

**Communities and Environment Policy and
Scrutiny Committee**

15th March 2016

**Report of the Interim Director of City & Environmental Services
and Director for Communities and Neighbourhoods.**

2015/16 Finance & Performance Monitor 3 Report

Summary

1. This report provides details of the 2015/16 forecast outturn position for both finance and performance across services within City & Environmental Services and Communities and Neighbourhoods.

Analysis

Finance – General Fund

2. The services that relate to the Communities and Environment Policy and Scrutiny Committee cross two directorates (City and Environmental Services and Communities and Neighbourhoods). Service Plan variations which relate to services within this scrutiny are shown below:

	Budget £'000	Forecast Outturn £'000	Variance £'000
City & Environmental Services			
Waste	8,428	8,635	207
Communities and Neighbourhoods			
Housing General Fund	1,977	2,013	36
Public Protection	-1,014	-1,127	-113
Community Safety	894	894	0
Neighbourhood Working	2,506	2,430	-76
Community Centres	70	70	0
Communities and Equalities – Neighbourhood Management	935	935	0

Note: “+” indicates an increase in expenditure or shortfall in income
“-” indicates a reduction in expenditure or increase in income

3. Details of the main variations by service plan are detailed in the following paragraphs.

Waste (+£207k)

4. There is a forecast overspend of £153k due to the forecast shortfall in dividend from Yorwaste due to the company facing difficult trading conditions in particular low recycle prices. This position should improve in 2016/17 as new contracts with other Local Authorities commence with new pricing. There are also further pressures across Waste services including £185k due to unachieved income targets from charges at the Household Waste Recycling Centre and a shortfall in income from green waste subscriptions (£59k). In addition there are forecast savings in waste disposal from lower tonnages (£116k) and additional income from landfill gas (£105k).

Communities and Neighbourhoods

5. Within Communities and Neighbourhoods there is a small overspend forecast across Housing Services of £36k, however this is offset by additional income across Bereavement Services (£93k) and Registrars (£28k). There is also an underspend of £76k forecast within Neighbourhood working following a management restructure.

Finance - Housing Revenue Account (HRA)

6. The latest forecast following a review of Housing Revenue Account (HRA) budgets is that there are projected to be a number of under and overspends which will in total deliver an overall under spend of £480k. The forecast over spends include £424k on repairs and maintenance due to the continued increase in works to address damp issues within our homes and the associated use of subcontractors. The forecast under spends include a lower than budgeted level of arrears (£270k), reduced expenditure on utilities and repairs in supported housing (£128k), a small variance on dwelling and non-dwelling rents (£139k) and a reduction of the level of revenue funding required to support the capital programme due to the IT infrastructure works and water mains improvements being re-profiled into future years (£344k).
7. The HRA business plan has been updated following the recent government announcements to require councils to sell their high

value properties when they become vacant and to reduce social housing rents by 1% per year for the next four years. While the full extent of the impact of these changes is not yet known, the HRA will be required to make significant efficiencies in order to mitigate the reduction in income without reducing the HRA balance below prudent and sustainable levels.

8. To give some idea of the scale of these changes and their impact on the HRA, the requirement to reduce housing rents by 1% could potentially reduce income by up to £12m over a 4 year period. This is because the business plan assumed annual rent increases of approximately 3% pa. The requirement for a 1% reduction therefore results in a swing of some 4%.

Performance

9. 586 missed bins were reported between October and December with 71% put right by the end of the next working day. The number of reported missed bins has increased by 10% on the same period in 2014/15. Performance on rectifying missed collections in the timescale has decreased from 85% in Q3 last year. Year to date figures show that the number of reported cases has reduced by 40% compared to the same period last year, although again the number put right in the timescale is disappointing 65% (73% 2014/15).
10. The number of households being accepted as homeless has increased by 2 to 27 but the number of households with children has remained the same (18). The number of children in temporary accommodation has decreased to 77 (from 82), and the number of families in temporary accommodation has decreased to 40 (from 47).
11. The average void period for Council houses has reduced from 3.3 weeks in Q2 to 2.9 weeks in Q3 (3.7 weeks in Q3 2014/15) with the number of void Council house properties increasing from 160 in Q2 to 174 in Q3 (161 in Q3 2014/15). The number of mutual exchanges of Council houses has decreased from 40 in Q2 to 34 in Q3 (39 in Q3 2014/15).
12. The rent arrears at the end of Q3 for current tenants (D1) were £639,537. This figure has fallen by 24.2% from £843,433 at the end of Q2. In 2014/15 there was a 20.2% decrease from £755,176 in Q2 to £602,360 in Q3. For former tenants (D1) the rent arrears at the end of Q3 were £276,283. This figure has increased by 3.7% from

£266,466 at the end of Q2. This compares to 3.9% decrease from £279,913 in Q2 to £269,056 in Q3 in 2014/15.

13. A scorecard is attached as an annex which presents a detailed update of the key performance indicators for services within this scrutiny committee. Work is currently ongoing to look at the performance management reporting arrangements in line with scrutiny arrangements and the council plan, considering presentation styles within other councils in order to establish future best practice.

Implications

14. There are no financial, human resources, equalities, legal, crime & disorder, information technology, property or other implications associated with this report.

Risk Management

15. The report provides Members with updates on finance and service performance and therefore there are no significant risks in the content of the report.

Recommendations

16. As this report is for information only, there are no recommendations.

Reason: To update the scrutiny committee of the latest finance and performance position.

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**Report
Approved**



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