

# ENVIRONMENT AND NEIGHBOURHOODS: 2011/12 BUDGET PERIOD 5 REPORT

## 1.0 Introduction

This report sets out the financial position for Environment and Neighbourhoods at Period 5.

## 2.0 Overall Summary

The projected position for Environment and Neighbourhoods Directorate is an overspend of £0.75m, which is £0.3m higher than the previous position reported to Executive Board.

## 3.0 Explanation of the Projected Overspend

### Staffing +£1,645k

The cost of staff in managing workforce change following the implementation of restructures is £863k and slippage in the implementation of a number of restructures within the Directorate will result in a variation of £350k.

Within Refuse Collection, ongoing route support and attendance being slightly above the budgeted target is projected to cost £397k. Additional cost incurred for front line cover required for refuse staff training/appraisals £78k. 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 (£224k).

Additional spend has been incurred in providing front line cover within Refuse Collection and Street Cleansing whilst recruitment to front line posts was progressed, however savings in vacant posts in Car Parking and Waste Management help reduce this overspend spend to £54k.

A restructure of Household Waste Sites (HWSS) staffing is expected to cost around £135k in year, but this will be funded by targeted improvements in recycling rates at these sites.

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 (£1,016k)

Significant savings of over £1m which were budgeted for in waste disposal from new contracts continue to be on target to be delivered. In addition, further savings are being achieved from projected reductions in total waste arising, targeted recycling improvements at HWSS and the effect of not all waste contractors taking up the inflationary uplift. Together this is a total projected saving of (£400k).

Projections assume a spending freeze across the Directorate to contribute £557k helping offset various minor overspends.

Within the community centres division, the projection assumes savings from reviewing the caretakers costs (£104k).

### Transport £334k

Rising fuel prices are estimated to cost £141k across Environmental Services.

The cost of back up route support vehicles is £196k, although more effective use of normal spare vehicle cover and lower external hire will save (£245k) across the Environmental Services Division.

Vehicle repairs, mainly associated with landfill damage are projected to be an additional £148k.

### 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. A delegated decision report will be taken to the Director of Environment and Neighbourhoods seeking approval to implement the changes from November 2011.

### Income + £795k

Car Parking income is currently projected to be £415k 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 in Waste Management is anticipated to be £120k below budget as a result of not receiving any income from recycled glass and lower gas generation at Gamblethorpe landfill site.

In addition, there is a £138k pressure on income chargeable to capital / HRA on the Group Repair Scheme and the Town & District Regeneration programme. Also a shortfall of £124k is forecast for the security service based on actual activity last year.