

	Management Accounts Monitoring Report 2016/17
Committee	Gloucestershire Joint Waste Committee
Committee Date	21 February 2017
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 report sets out: <ul style="list-style-type: none"> • The financial performance of the individual authorities within the JWC against their approved annual budget for the first nine months of the current financial year. • The combined position across partners • An indicative draft 2017/18 Revenue Budget for the whole partnership.
Recommendations	<p><i>It is recommended that the Committee:</i></p> <ul style="list-style-type: none"> a) Notes the summary financial performance as contained in this report. b) Notes the indicative draft 2017/18 Revenue Budget, but also that this is likely to change as partner budgets are firmed up.
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 are set by each Council individually but are overseen and monitored by officers within the

Joint Waste Team.

- c) The majority of the operational budget consists of payments to contractors: Gloucestershire County Council contracts include Cory for waste disposal and since August Ubico 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 the Administering Authority for the Joint Waste Committee, budgets associated with running the Joint Waste Committee are reported within Gloucestershire County Council (GCC) figures. Staffing costs for the Joint Waste Team are the largest element of this budget. These are transferred from each partner's budget to the Administering Authority on a quarterly basis.

2) Current Financial Position

The combined revenue budgets for GCC, CBC, CDC, FODDC and TBC is shown at Appendix 1. The current forecast year end revenue position is an overspend of £298,000 (0.77% of the net budget). This is based on monitoring forecasts made in January 2017 and actual financial transactions to the end of December 2016.

3) Waste Disposal Costs

- a) Gloucestershire County Council revenue budget at Appendix 2 shows the net forecast budget position for waste disposal is an underspend of £104,000. New contractual arrangements regarding recyclate income accounts for an additional £130,000 of income. An overspend on waste contracts due to additional refuse tonnage at the Household Recycling Centres (HRCs) is largely offset by less residual waste than forecast delivered by waste collection authorities and also a hold on implementation of some projects. £100,000 of the additional income has been transferred to the waste capital budget to fund capital improvements at HRCs. A further transfer to the waste capital budget may be proposed later in the year when the outturn position is known.

4) Waste Collection Costs

- a) Cheltenham Borough Council revenue budget at Appendix 3 shows an overspend of £227,000. The main variance for Cheltenham is the reduction in recycling income which is £172,000 below budget for 2016/17. In October 2015, the operation of the bulking facility was taken over by Ubico and has now been in operation for more than a year. This forecast is for the first full year of operation and it is worth reflecting on progress to date. In 2015/16, income for the dry recyclable materials for the year was £310,000, a shortfall of £106,000 against the budget of £416,000.
- b) The business case for the bulking unit projected additional income of £272,000 in a full year against projected costs of £220,000. An analysis of income at October 2015 prices indicates that total income of £372,000 could be achieved on existing volumes of material, generating income of £187,000 more than that achieved from Printwaste. This is close to the costs of operating the bulking unit but is below the increase in income projected in the business case. When setting the budget for 2016/17 it was anticipated that the full level of additional income included in the business case would be achieved and that there would be further increases in the commodity values. The budget for total

income for dry recyclables was set at £567,000. 2016/17 income is projected to be £429,000, £118,000 better than the full year for 2015/16, but still £138,000 below the budget of £567,000. This is attributable mainly to the over projection of income discussed above. There was also an issue in the early part of 2016/17 with segregation of paper and cardboard that led to this material only achieving the lower cardboard price for the first few months so losing about £7,000 income. This has now been resolved and the better paper price is being achieved for relevant material.

