</u>									
<i>Recycling &amp; Diversion from Landfill:</i>									
- Household Waste Recycling Centres	8,235	-1,109	7,126	8,620	-1,482	7,138	385	-373	12
- Partnership & Waste Co-ordination	715	-126	589	722	-168	554	7	-42	-35
- Payments to Waste Collection Authorities (DCs)	5,333	-102	5,231	5,473	-102	5,371	140	0	140
- Recycling Contracts & Composting	10,976	-614	10,362	10,516	-601	9,915	-460	13	-447
	25,259	-1,951	23,308	25,331	-2,353	22,978	72	-402	-330
<i>Waste Disposal:</i>									
- Closed Landfill Sites & Abandoned Vehicles	749	-266	483	764	-180	584	15	86	101
- Disposal Contracts	28,853	-430	28,423	29,297	-156	29,141	444	274	718
- Haulage & Transfer Stations	8,686	-75	8,611	8,575	-75	8,500	-111	0	-111
- Landfill Tax	7,543		7,543	7,165	0	7,165	-378	0	-378
	45,831	-771	45,060	45,801	-411	45,390	-30	360	330
Commercial Services		-7,761	-7,761	0	-7,761	-7,761	0	0	0
<b>Total E, H &amp; W portfolio</b>	<b>176,834</b>	<b>-27,299</b>	<b>149,535</b>	<b>179,811</b>	<b>-24,517</b>	<b>155,294</b>	<b>2,977</b>	<b>2,782</b>	<b>5,759</b>
<b>Regeneration &amp; Economic Development portfolio</b>									
Development Staff & Projects	1,277	-1,239	38	671	-671	0	-606	568	-38
<b>Total E&amp;E controllable</b>	<b>178,111</b>	<b>-28,538</b>	<b>149,573</b>	<b>180,482</b>	<b>-25,188</b>	<b>155,294</b>	<b>2,371</b>	<b>3,350</b>	<b>5,721</b>

1.1.2.2 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a:

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>							
E&E Strategic Management & Directorate Support Budgets	8,420	-408	8,012	-284	0	-284	Underspend on pension costs
<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	13,131	-487	12,644	243	0	243	Dual carriageway maintenance
- Highway drainage	3,244	-82	3,162	0	0	0	
- Streetlight maintenance	3,974	-167	3,807	-7	11	4	
	26,272	-975	25,297	179	64	243	
<u>Highways Safety &amp; Management:</u>							
- Development Planning	2,135	-1,283	852	-44	0	-44	
- Highways Improvements	7,718	-50	7,668	-66	-15	-81	
- Road Safety	3,264	-2,234	1,030	-4	2	-2	
- Streetlight energy	5,845	0	5,845	0	0	0	
- Traffic management	5,643	-2,622	3,021	111	-364	-253	Lane rental scheme development costs; s74 fees and permit scheme
- Tree maintenance, grass cutting & weed control	3,331	-170	3,161	100	0	100	Increased weed control activity
	27,936	-6,359	21,577	97	-377	-280	
<u>Planning &amp; Transport Strategy:</u>							
- Planning & Transport Policy	1,253	-15	1,238	0	0	0	
- Planning Applications	1,129	-550	579	0	0	0	
	2,382	-565	1,817	0	0	0	
<u>Transport Services:</u>							
- Concessionary Fares	16,307	-27	16,280	0	0	0	
- Freedom Pass	13,648	-2,459	11,189	0	0	0	
- Subsidised Bus Routes	9,115	-1,454	7,661	-139	119	-20	Retendering/changing of contracts
- Transport Planning	457	-219	238	1	0	1	
	39,527	-4,159	35,368	-138	119	-19	
<u>Waste Management</u>							
<u>Recycling &amp; Diversion from Landfill:</u>							
- Household Waste Recycling Centres	8,620	-1,482	7,138	-66	-513	-579	Reduced waste tonnage; income from recyclables
- Partnership & Waste Co-ordination	722	-168	554	0	0	0	
- Payments to Waste Collection Authorities (DCs)	5,473	-102	5,371	-350	0	-350	Reduced waste tonnage
- Recycling Contracts & Composting	10,516	-601	9,915	-211	0	-211	Reduced waste tonnage
	25,331	-2,353	22,978	-627	-513	-1,140	
<u>Waste Disposal:</u>							
- Closed Landfill Sites & Abandoned Vehicles	764	-180	584	0	0	0	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Disposal Contracts	29,297	-156	29,141	-440	0	-440	Waste tonnage lower than budgeted resulting in less waste processed
- Haulage & Transfer Stations	8,575	-75	8,500	-67	0	-67	Reduced waste tonnage
- Landfill Tax	7,165	0	7,165	-241	0	-241	Reduced waste tonnage
	45,801	-411	45,390	-748	0	-748	
Commercial Services	0	-7,761	-7,761			0	
<b>Total E, H &amp; W portfolio</b>	<b>179,811</b>	<b>-24,517</b>	<b>155,294</b>	<b>-1,521</b>	<b>-707</b>	<b>-2,228</b>	
<b>Regeneration &amp; Economic Development portfolio</b>							
Development Staff & Projects	671	-671	0	0	0	0	
<b>Total E&amp;E controllable</b>	<b>180,482</b>	<b>-25,188</b>	<b>155,294</b>	<b>-1,521</b>	<b>-707</b>	<b>-2,228</b>	
<b>Assumed Management Action</b>							
- EHW portfolio						0	
- R&ED portfolio						0	
<b>Forecast after Mgmt Action</b>				<b>-1,521</b>	<b>-707</b>	<b>-2,228</b>	

