

ENVIRONMENT AND NEIGHBOURHOODS: 2011/12 BUDGET PERIOD 6 REPORT

1.0 Introduction

This report sets out the financial position for Environment and Neighbourhoods at Period 6.

2.0 Overall Summary

The projected position for Environment and Neighbourhoods Directorate is an overspend of £0.89m, which is £0.141m higher than the previous position reported to Executive Board. This is mainly due to reduced income from car parking.

3.0 Explanation of the Projected Overspend

Staffing +£1,613k

The forecast shows a slight improvement from the month 5 position. The cost of staff in managing workforce change following the implementation of restructures is £828k and slippage in the implementation of a number of restructures within the Directorate will result in a variation of £341k.

Within Refuse Collection, ongoing route support and attendance being slightly above the budgeted target is projected to cost £464k. Additional cost incurred for front line cover required for refuse staff training/appraisals £78k. However, by using existing spare capacity on the new Garden routes to collect SORT from Hard to Access properties (£168k).

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 helped offset this pressure,.

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 (£906k)

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 (£281k).

Projections assume a spending freeze across the Directorate to contribute to minor overspends.

Transport +£384k

Rising fuel prices are estimated to cost £135k across Environmental Services.

The cost of back up route support vehicles is £206k, although more effective use of normal spare vehicle cover and lower external hire will save (£251k) across the Environmental Services Division.

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

Income + £1,125k

Income is projected to be £300k less than reported at month 5. Car Parking income is currently projected to be £529k short of the budget overall.

However, this comprises a number of variations mainly further reductions in PCN numbers £102k, a further reduction in both on and off street fee income £317k and the expected non achievement of conversion of short stay spaces to long stay £100k.

Income in Waste Management is anticipated to be £185k below budget as a result of not receiving any income from recycled glass, lower gas generation at Gamblethorpe landfill site and a reduction in FPN income.