- c) There is also, as previously reported, additional pressures on the cost of recycling collection schemes largely arising from growth in households. It is anticipated that costs of running an additional vehicle will drop out after the planned service redesign scheduled for September 2017. This will include new vehicles and optimisation of rounds, and provide for increased property numbers for the next 3 to 5 years. Discussions with Ubico are under way to ascertain if the cost pressure can be accommodated within the existing contract charge however, to be prudent, a potential additional cost of £50,000 is included in the forecast.
- d) Cotswold District Council's revenue budget at Appendix 4 shows a forecast outturn overspend of £110,000. Most of the variance is due to an additional recycling collection vehicle being used due to the increase in property numbers. To a lesser extent the procurement of bins and caddies for new properties is also having an impact. The additional draw on resources is partly offset by additional income arising from an increase in the number of garden waste collection scheme subscribers.
- e) Forest of Dean District Council, at Appendix 5, currently forecast a revenue underspend of £14,000. This is due to a saving in the JWT Staffing costs due to a reduction in the charges following staff changes.
- f) Tewkesbury Borough Council revenue budget at Appendix 6 forecasts an overspend of £79,000. This is in part due to household growth but also reflects failure of the contractor to deliver savings forecast in the agreed business case. The overspend is partly offset by increased income from recycling credits due to the uplift in recycling materials. Street cleaning is also under pressure due to the use of additional agency staff to meet demand.

5) Draft 2017/18 Revenue Budget Summary

Appendix 7 shows the draft 2017/18 Revenue Budget summary for the whole partnership. These are indicative figures which may be subject to change as partners' whole council budgets are finalised.

Appendix 1 – Total Revenue Budget Summary across all JWC partners

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2016/17

Head of Service: Steve Read Analysis of progress to: 31/12/2016

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						
Gross Expenditure	291	283	272	-11	217	-74
Income	-250	-125	-124	1	-176	74
Net Expenditure	41	158	148	-10	41	0
Joint Improvement Board						
Gross Expenditure	0	0	0	0	0	0
Income	-41	0	-81	-81	-41	0
Net Expenditure	-41	0	-81	-81	-41	0
TOTAL - GJWP	0	158	67	-91	0	0
Waste Disposal						
Royalty Payments	-628	-438	-461	-23	-656	-28
WCA Landfill and Composting	17,019	11,890	11,333	-557	16,328	-691
Household Recycling Centres						
Gross Expenditure	4,309	3,047	3,781	734	5,014	705
Income	0	0	-109	-109	-130	-130
Net Expenditure	4,309	3,047	3,672	625	4,884	575
Trade Waste	-3	-3	0	3	-4	-1
Recycling Credits	3,644	2,253	2,045	-208	3,876	232
Tipping Away	56	0	0	0	56	0
Closed Landfill Sites	32	20	43	23	33	1
WCA Fridges and TVs	76	53	47	-6	71	-5
Management Costs						
Gross Expenditure	2	0	2	2	5	3
Income	-8	0	0	0	-8	0
Net Expenditure	-6	0	2	2	-3	3
Waste Projects	100	54	49	-5	83	-17
Waste Education	20	33	0	-33	0	-20
Marketing Promotions - Waste	122	91	5	-86	47	-75
TOTAL - WASTE DISPOSAL	24,741	17,000	16,735	-265	24,715	-26
Waste Collection						
Household Waste	4,729	3,714	3,789	75	4,831	102
Bulky Household Waste						
Gross Expenditure	60	45	61	16	60	0
Income	-121	-91	-110	-19	-120	1
Net Expenditure	-61	-46	-49	-3	-60	1
Food/Organic Waste						
Gross Expenditure	105	105	105	0	105	0
Income	0	0	0	0	0	0
Net Expenditure	105	105	105	0	105	0
Green Waste						
Gross Expenditure	2,510	2,028	2,028	0	2,531	21
Income	-2,317	-2,118	-2,080	38	-2,373	-56
Net Expenditure	193	-90	-52	38	158	-35
Recycling Centres						
Gross Expenditure	775	581	504	-77	775	0
Income	-266	-200	-158	42	-181	85
Net Expenditure	509	381	346	-35	594	85