*The Commercial Services and Development Staff & Projects lines are shaded out as these are within the remit of the Policy and Resources Cabinet Committee and Economic Development Cabinet Committee respectively and not the Environment, Highways and Waste Cabinet Committee*

### 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 -£284k, Income Nil, Net -£284k

Additional budget was allocated in 2012-13 for an anticipated increase in pension costs. However the current forecast suggests that costs will not be as high as expected and an underspend of £227k is forecast on this budget line. There are other minor underspends totalling £57k.

##### 1.1.3.2 **Highways:**

Overall the Highways Division is forecasting a small underspend of £37k but within this position there are some offsetting larger variances. Those over £100k are detailed below:

##### 1.1.3.2.1 **Highways Maintenance**

###### a. General Maintenance & Emergency Response: Gross +£243k, Income Nil, Net +£243k

The £243k gross pressure on this budget includes a forecast pressure of £232k for dual carriageway maintenance.

##### 1.1.3.2.2 **Highways Safety & Management**

###### a. Traffic Management: Gross +£111k, Income -£364k, Net -£253k

The gross pressure of £111k includes a £145k pressure for development costs in respect of a new lane rental scheme where companies will pay to rent lanes whilst undertaking work. This is a one-off cost for 2012-13 and the scheme will yield income in future years. The forecast increase in income of -£364k has resulted from a combination of section 74 fees (-£38k) and

income from the 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.

- b. Tree maintenance, grass cutting & weed control: Gross +£100k, Income £0, Net +£100k  
The forecast pressure of £100k on this budget reflects the additional activity on weed control that has arisen as a result of the particularly rainy spring and summer months.

### 1.1.3.3 **Transport Services:**

Subsidised Bus routes: Gross -£139k, Income +£119k, Net -£20k

The gross underspend of £139k 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.

### 1.1.3.4 **Waste Management:**

The waste tonnage for the first four months of 2012-13 is 6,338 tonnes under the affordable level to the end of July. This indicates that waste tonnage will again be below the affordable level for the year and an estimated overall tonnage of 715,000 tonnes is predicted, which is 15,000 tonnes below the affordable level. This contributes to an overall forecast underspend on the waste budgets of £1.888m. The levels of waste tonnage will continue to be carefully reviewed as part of the regular monitoring process to Cabinet. Details of activity are shown in section 2.4 of this annex.

#### 1.1.3.4.1 **Recycling & Diversion from Landfill**

- a. Household Waste Recycling Centres: Gross -£66k, Income -£513k, Net -£579k  
The reduced tonnage has resulted in a small underspend of -£66k on gross expenditure, however there is a significant over-recovery in income of £513k. The new contract for textiles agreed last December, is generating an additional £313k, 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 there is some concern that the prices paid for recycled metals may begin to 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 -£350k, Income Nil, Net -£350k  
A gross underspend of £350k is forecast due to the amount of recycled waste being approximately 5,500 tonnes below budget, which has reduced the amount paid to District Councils.
- c. Recycling Contracts & Composting: Gross -£211k, Income Nil, Net -£211k  
The tonnage for recycling and composting is approximately 4,600 tonnes under budget, and this is anticipated to deliver an underspend of £211k in this financial year.

