

ENVIRONMENT AND NEIGHBOURHOODS: 2011/12 BUDGET

1.0 Introduction

This report sets out the financial position for Environment and Neighbourhoods at Period 9.

2.0 Overall Summary

The projected position for Environment and Neighbourhoods Directorate is an overspend of £1.511m, which is £0.06m lower than the previous position reported to Executive Board.

3.0 Explanation of the Projected Overspend

Staffing +£1,849k

The cost of staff in managing workforce change following the implementation of restructures is **£774k** and slippage in the implementation of a number of restructures within the Directorate will result in a net variation of **£352k**.

Within Refuse Collection, ongoing route support and attendance being slightly above the budgeted target is projected to cost **£600k**. Additional cost incurred for front line cover required for refuse staff training/appraisals **£109k** and additional costs of Refuse Christmas catch up **£76k**. However this is partially offset by using existing spare capacity on the new Garden routes to collect SORT from Hard to Access properties (**£168k**).

The cost of covering Time off in Lieu relating to bank holidays is likely to be around **£100k** above the budget.

A restructure of Household Waste Sites (HWSS) staffing is expected to cost around **£100k** in year, but this will be funded by targeted improvements in recycling rates at these sites.

The use of Agency and Overtime covering front line vacant posts throughout Environmental Services is an additional **£20k**. Most of these front line vacancies are now filled. In addition, vacant posts within Neighbourhood Services are projected at (**£75k**)

Premises & Supplies and Services (£412k)

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 (**£214k**).

The Home Energy Conservation Authority (HECA) survey has been delayed resulting in a saving of (£60k). Further, a saving of (£70k) is expected from the financing costs of bin purchases from a delay to rolling out brown bins.

Projections assume a spending freeze across the Directorate in these budget heads to contribute a net (£100k) after helping offset various minor overspends.

Transport £211k

Rising fuel prices are estimated to cost £182k across Environmental Services.

The cost of back up route support vehicles is £237k, although more effective use of normal spare vehicle cover and lower external hire and will save (£164k) across the Environmental Services Division.

Transfer Payments (£948k)

A delegated decision report has been approved by the Director of Environment and Neighbourhoods to implement the change in funding from Housing Benefit rather than Supporting People for support charges in Sheltered Housing. This commenced on the 7th November 2011. The forecast last month assumed this would be implemented in October, therefore due to slippage the actual saving realized is £51k less than last month.

Income + £823k

Car Parking income is currently projected to be £622k short of the budget overall. This variation can be explained by a combination of further reductions in PCN numbers £170k and on and off street fee income £352k. A delay in the identification of appropriate spaces to convert from short stay to long stay results in a further variation of £100k.

Income in Waste Management is anticipated to be £203k below budget as a result of a variation in the price received for recycled glass, lower gas generation at Gamblethorpe landfill site.

Variations in charges to capital schemes are offset primarily by additional income receivable from the Future Jobs Fund (net saving of £27k).