

Environment & Neighbourhoods - 2011/12 Period 4 position

HOUSING REVENUE ACCOUNT (HRA)

At the end of Period 4 the HRA is projecting a surplus of £305k and this is a movement of £946k when compared to the last reported position. This improvement is primarily due to anticipated additional rental from dwellings and miscellaneous properties. This additional income is as result of void levels being 1.1% lower than budgeted and should this continue, additional void incentive payments will be paid over to the ALMOs.

Other income variations of £65k reflect a lower take up of Heat Lease (£171k) and slippage in the implementation of the solar panel scheme (£100k) being offset by projected increased telecoms income (£206k).

Projected net savings of £167k on salaries and wages are offset by the cost of staff being seconded to work on the implementation of the ALMO Business Centre Leeds (ABCL). Other expenditure variations of £581k are primarily due to refurbishment costs associated with establishment of the ALMO Business Centre (£100k), increased charges of £130k and £147k respectively from Internal Audit for work in relation to ALMO assurance and PPPU for additional work in respect of the Little London and Beeston Hill and Holbeck PFI project. In addition £200k is required to contribute towards the Housing Capital Programme.

The Affordable Housing Programme Executive Board report of 13th February 2009 approved spend of £3.784m on a programme of demolition and site clearance works. This included the use of £800k earmarked HRA reserves. The release of this reserve is now required in order to complete the remaining acquisition and demolition on Phase 1 of the Beckhills clearance scheme

ENVIRONMENT & NEIGHBOURHOODS GENERAL FUND

Overall Summary

The projected position for Environment and Neighbourhoods Directorate is an overspend of £0.4m.

2.0 Explanation of the Projected Overspend

Staffing +£1,220k

The cost of staff in managing workforce change following the implementation of restructures is £957k and slippage in the implementation of a number of restructures within the Directorate will result in a variation of £350k.

A further (£350k) of ELLs above the budgeted assumption will be targeted to help offset the Directorate's staffing budget pressures.

Within Refuse Collection, ongoing route support and attendance being slightly above the budgeted target is projected to cost £329k. Additional costs incurred for front line cover required for refuse staff training/appraisals are projected to be £64k. However, this is offset by savings in PRP and by using existing spare capacity on the new Garden routes to collect SORT from Hard to Access properties (£194k).

A restructure of Household Waste Sites staffing is expected to cost around £150k in year, but this will be funded by targeted improvements in recycling rates at these sites.

Savings in Car Parking and other vacant officer posts amount to (£142k).

The staffing budget remains under considerable short term pressure whilst work continues on progressing a number of restructures which will ultimately deliver significant long term savings to the Directorate.

Premises & Supplies and Services (£403k)

Significant savings of over £1m which were budgeted for in waste disposal from new contracts continue to be on target to be delivered. Additional savings are projected of (£360k) for reduced tonnages, 70% targeted to HWSS recycling. The potential for a LATS shortfall in 2011/12 which, depending upon the prices of allowances, could reach £35k.

Projections assume a spending freeze across the Directorate to contribute (£230k) helping offset various minor overspends.

Transport (£ 3k)

Rising fuel prices are estimated to cost £140k across Environmental Services.

These pressures are partially offset by a review of Street Cleansing and Household Waste Sites vehicles numbers which when reduced will save an anticipated (£24k) and transport savings from more effective vehicle utilisation of (£76k).

Transfer Payments (£1,000k)

Work to determine the feasibility of funding support charges in Sheltered Housing through Housing Benefit rather than Supporting People for eligible tenants, is being progressed in conjunction with the ALMOs and BITMO. An action plan to realize savings of £1,000k, has therefore been included within the financial position.

Income + £618k

Car Parking income is currently projected to be £419k short of the budget overall. However, this comprises a number of variations - mainly further reductions in PCN numbers, lower than anticipated income from suspended bays, a reduction in fee income and the expected non achievement of conversion of short stay spaces to long stay.

Income from recycling is anticipated to be £78k below budget as a result of not receiving any income from recycled glass.

In addition, there is a £136k pressure on income chargeable to capital / HRA on the Group Repair Scheme, Out of Hours Noise service and the City Projects team.

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