#### 1.1.3.4.2 **Waste Disposal**

- a. Disposal Contracts: Gross -£440k, Income Nil, Net -£440k  
A gross underspend of £440k is forecast for this budget due to reduced residual waste tonnage. Overall the final tonnage figure is expected to be 4,900 tonnes under the affordable level.
- b. Landfill Tax: Gross -£241k, Income Nil, Net -£241k  
The reduced level of waste sent for landfill referred to above generates a forecast underspend of £241k.



**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	Highways:General maintenance and emergency response - dual carriageway maintenance	+232	EHW	Disposal Contracts - reduced level of residual waste being processed	-440
EHW	Highways:Traffic Management - Lane rental scheme development costs	+145	EHW	Payments to Waste Collection Authorities (District Councils) - reduced tonnage	-350
EHW	Highways:Tree Maintenance, grass cutting and weed control - Additional weed control activity	+100	EHW	Highways:Traffic Management - Permit Scheme income	-326
			EHW	Household Waste Recycling Centres - additional income from textiles contract	-313
			EHW	Landfill Tax - level of waste below affordable level	-241
			EHW	Strategic Management & Directorate support budgets - pensions	-227
			EHW	Recycling Contracts and Composting - reduced level of waste	-211
			EHW	Household Waste Recycling Centres - income from lead acid batteries	-120
		+477			-2,228

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

None

**1.1.5 Implications for MTFP:**

The waste tonnage will continue to be carefully reviewed as part of the regular monitoring process to Cabinet. If future monitoring continues to support the forecast level of 715,000 then potentially further savings could be reflected in the MTFP.

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

None

**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 £174.000m (see table 1 below). The forecast outturn against this budget is £177.291m, giving a variance of £3.291m. After adjustments for funded variances and reductions in funding, the revised variance comes to -£3.817m (see table 3).

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

1.2.4 Table 1 – Revised approved budget

	£m	
Approved budget last reported to Cabinet	173.654	
Approvals made since last reported to Cabinet	0.346	
Revised approved budget	174.000	

1.2.5 Table 2 – Further changes to budget for Cabinet to approve

Scheme	Portfolio	Amount £m	Reason
Integrated Transport Schemes	E,H&W	0.130	Additional grant
Integrated Transport Schemes	E,H&W	0.118	Additional developer contributions
Integrated Transport Schemes	E,H&W	0.287	Additional external funding
Coldharbour Gypsy Site	E,H&W	0.240	Additional external funding
Sittingbourne Northern Relief Rd	E,H&W	0.037	Additional developer contributions
Energy Water Investment Fund *	E,H&W	0.296	Fully funded by repayments within the scheme
Total		1.108	

\* Cabinet are asked to note that the apparent overspend on this project is fully funded from payments within the Scheme, however, cash limits will not be changed.

1.2.6 Table 3 – Summary of Variance

	Amount £m
<b>Unfunded variance</b>	<b>1.203</b>
Funded variance (from table 2)	1.108
Variance funded from revenue *	6.000
Underspend	-0.900
<b>Rephasing (beyond 2012-15)</b>	<b>-4.120</b>
Total variance	3.291

\* Reported to Cabinet 11 June 2012

### Main reasons for variance

1.2.7 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.

1.2.8 Table 4 – Scheme Progress

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	
Major Scheme- Preliminary Design Fees	0.905	0.005	0.900	0.000	0.900	0.000	0.000	0.000	
Highway Major Maintenance	181.794	31.971	90.157	59.666	96.157	59.666	6.000	6.000	
Member Highway Fund	8.797	1.899	6.898	0.000	6.880	0.000	-0.018	-0.018	
Integrated Transport Scheme	20.517	3.745	10.656	6.116	11.191	6.116	0.535	0.535	
A2 slip Road	1.655	1.599	0.056	0.000	0.056	0.000	0.000	0.000	
Commercial Services Vehicle Plant & Equipment	6.231	1.131	3.800	1.300	3.800	1.300	0.000	0.000	
Non TSG Land ,Compensation Claims and Blight	3.822	0.855	2.967	0.000	2.967	0.000	0.000	0.000	
Energy & Water Investment Funds-External	0.502	0.387	0.115	0.000	0.788	0.000	0.673	0.673	
Energy and Water Efficiency Investment	2.046	1.230	0.736	0.080	0.359	0.012	-0.377	-0.445	
Archaeological Resource Centre	0.900	0.000	0.900	0.000	0.000	0.000	-0.900	-0.900	* see 1.9
Coldharbour Gypsy site	1.621	0.314	1.307	0.000	1.547	0.000	0.240	0.240	
Sandwich Sea Defences	3.640	0.000	3.640	0.000	3.640	0.000	0.000	0.000	
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	
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	31.668	28.356	3.312	0.000	3.245	0.104	-0.067	0.037	rephasing
East Kent Access PH2	87.001	81.317	5.684	0.000	2.508	3.176	-3.176	0.000	rephasing
Rushenden Link Road	11.467	10.654	0.813	0.000	0.813	0.000	0.000	0.000	
Re-shaping Kent Highways Accommodation	22.074	21.929	0.145	0.000	0.145	0.000	0.000	0.000	
A2 Cyclo Park	8.583	7.569	1.014	0.000	1.032	0.000	0.018	0.018	
Victoria Way Ph 1	18.551	17.842	0.709	0.000	0.709	0.000	0.000	0.000	
Ashford-Drover's Roundabout junct.	20.543	20.393	0.150	0.000	1.353	0.000	1.203	1.203	overspend
Swale Transfer Station	3.630	0.000	3.630	0.000	3.630	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	

