



Management Accounts Monitoring Report 2015/16

Committee	Gloucestershire Joint Waste Committee
Committee Date	13 October 2015
Significant Decision	No
Responsible Officers	Steve Read, Head of Service, Gloucestershire Joint Waste Team (01823 625707; steve.read@gloucestershire.gov.uk);
Main Consultees	None
Purpose of Report	The purpose of this report is to set out the financial performance of the individual authorities within the JWC against their approved annual budget for the first five months of the current financial year. It also shows the combined position across authorities.
Recommendations	<i>It is recommended that the Committee:</i> a) Notes the summary financial performance to date as contained in this report and the potential impact on next year's budgets if the income for recycling materials continues to fall.
Resource Implications	None

1) Background

- a) When the Joint Waste Committee was formed it was agreed that budget setting and service charges are retained decisions for the individual authorities within the partnership.
- b) As such the operational budgets for waste disposal, waste collection and street cleaning have remained with their respective authority but are managed by officers within the Joint Waste Team.
- c) The majority of the operational budget is payment to contractors: Gloucestershire County Council contracts include Cory for waste disposal and Kier for Household Recycling Centres; Forest of Dean District Council contracts include Biffa for waste collection and street cleaning and Cheltenham, Cotswold and Tewkesbury delivery provider for waste collection and street cleaning is the local authority company Ubico.
- d) As Gloucestershire County Council (GCC) is the Administering Authority for the Joint Waste Committee, budgets associated with running the Joint Waste

Committee are reported within their figures. Staffing costs for the Joint Waste Team form the most of this budget and these remain with the original partner organisation's budget but will be paid to the Administering Authority on a quarterly basis.

2) Current Financial Position

- a) Appendix 1 is the combined revenue budgets for GCC, CBC, CDC, FODDC and TBC and shows the forecast of the year end revenue position based on monitoring forecasts made in September 2015 and actual financial transactions to the end of August 2015.
- b) This projects a forecast overspend of £316,000 (0.84% of the net budget).

3) Waste Disposal Costs

- a) Appendix 2 shows Gloucestershire County Council revenue budget.
- b) The forecast outturn for waste disposal is currently a balanced position. In the five months to August, residual waste tonnage has been very volatile compared to the forecast and as yet it is unclear if there will be an overall over or under spend. The position will continue to be monitored closely.

4) Waste Collection Costs

- a) Appendix 3 shows Cheltenham Borough Council revenue budget and the forecast overspend for the year is £226,000. This figure is based on the current recycle commodity prices, which are still very low, and extrapolating until the end of the financial year. The Council is currently experiencing a significant drop in recycle income, since April recycling prices have been negatively impacted by global events such as a fall in the price of crude oil and the Chinese economy slowing. In October, Ubico takes on the bulking operation and JWT will be responsible for managing the contracts with re-processors which should enable us to secure a higher level of income than that currently being achieved via the current re-processor, Printwaste. Income from trade waste is lower than forecast due to fewer businesses taking up the service. The forecast overspend of £226,000 is, we hope, a pessimistic scenario and it is likely, but obviously we cannot be certain, that the shortfall will be lower come March 2016. The number of people signing up to the garden waste collection service is increasing which is providing additional income, helping to go towards offsetting the recycle income shortfall.
- b) Appendix 4 shows Cotswold District Council revenue budget. The forecast outturn is currently a balanced position.
- c) Appendix 5 shows Forest of Dean District Council revenue budget and forecast outturn is an overspend of £90,000 which is due to the significant drop in the value of recycled materials. It is estimated that income from recycle over the course of 2015/16 will fall £120,000 short of the target. This will be offset to some extent by a reduction in contract costs, largely due to lower fuel prices, of some £30,000 over the year. As a result the projected overspend is £90,000. Confidence in this forecast comes from known current prices for glass and paper (some 60% and 30% respectively lower than when

estimates were first made) and knowledge of the annual indexation due to be applied to the contract this year.

- d) Appendix 6 shows Tewkesbury Borough Council revenue budget and the forecast outturn is currently a balance position.