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
Bring Sites						
Gross Expenditure	321	241	251	10	321	0
Income	-104	-79	-57	22	-80	24
Net Expenditure	217	162	194	32	241	24
Recycling Collection Schemes						
Gross Expenditure	5,365	4,199	4,415	216	5,545	180
Income	-2,869	-2,056	-1,900	156	-2,648	221
Net Expenditure	2,496	2,143	2,515	372	2,897	401
Bulking of Recyclables						
Gross Expenditure	219	164	204	40	219	0
Income	-434	-325	-219	106	-624	-190
Net Expenditure	-215	-161	-15	146	-405	-190
Trade Waste						
Gross Expenditure	842	655	661	6	850	8
Income	-934	-728	-716	12	-936	-2
Net Expenditure	-92	-73	-55	18	-86	6
Recycling Schemes Marketing	109	73	35	-38	110	1
TOTAL - WASTE COLLECTION	7,990	6,208	6,813	605	8,385	395
Street Cleaning	2,891	2,364	2,263	-101	2,913	22
Central Costs						
Central Support Costs	1,786	411	411	0	1,786	0
JWT Staffing Costs	592	318	261	-57	499	-93
Depreciation	597	332	332	0	597	0
TOTAL - CENTRAL COSTS	2,975	1,061	1,004	-57	2,882	-93
TOTAL NET EXPENDITURE	38,597	26,791	26,882	91	38,895	298

Appendix 2 - Gloucestershire County Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2016/17						
Head of Service:	Steve Read			Analysis of progress to:	31/12/2016	
Partner: Gloucestershire County 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
Joint Waste Management Unit						
Gross Expenditure	291	283	272	-11	217	-74
Income	-250	-125	-124	1	-176	74
Net Expenditure	41	158	148	-10	41	0
Joint Improvement Board						
Gross Expenditure	0			0		0
Income	-41	0	-81	-81	-41	0
Net Expenditure	-41	0	-81	-81	-41	0
TOTAL - GJWP	0	158	67	-91	0	0
Waste Disposal						
Royalty Payments	-628	-438	-461	-23	-656	-28
WCA Landfill and Composting	17,019	11,890	11,333	-557	16,328	-691
Household Recycling Centres						
Gross Expenditure	4,309	3,047	3,781	734	5,014	705
Income			-109	-109	-130	-130
Net Expenditure	4,309	3,047	3,672	625	4,884	575
Trade Waste	-3	-3		3	-4	-1
Recycling Credits	3,644	2,253	2,045	-208	3,876	232
Tipping Away	56			0	56	0
Closed Landfill Sites	32	20	43	23	33	1
WCA Fridges and TVs	76	53	47	-6	71	-5
Management Costs						
Gross Expenditure	2		2	2	5	3
Income	-8			0	-8	0
Net Expenditure	-6	0	2	2	-3	3
Waste Projects	100	54	49	-5	83	-17
Waste Education	20	33		-33	0	-20
Marketing Promotions - Waste	122	91	5	-86	47	-75
TOTAL - WASTE DISPOSAL	24,741	17,000	16,735	-265	24,715	-26
Central Costs						
Central Support Costs	912			0	912	0
JWT Staffing Costs	321	161	121	-40	243	-78
Depreciation	0			0	0	0
TOTAL - CENTRAL COSTS	1,233	161	121	-40	1,155	-78
TOTAL NET EXPENDITURE	25,974	17,319	16,923	-396	25,870	-104

Appendix 3 – Cheltenham Borough Council Revenue Budget Summary
Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2016/17