## Annex 4

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	
HWRC-Ton & Malling	2.300	0.000	2.300	0.000	0.500	1.800	-1.800	0.000	rephasing
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	10.000	0.000	0.000	0.000	
Kent Thameside Strategic Transport Programme	145.331	0.670	9.071	135.590	10.032	134.629	0.961	0.000	rephasing
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	0.000	15.000	0.000	0.000	
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	
<b>TOTAL</b>	<b>658.849</b>	<b>279.497</b>	<b>174.000</b>	<b>205.352</b>	<b>177.291</b>	<b>209.403</b>	<b>3.291</b>	<b>7.342</b>	

## 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 As this is the first of the new capital monitoring formats, the red/amber/green statuses are assigned from the current position. A project will not show as amber or red if they have been delayed or over budget in the past but this has now been resolved. Any such issues would have been reported on in previous monitoring reports to Cabinet.
- 1.2.12 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.
- 1.2.13 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.**

- Sittingbourne Northern Relief Road: (Re-phased to later years)
- 1.2.14 Construction of the Relief Road was completed in December 2011. Landscaping, operational and remedial works are to be completed during this financial year. The remainder of the forecast spend relates to Land Compensation Act Part 1 claims. This expenditure has been re-phased because of the inherent uncertainty in the timing and settlement of claims. Claims can be made at anytime up to 7 years after scheme opening although most are received within the first 2 years. Progress on settling claims is dependent on the attitude of claimants' agents and past experience has shown that full closure of all claims can take several years.
- East Kent Access Road Phase 2: (Re-phased to later years)
- 1.2.15 Construction of the scheme was completed in May 2012. Good progress is being made on the commercial aspects and it is expected that the final contract cost will be agreed in this financial year. Initial traffic management works on bypassed roads are underway and it is expected that full completion of such measures will also be completed during this financial year. However, it is likely that settlement of Land Compensation Act Part 1 claims will take longer than originally envisaged and so this expenditure has been re-phased.
- Drovers Roundabout-M20 /J9 (+£1.203m)
- 1.2.16 Construction of the scheme was completed in October 2011 with the opening of the feature bridge over the M20. Several significant claims remain to be agreed with the contractor. The forecast overspend of £1.203m is based on the current estimated cost of the final settlement and is expected to be funded by additional grant..
- HWRC – Tonbridge & Malling (re-phased to later years)
- 1.2.17 This project is in the early planning stages and is now expected to be completed in future years.
- Kent Thameside Strategic Transport Programme (re-phasing brought forward into 12-15)
- 1.2.18 Some projects within the programme have been accelerated and funding for these has been brought forward from future years.

### **Key issues and Risks**

- Archaeological Resource Centre (ARC): (-£0.900m; project not going ahead)
- 1.2.19 The funding of £0.900m identified in the capital programme was KCC's contribution to English Heritage towards the construction of an ARC in Kent. Overall the project did not have sufficient funding and so KCC attempted to secure Heritage Lottery Fund (HLF) to help meet the shortfall.

1.2.20 The bid was submitted in autumn 2011 and HLF has now turned down the application due to the high cost. As this project will not be going ahead at the present time it is proposed to remove it from the capital programme.

- Drovers Roundabout - M20J9 and Victoria Way.

1.2.21 On both schemes the contractors have submitted significant claims although they are of more significance and quantum for Drovers Roundabout - M20 J9. The assessment and negotiation of the claims is complex but good progress is being made.