Appendix 1 – Total Revenue Budget Summary across all JWC partners

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2015/16

Head of Service: Steve Read

Analysis of progress to:31/08/2015

Budget Area	Total Budget £'000	Profiled Budget To Date £'000	Actual To Date £'000	Variance To Date £'000	Forecast Outturn £'000	Forecast Year End Variance £'000
Joint Waste Management Unit	0	93	206	113	0	0
Joint Improvement Board	0	19	-106	-125	0	0
TOTAL - GJWP	0	112	100	-12	0	0
Waste Disposal:						
Royalty Payments	-677	-282	-166	116	-660	17
WCA Landfill and Composting	17,196	5,898	5,872	-26	17,085	-111
Household Recycling Centres	4,167	1,555	1,672	117	4,308	141
Trade Waste	-5	-1	-4	-3	-5	0
Recycling Credits	3,316	1,079	658	-421	3,322	6
Tipping Away	56	0	0	0	56	0
Closed Landfill Sites	22	6	6	0	22	0
WCA Fridges and TVs	65	23	30	7	94	29
Management Costs	-3	-3	-10	-7	-2	1
Waste Projects	100	30	19	-11	17	-83
Waste Education	20	16	8	-8	20	0
Marketing Promotions - Waste	70	19	3	-16	70	0
TOTAL - WASTE DISPOSAL	24,327	8,340	8,088	-252	24,327	0
Waste Collection:						
Household Waste	4,589	1,912	1,832	-80	4,554	-35
Bulky Household Waste	-5	-1	-12	-11	-4	1
Food/Organic Waste	310	129	96	-33	310	0
Green Waste	318	-713	-809	-96	286	-32
Recycling Centres	205	85	93	8	226	21
Bring Sites	88	33	67	34	176	88
Recycling Collection Schemes	1,941	824	932	108	2,179	238
Trade Waste	-6	-144	-47	97	47	53
Recycling Schemes Marketing	67	22	5	-17	67	0
TOTAL - WASTE COLLECTION	7,507	2,147	2,157	10	7,841	334
Street Cleaning	2,692	1,110	1,065	-45	2,680	-12
Central Costs:						
Central Support Costs	1,727	80	80	0	1,727	0
JWT Staffing Costs	566	175	44	-131	560	-6
Depreciation	596	165	165	0	596	0
TOTAL - CENTRAL COSTS	2,889	420	289	-131	2,883	-6
TOTAL NET EXPENDITURE	37,415	12,129	11,699	-430	37,731	316

Note: Negative figures show potential underspend and positive figures show potential overspend

Appendix 2 – Gloucestershire County Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2015/16

Head of Service: Steve Read
 Partner: Gloucestershire County Council

Analysis of progress to: 31/08/2015

Budget Area	Total Budget £'000	Profiled Budget To Date £'000	Actual To Date £'000	Variance To Date £'000	Forecast Outturn £'000	Forecast Year End Variance £'000
Joint Waste Management Unit	0	93	206	113	0	0
Joint Improvement Board	0	19	-106	-125	0	0
TOTAL - GJWP	0	112	100	-12	0	0
Waste Disposal:						
Royalty Payments	-677	-282	-166	116	-660	17
WCA Landfill and Composting	17,196	5,898	5,872	-26	17,085	-111
Household Recycling Centres	4,167	1,555	1,672	117	4,308	141
Trade Waste	-5	-1	-4	-3	-5	0
Recycling Credits	3,316	1,079	658	-421	3,322	6
Tipping Away	56	0	0	0	56	0
Closed Landfill Sites	22	6	6	0	22	0
WCA Fridges and TVs	65	23	30	7	94	29
Management Costs	-3	-3	-10	-7	-2	1
Waste Projects	100	30	19	-11	17	-83
Waste Education	20	16	8	-8	20	0
Marketing Promotions - Waste	70	19	3	-16	70	0
TOTAL - WASTE DISPOSAL	24,327	8,340	8,088	-252	24,327	0
Central Costs:						
Central Support Costs	859	0	0	0	859	0
JWT Staffing Costs	316	79	0	-79	316	0
Depreciation	5	0	0	0	5	0
TOTAL - CENTRAL COSTS	1,180	79	0	-79	1,180	0
TOTAL NET EXPENDITURE	25,507	8,531	8,188	-343	25,507	0

Note: Negative figures show potential underspend and positive figures show potential overspend

Appendix 3 – Cheltenham Borough Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2015/16

Head of Service: Steve Read

Analysis of progress to: 31/08/2015

Partner: Cheltenham Borough Council

Budget Area	Total Budget £'000	Profiled Budget To Date £'000	Actual To Date £'000	Variance To Date £'000	Forecast Outturn £'000	Forecast Year End Variance £'000
<u>Waste Collection:</u>						
Household Waste	1,224	510	491	-19	1,189	-35
Bulky Household Waste	-11	-4	-8	-4	-10	1
Food/Organic Waste				0		0
Green Waste	-171	-71	-84	-13	-203	-32
Recycling Centres	205	85	93	8	226	21
Bring Sites	11	1	24	23	49	38
Recycling Collection Schemes	728	257	330	73	926	198
Trade Waste	-38	-61	36	97	15	53
Recycling Schemes Marketing	23	9	5	-4	23	0
TOTAL - WASTE COLLECTION	1,971	726	887	161	2,215	244
<u>Street Cleaning</u>	852	344	339	-5	840	-12
<u>Central Costs:</u>						
Central Support Costs	268	0	0	0	268	0
JWT Staffing Costs	35	14	13	-1	29	-6
Depreciation	45	0	0	0	45	0
TOTAL - CENTRAL COSTS	348	14	13	-1	342	-6
TOTAL NET EXPENDITURE	3,171	1,084	1,239	155	3,397	226