Head of Service: Steve Read Analysis of progress to: 31/12/2016

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
Waste Collection						
Household Waste	1,207	905	945	40	1,233	26
Bulky Household Waste						
Gross Expenditure	27	20	28	8	27	0
Income	-48	-36	-43	-7	-48	0
Net Expenditure	-21	-16	-15	1	-21	0
Green Waste						
Gross Expenditure	321	241	250	9	333	12
Income	-544	-408	-331	77	-564	-20
Net Expenditure	-223	-167	-81	86	-231	-8
Recycling Centres						
Gross Expenditure	775	581	504	-77	775	0
Income	-266	-200	-158	42	-181	85
Net Expenditure	509	381	346	-35	594	85
Bring Sites						
Gross Expenditure	132	99	101	2	132	0
Income	-90	-68	-46	22	-66	24
Net Expenditure	42	31	55	24	66	24
Recycling Collection Schemes						
Gross Expenditure	1,434	1,076	1,123	47	1,474	40
Income	-615	-461	-315	146	-365	250
Net Expenditure	819	615	808	193	1,109	290
Bulking of Recyclables						
Gross Expenditure	219	164	204	40	219	0
Income	-434	-325	-219	106	-624	-190
Net Expenditure	-215	-161	-15	146	-405	-190
Trade Waste						
Gross Expenditure	564	423	423	0	564	0
Income	-637	-478	-466	12	-637	0
Net Expenditure	-73	-55	-43	12	-73	0
Recycling Schemes Marketing	23	17	1	-16	23	0
TOTAL - WASTE COLLECTION	2,068	1,550	2,001	451	2,295	227
Street Cleaning	812	678	603	-75	812	0
Central Costs						
Central Support Costs	342	257	257	0	342	0
JWT Staffing Costs	35	26	26	0	35	0
Depreciation	45	34	34	0	45	0
TOTAL - CENTRAL COSTS	422	317	317	0	422	0
TOTAL NET EXPENDITURE	3,302	2,545	2,921	376	3,529	227

Appendix 4 – Cotswold District Council Revenue Budget Summary
Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2016/17

Head of Service: Steve Read Analysis of progress to: 31/12/2016

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
Waste Collection						
Household Waste	1,156	953	985	32	1,206	50
Bulky Household Waste						
Gross Expenditure	0	0	0	0	0	0
Income	-36	-27	-29	-2	-36	0
Net Expenditure	-36	-27	-29	-2	-36	0
Green Waste						
Gross Expenditure	1,401	1,165	1,157	-8	1,401	0
Income	-627	-623	-664	-41	-667	-40
Net Expenditure	774	542	493	-49	734	-40
Recycling Collection Schemes						
Gross Expenditure	1,626	1,325	1,469	144	1,726	100
Income	-1,035	-706	-720	-14	-1,035	0
Net Expenditure	591	619	749	130	691	100
Recycling Schemes Marketing	13	9	2	-7	13	0
TOTAL - WASTE COLLECTION	2,498	2,096	2,200	104	2,608	110
Street Cleaning	1,027	852	827	-25	1,027	0
Central Costs						
Central Support Costs	135	0	0	0	135	0
JWT Staffing Costs	39	30	24	-6	39	0
Depreciation	91	0	0	0	91	0
TOTAL - CENTRAL COSTS	265	30	24	-6	265	0
TOTAL NET EXPENDITURE	3,790	2,978	3,051	73	3,900	110

Appendix 5 – Forest of Dean District Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2016/17

Head of Service: Steve Read Analysis of progress to: 31/12/2016

Partner: Forest of Dean 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
Waste Collection						
Household Waste	1,393	1,045	1,028	-17	1,393	0
Bulky Household Waste						
Gross Expenditure	33	25	33	8	33	0
Income	-28	-21	-31	-10	-28	0
Net Expenditure	5	4	2	-2	5	0
Food/Organic Waste						
Gross Expenditure	105	105	105	0	105	0
Income	0			0		0
Net Expenditure	105	105	105	0	105	0
Green Waste						
Gross Expenditure	415	311	303	-8	415	0
Income	-516	-516	-517	-1	-516	0
Net Expenditure	-101	-205	-214	-9	-101	0
Bring Sites						
Gross Expenditure	189	142	150	8	189	0
Income	-14	-11	-11	0	-14	0
Net Expenditure	175	131	139	8	175	0
Recycling Collection Schemes						
Gross Expenditure	1,183	887	882	-5	1,183	0
Income	-679	-509	-463	46	-679	0
Net Expenditure	504	378	419	41	504	0
Recycling Schemes Marketing	58	44	29	-15	58	0
TOTAL - WASTE COLLECTION	2,139	1,502	1,508	6	2,139	0
Street Cleaning						
	522	392	375	-17	522	0
Central Costs						
Central Support Costs	205	154	154	0	205	0
JWT Staffing Costs	136	68	58	-10	122	-14
Depreciation	397	298	298	0	397	0
TOTAL - CENTRAL COSTS	738	520	510	-10	724	-14