- Kent Thameside Strategic Transport Programme

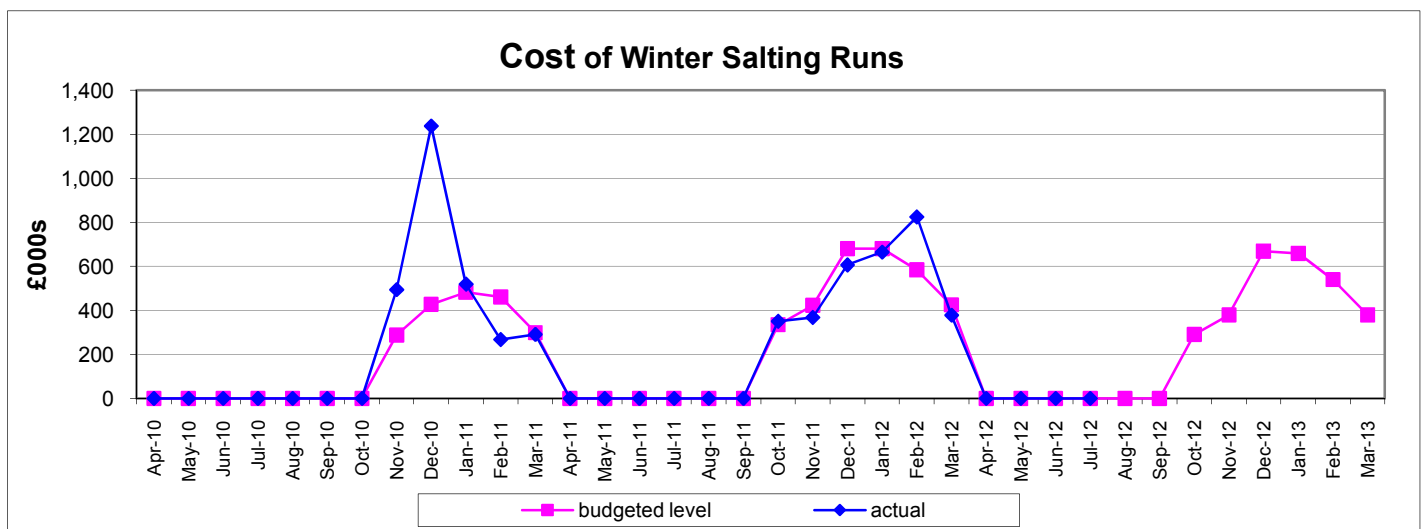
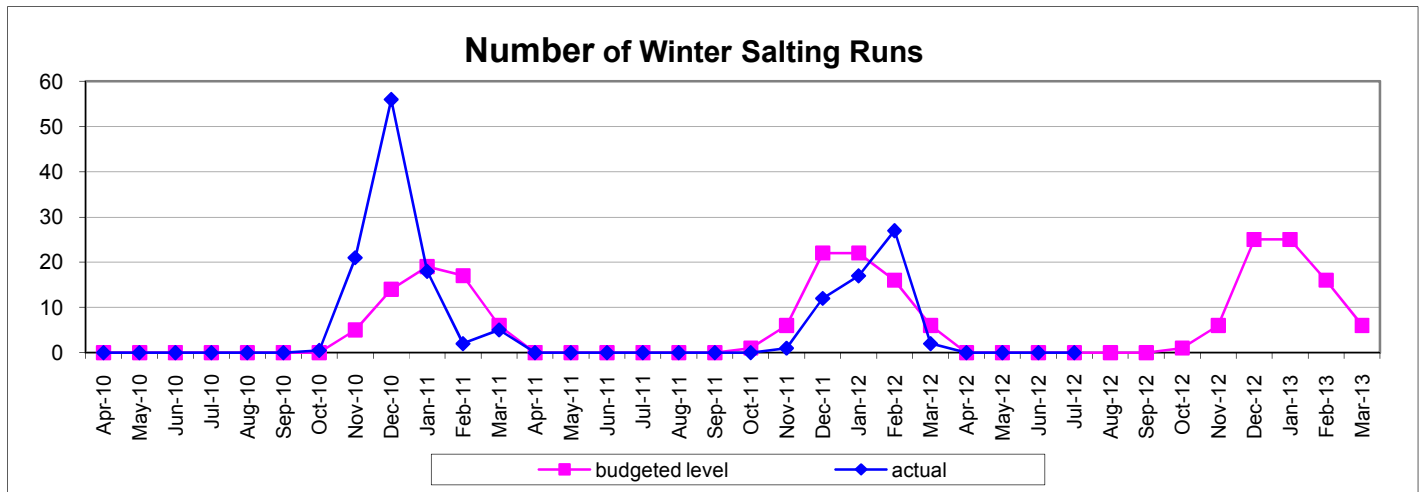
1.2.22 This Strategic Transport Programme is a package of schemes to improve the transport infrastructure in Dartford and Gravesham to be implemented over the next 15-20 years. Funding of the programme is a combination of grant and developer contributions. There are inherent risks with the delivery of the programme over such a long period with one of the key issues being the uncertainty over future funding.

