

EXETER CITY COUNCIL

**SCRUTINY COMMITTEE - COMMUNITY
6 MARCH 2012**

COMMUNITY SERVICES STEWARDSHIP TO 31 DECEMBER 2011

1. PURPOSE OF REPORT

- 1.1 This report advises Members of any material differences by management unit to the revised budget.

2. STEWARDSHIP TO 31 DECEMBER 2011

- 2.1 The current forecast suggests that net expenditure for this committee will decrease from the revised estimate by a total of £187,560 after transfers to and from reserves, which represents a variation of 1.7% from the revised estimate.

- 2.2 The main variations by management unit are detailed below:

2011-12 REVISED ESTIMATE	£ 10,929,770
81A1 ENVIRONMENTAL PROTECTION	(66,610)

There will be a saving on staff costs as a result of a vacancy which will not be filled, and two casual vacancies which have now been filled.

Additional savings are expected to arise on equipment purchases and various administrative costs. In addition, a reduced recharge from the Business Support unit (see 1A3 below) will further reduce the net cost of the unit.

An increase in the net cost of dealing with stray dogs will partially offset these savings.

81A2 CLEANSING SERVICES (see separate operational accounts)	200,000
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Fleet costs in both the domestic and trade refuse collection services are expected to exceed the estimates mainly due to the increased price of diesel, the additional mileage to Greendale waste transfer station, and the costs of maintaining the fleet.

In addition to fleet costs, the closure of the waste transfer station in Exeter has resulted in additional labour costs for handling and transporting street sweepings.

Waste disposal costs for the trade refuse service are expected to exceed the estimates. This is partially offset by increased income from trade refuse customers and the sale of recyclates collected by the trade recycling service.

Income from doorstep bulky collections is expected to be less than the estimates. The subsidised scheme was successful, but the subsidy money has now all been used.

The cost of producing and distributing information about refuse collection and garden waste services has been charged to this service. This exceeds the budget available but is offset by a corresponding saving on communication costs in the Recycling management unit (81B6) below.

These increased costs are further offset by net income from the garden waste collection service in excess of the estimates, and reduced electricity costs in public toilets.

ACTION POINTS :

- The 2012/13 estimates reflect the increase in the cost of waste disposal, and the charges to customers for trade refuse have been increased to reflect this rising cost.

81A3 LICENSING, FOOD, HEALTH & SAFETY (6,400)

A refund has been received in respect of a software package relating to earlier years leading to an underspend.

Following several successful prosecutions by the Commercial Team, the costs incurred in bringing about the prosecutions have been awarded to the authority by the courts.

Reduced costs in the Business Support unit will be refunded to other services within Environmental Health and this is reflected in the outturn forecasts for those units.

The net cost of taxi licensing will be funded by a transfer from the earmarked reserve.

81A4 PUBLIC SAFETY 0

The restructure of this unit, following the necessary period of notice and consultation, was implemented later than expected when preparing the estimates, leading to an overspend in respect of pay in the unit.

Income from the Supporting People subsidy is expected to be less than included in the estimates, while income from the Home Call Alarm service is expected to exceed the estimates.

A partial refund of service charges paid for the Control Room in 2010/11 is expected to result in a saving.

ACTION POINTS: Staffing is now at the level anticipated in the estimates so no further action is required. The estimates for the Supporting People subsidy and Home Call Alarm income have been reviewed in the 2012/13 estimates.

81A6 GROUNDS MAINTENANCE
(see separate operational accounts)

17,210

Works required to maintain the Flowerpot Skate Park are expected to lead to an overspend. In addition, the findings from the annual safety inspection of play equipment will result in expenditure on repairs in excess of the estimates.

Water costs in the allotments are expected to exceed the estimates as a result of the dry weather conditions experienced. In addition, the cost of emptying toilets and maintenance in the allotments is expected to exceed the estimates as a result of increased use.

The operational accounts are expected to show reduced expenditure for grass cutting as a result of the weather conditions experienced this year.

The planned deletion of a post in the Countryside service was not implemented until later than expected when preparing the estimates, leading to increased pay costs. This is however more than offset by various cost savings and additional income in this service.

A post has been transferred from Leisure Services Management (81B1 below) increasing the pay costs in this unit.

Arboricultural costs are expected to exceed the estimates.

Utility and insurance costs in parks and playing fields are expected to exceed the estimates.

Expenditure on dealing with illegal campers is expected to be less than estimated.

These additional costs are partially offset by reduced recharges from the Community & Environment Administration and Leisure Management services.

ACTION POINTS :

- Staffing in the Countryside service is now at the level anticipated in the estimates so no further adjustment is required.
- A proposal to replace the Skate Park and one of the paddling pools has been included in the capital estimates for 2012/13.

81A7 MUSEUMS SERVICE

(28,170)

There will be a saving on staff costs as a result of the restructuring of the service agreed by Executive in January 2011. The grades established for a number of posts by the Job Evaluation exercise are lower than the budgeted grades, but in some cases pay protection will apply.

Savings are also anticipated on transport costs with expenditure

on Car mileage allowances and fleet hire costs expected to be less than the budget.

Reduced recharges from the Community & Environment Administration service will arise due to vacancies in that service.

These savings will be partially offset by the agreed extension in the contract of the Head of Museums to the end of March 2012, increased overtime costs due to vacant posts, and anticipated expenditure on additional temporary staff.