Note: Negative figures show potential underspend and positive figures show potential overspend

Appendix 4 – Cotswold District Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2015/16

Head of Service: Steve Read

Analysis of progress to: 31/08/2015

Partner: Cotswold District Council

Budget Area	Total Budget £'000	Profiled Budget To Date £'000	Actual To Date £'000	Variance To Date £'000	Forecast Outturn £'000	Forecast Year End Variance £'000
<u>Waste Collection:</u>						
Household Waste	1,177	489	473	-16	1,177	0
Bulky Household Waste				0		0
Food/Organic Waste				0		0
Green Waste	726	-55	-118	-63	726	0
Recycling Centres				0		0
Bring Sites				0		0
Recycling Collection Schemes	686	331	353	22	686	0
Trade Waste				0		0
Recycling Schemes Marketing				0		0
TOTAL - WASTE COLLECTION	2,589	765	708	-57	2,589	0
<u>Street Cleaning</u>	788	328	339	11	788	0
<u>Central Costs:</u>						
Central Support Costs	140	0	0	0	140	0
JWT Staffing Costs	39	16	19	3	39	0
Depreciation	91	0	0	0	91	0
TOTAL - CENTRAL COSTS	270	16	19	3	270	0
TOTAL NET EXPENDITURE	3,647	1,109	1,066	-43	3,647	0

Note: Negative figures show potential underspend and positive figures show potential overspend

Appendix 5 – Forest of Dean District Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2015/16

Head of Service: Steve Read

Partner: Forest of Dean District Council

Analysis of progress to: 31/08/2015

Budget Area	Total Budget £'000	Profiled Budget To Date £'000	Actual To Date £'000	Variance To Date £'000	Forecast Outturn £'000	Forecast Year End Variance £'000
<u>Waste Collection:</u>						
Household Waste	1,228	512	467	-45	1,228	0
Bulky Household Waste	6	3	-4	-7	6	0
Food/Organic Waste	310	129	96	-33	310	0
Green Waste	-150	-339	-359	-20	-150	0
Recycling Centres				0		0
Bring Sites	77	32	43	11	127	50
Recycling Collection Schemes	272	113	137	24	312	40
Trade Waste Recycling Schemes				0		0
Marketing	29	12	0	-12	29	0
TOTAL - WASTE COLLECTION	1,772	462	380	-82	1,862	90
<u>Street Cleaning</u>	518	216	165	-51	518	0
<u>Central Costs:</u>						
Central Support Costs	191	80	80	0	191	0
JWT Staffing Costs	134	56	2	-54	134	0
Depreciation	397	165	165	0	397	0
TOTAL - CENTRAL COSTS	722	301	247	-54	722	0
TOTAL NET EXPENDITURE	3,012	979	792	-187	3,102	90

Note: Negative figures show potential underspend and positive figures show potential overspend

Appendix 6 – Tewkesbury Borough Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2015/16

Head of Service: Steve Read

Analysis of progress to: 31/08/2015

Partner: Tewkesbury Borough Council

Budget Area	Total Budget £'000	2 Profiled Budget To Date £'000	3 Actual To Date £'000	4 Variance To Date £'000	5 Forecast Outturn £'000	6 Forecast Year End Variance £'000
Waste Collection:						
Household Waste	960	401	401	0	960	0
Bulky Household Waste				0		0
Food/Organic Waste				0		0
Green Waste	-87	-248	-248	0	-87	0
Recycling Centres				0		0
Bring Sites				0		0
Recycling Collection Schemes	255	123	112	-11	255	0
Trade Waste	32	-83	-83	0	32	0
Recycling Schemes Marketing	15	1	0	-1	15	0
TOTAL - WASTE COLLECTION	1,175	194	182	-12	1,175	0
Street Cleaning	534	222	222	0	534	0
Central Costs:						
Central Support Costs	269	0	0	0	269	0
JWT Staffing Costs	42	10	10	0	42	0
Depreciation	58	0	0	0	58	0
TOTAL - CENTRAL COSTS	369	10	10	0	369	0
TOTAL NET EXPENDITURE	2,078	426	414	-12	2,078	0

Note: Negative figures show potential underspend and positive figures show potential overspend