1.2.23 At present the delivery of the programme is being managed within the level of funding available. This will continue whilst further funding is secured from either development, through agreement or the adoption of CIL, on-going discussion with Government regarding further public sector funding or identifying alternative sources of funding.

## 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	-
<b>TOTAL</b>	<b>102.5</b>	<b>61</b>	<b>2,816</b>	<b>1,957</b>	<b>59</b>	<b>73</b>	<b>3,194</b>	<b>3,131</b>	<b>-</b>	<b>79</b>	<b>-</b>	<b>2,919</b>



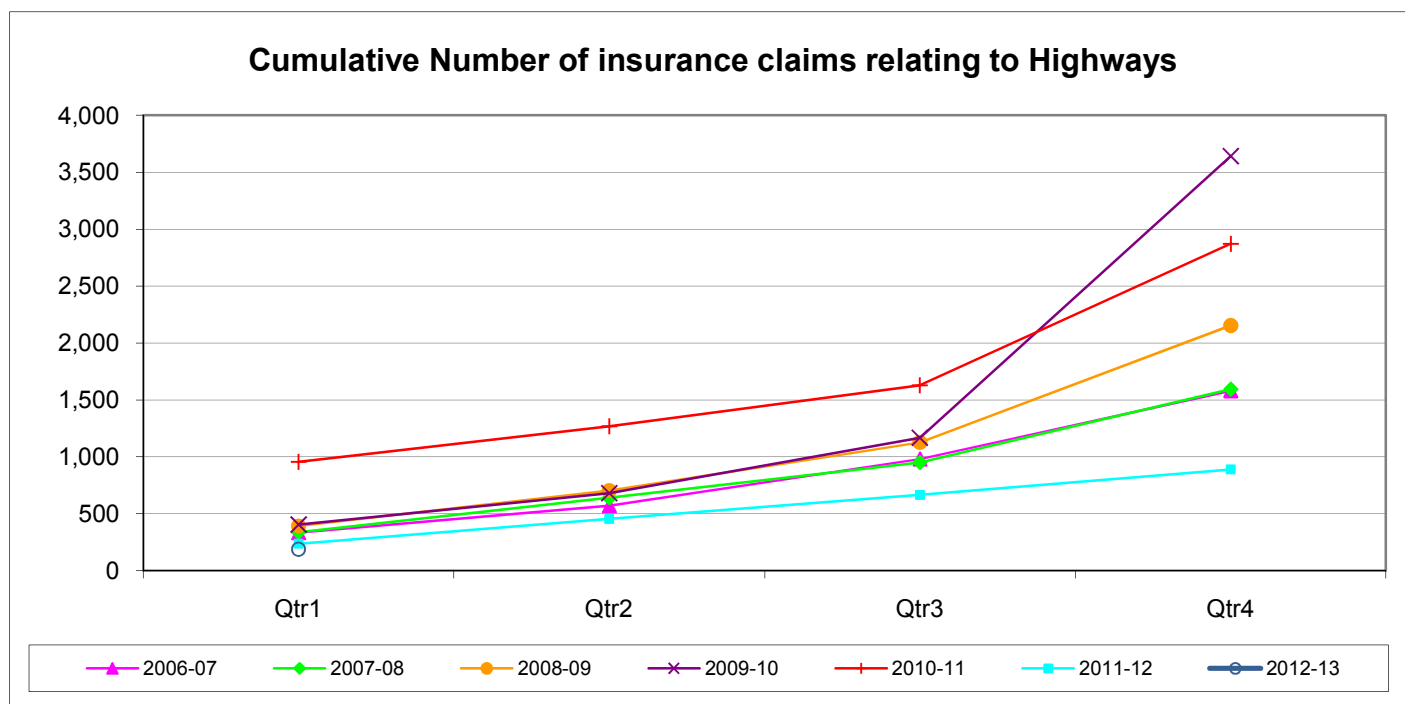
Comment:

- 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	957	237	189
July-Sept	570	640	704	679	1,270	457	
Oct-Dec	982	950	1,128	1,168	1,631	674	
Jan- Mar	1,581	1,595	2,155	3,642	2,877	936	



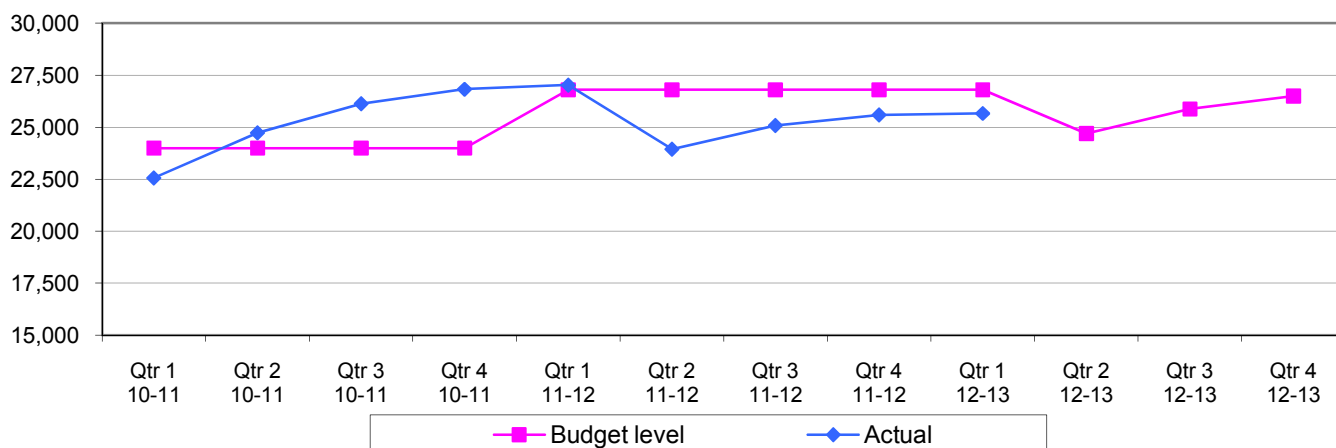
## Comments:

- 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 June 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%.

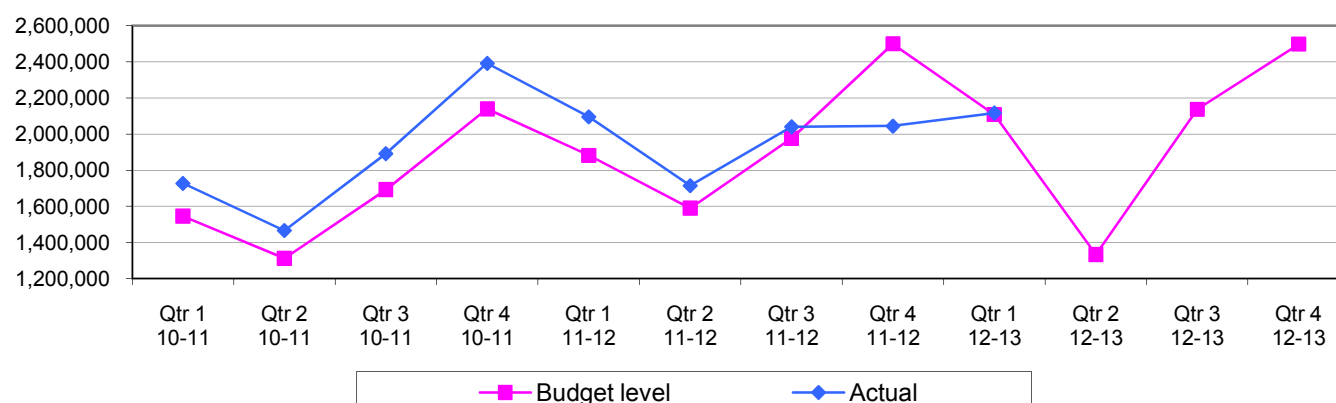
## 2.3 Freedom Pass - Number of Passes issued and Journeys travelled:

	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
<b>Qtr 1</b> 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
<b>Qtr 2</b> July - Sept	24,000	24,736	1,310,776	1,465,666	26,800	23,952	1,588,616	1,714,315	24,703		1,332,935	
<b>Qtr 3</b> 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	
<b>Qtr 4</b> 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	2,116,536

Number of Freedom Passes issued



Number of Journeys travelled



## Comments:

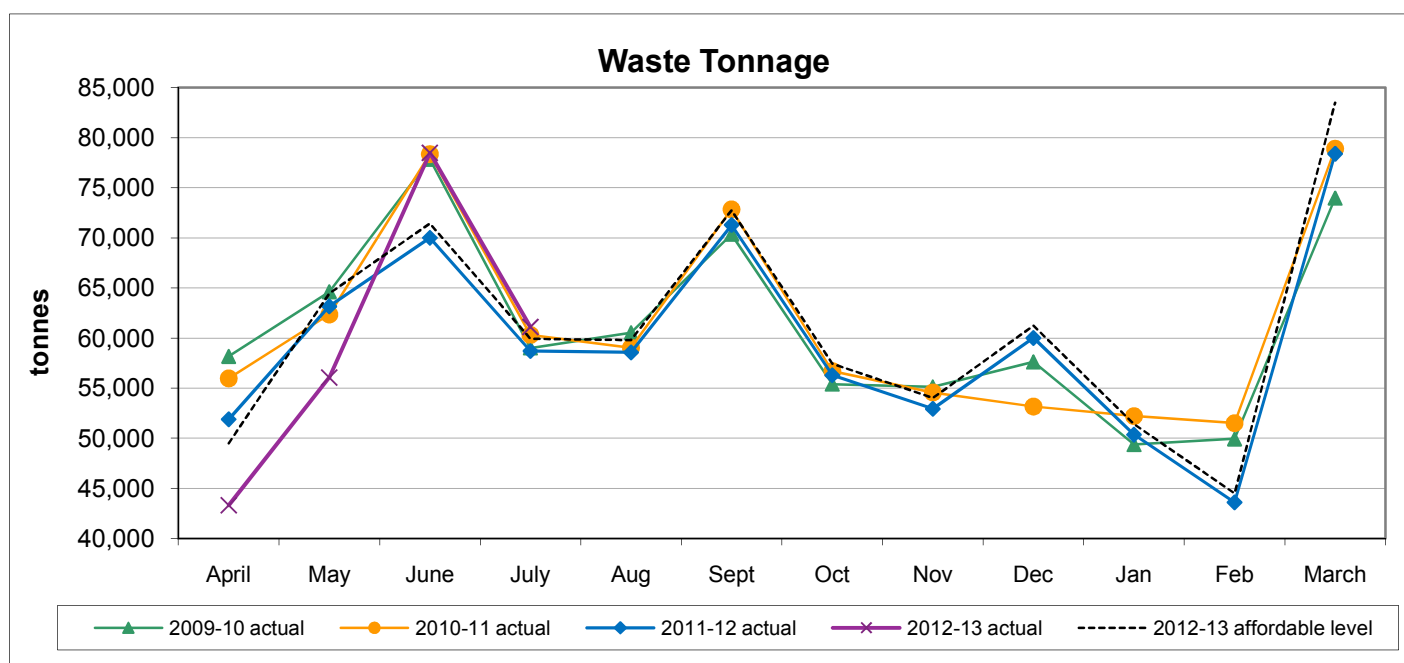
- As predicted the number of Kent Freedom Passes has fallen slightly since the fee increase in 2011-12, but those who possess a pass are frequent/heavy users of the scheme. Applications are now being received for the new school year and this data will be used to review future expenditure against budget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

- The above figures do not include journeys travelled relating to 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	43,301	49,499
May	64,618	62,354	63,168	56,082	64,467
June	77,842	78,375	70,006	78,496	71,446
July	59,012	60,310	58,711	61,114	59,919
August	60,522	59,042	58,581		59,787
September	70,367	72,831	71,296		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
<b>TOTAL</b>	<b>731,936</b>	<b>735,934</b>	<b>716,351</b>	<b>238,993</b>	<b>730,000</b>

\* 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 four months is approximately 6,338 tonnes less than the affordable level for the same period, and this reduction is reflected in the current forecast in section 1.1.3.4 of this annex which assumes waste volumes will be approximately 15,000 tonnes below budget by year end.

- Although it is too early to say whether this reduced level of tonnage will continue throughout the year, waste tonnages will continue to be carefully reviewed as part of the regular monitoring process to Cabinet.