The marketing and exhibition costs in respect of the museum launch have been included. In addition, costs have been incurred in respect of external legal advice and insurance costs allocated to this service exceed the estimates.

81A8 SPORTS AND LEISURE FACILITIES 56,820

Several unexpected contractual liabilities have arisen increasing the cost of this service. In particular, the government's withdrawal of the carbon reduction rebate and increased utility prices will lead to a reduction in the income from Parkwood. In addition, the cost of some equipment and essential electrical work has been incurred.

81B1 LEISURE SERVICES MANAGEMENT 0

All staffing and other costs in this unit have now been transferred to the Sports and Leisure Facilities and Grounds Maintenance units. These salaries and the resulting reduction in recharges from this unit to those services have been reflected in their respective outturn forecasts.

81B2 BEREAVEMENT SERVICES (15,000)

Savings have arisen on staffing costs as a result of a restructure. Further net savings have arisen on various costs.

However, Income levels are not expected to achieve the levels included in the estimates, partially offsetting these savings.

81B3 PROPERTIES (4,280)

Additional rental income is anticipated. Insurance costs will be less than estimated.

81B5 SPORTS & PLAY DEVELOPMENT (14,230)

This service ceased with effect from 1st August 2011.

Savings have been made on pay, transport and support service costs. However additional expenditure on supplies and services will partially offset these savings.

81B6 RECYCLING (390,000)

(see separate operational accounts)

Income from the sale of recyclates continues to exceed the estimates and the cost of freight remains less than estimated. While the prices at which materials are currently being sold exceed those assumed for the estimates, the volatility of these prices makes it difficult to predict the outturn.

Freight costs and gate fees in the operational service are expected to be less than estimated.

There will be a saving on communication costs in this service as the cost of producing and distributing information about refuse collection and garden waste services has been charged to Cleansing Services (81A2) above.

The vehicle used to collect materials from recycling bring banks throughout the city was replaced during the year. The proceeds of sale have been credited to this unit, and maintenance costs of the new vehicle are less than the estimates.

Recharges to Cleansing Services have arisen as a result of operatives within this unit assisting with handling and transporting street sweepings and leaves. This will further reduce the net cost of this service.

81B9 ADMINISTRATION SERVICE 0

There will be a saving on staff costs as a result of a vacancy which will not be filled. This is reflected in the outturn forecasts of the units which use the service.

81C2 ADVISORY SERVICES 130,800

A number of Private Sector Leaseholders will not be renewing their leases this year as due to the economic climate they need to live in the properties themselves. Under the terms of the lease ECC have an obligation to make repairs to the properties before handing them back and these costs are expected to reach £16,000 by the end of the year.

In addition to this there has been a higher than expected number of void periods within the PSLs and in addition each void has had a higher than average amount of works required in terms of cost and volume. This issue is to be investigated however due to delays in invoicing from the main contractor we have only recently received the billing for these works and additional time is required to understand the invoice amounts and challenge costs where appropriate.

There has been a high level of turnover on the units at Shauls Court, this has resulted in the costs of repairing and cleaning the vacated units being significantly higher than budgeted.

At Glencoe there has been a large amount of water penetration into one of the larger rooms caused by damaged roof tiles. This has created significant damage requiring major works to rectify

and a reduction in income due to the room having to remain vacant during this time.

In addition two rooms were taken out of use in order to complete major works to refurbish. These rooms were out of action for 87 days which led to an unpredicted loss of revenue of £7,200.

The Homelessness Grant from central government was increased allowing £44,000 of additional funding to be used to prevent homelessness.

At the point of budget setting we expected to receive the full contract value of ECC's Supporting People contract with Devon County Council to provide supported temporary accommodation to homeless families. However, following budgetary reductions made by the County Council we have been advised that we will only receive 75% of this contract value for 2011/12. We have chosen to continue providing the same level of support to these families so they are not disadvantaged, however if further cuts are made for 2012/13 we will have to reconsider our position.

81C3 STRATEGIC HOUSING & ENABLING (5,000)

A saving is forecast within the salary budgets due to a combination of vacant posts during the first six months of the year and the recent team restructure. The overall savings have been partially offset by redundancy costs.

81C4 PRIVATE SECTOR HOUSING (76,440)

Savings have arisen as a result of the termination of the contract for the Pan-Devon Home Improvement Agency. Further savings have arisen as a result of changes to staffing in the unit.

It was previously reported that there would be a reduction in income from licences for Houses in Multiple Occupation (HMO) compared with the estimates, but this income is now expected to achieve the level originally estimated.

81C5 SUNDRY LANDS MAINTENANCE 0

There are no material variances to report.

81C6 CONTRACTS AND DIRECT SERVICES 0

The costs of this unit are fully recharged to its clients, and there is therefore no direct impact on this committee. However, it has been necessary to employ additional staffing resources to cover increased workloads in some areas which will be recharged as appropriate.

81C7 DIRECTOR – COMMUNITY & ENVIRONMENT 0

There are no material variances to report.

2011-12 EXPECTED FINAL OUTTURN	10,728,470
EXPECTED VARIANCE ON TRANSFERS TO / (FROM) RESERVES	13,740
EXPECTED TOTAL NET EXPENDITURE	10,742,210

3. RECOMMENDED

That Scrutiny Committee – Community note this report.

ASSISTANT DIRECTOR FINANCE

S:PA/LP/Committee/312SCC3
23.2.12

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report - None