Appendix 6 – Tewkesbury Borough Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2016/17						
Head of Service:	Steve Read			Analysis of progress to:	31/12/2016	
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	973	811	831	20	999	26
Bulky Household Waste						
Gross Expenditure				0		0
Income	-9	-7	-7	0	-8	1
Net Expenditure	-9	-7	-7	0	-8	1
Green Waste						
Gross Expenditure	373	311	318	7	382	9
Income	-630	-571	-568	3	-626	4
Net Expenditure	-257	-260	-250	10	-244	13
Recycling Collection Schemes						
Gross Expenditure	1,122	911	941	30	1,162	40
Income	-540	-380	-402	-22	-569	-29
Net Expenditure	582	531	539	8	593	11
Trade Waste						
Gross Expenditure	278	232	238	6	286	8
Income	-297	-250	-250	0	-299	-2
Net Expenditure	-19	-18	-12	6	-13	6
Recycling Schemes Marketing	15	3	3	0	16	1
TOTAL - WASTE COLLECTION	1,285	1,060	1,104	44	1,343	58
Street Cleaning	530	442	458	16	552	22
Central Costs						
Central Support Costs	192			0	192	0
JWT Staffing Costs	61	33	32	-1	60	-1
Depreciation	64			0	64	0
TOTAL - CENTRAL COSTS	317	33	32	-1	316	-1
TOTAL NET EXPENDITURE	2,132	1,535	1,594	59	2,211	79

Appendix 7 - Draft 2017/18 Revenue Budget Summary across all JWC Partners

Draft Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2017/18	
Head of Service:	Steve Read
Budget Area	Total Budget £'000
Joint Waste Management Unit	
Gross Expenditure	300
Income	-260
Net Expenditure	40
Joint Improvement Board	
Gross Expenditure	0
Income	-40
Net Expenditure	-40
TOTAL - GJWP	0
<u>Waste Disposal</u>	
Royalty Payments	-671
WCA Landfill and Composting	16,008
Household Recycling Centres	
Gross Expenditure	5,124
Income	-240
Net Expenditure	4,884
Trade Waste	-4
Recycling Credits	4,267
Tipping Away	56
Closed Landfill Sites	26
WCA Fridges and TVs	80
Management Costs	
Gross Expenditure	3
Income	-8
Net Expenditure	-5
Waste Projects	50
Marketing Promotions - Waste	50
TOTAL - WASTE DISPOSAL	24,741
<u>Waste Collection</u>	
Household Waste	4,627
Bulky Household Waste	
Gross Expenditure	61
Income	-121
Net Expenditure	-60

Budget Area	Total Budget £'000
Green Waste	
Gross Expenditure	2,430
Income	-2,427
Net Expenditure	3
Recycling Centres	
Gross Expenditure	681
Income	-181
Net Expenditure	500
Bring Sites	
Gross Expenditure	274
Income	-77
Net Expenditure	197
Recycling Collection Schemes	
Gross Expenditure	5,586
Income	-2,743
Net Expenditure	2,843
Bulking of Recyclables	
Gross Expenditure	221
Income	-590
Net Expenditure	-369
Trade Waste	
Gross Expenditure	860
Income	-935
Net Expenditure	-75
Recycling Schemes Marketing	108
TOTAL - WASTE COLLECTION	8,194
<u>Street Cleaning</u>	2,823
-	
<u>Central Costs</u>	
Central Support Costs	1,770
JWT Staffing Costs	604
Depreciation	597
TOTAL - CENTRAL COSTS	2,971
TOTAL NET EXPENDITURE	38,729