

	Management Accounts Monitoring Report 2017/18
Committee	Gloucestershire Joint Waste Committee
Committee Date	3 October 2017
Significant Decision	No
Responsible Officers	Rachel Capon, Contracts Manager (Collection & Street Scene – West) , Gloucestershire Joint Waste Team (01594 812 406), rachel.capon@fdean.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 five months of the current financial year. • The combined position across authorities.
Recommendations	<i>It is recommended that the Committee:</i> a) Notes the financial performance as contained in this report.
Resource Implications	None

1. Background

- 1.1. 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.
- 1.2. 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.
- 1.3. The majority of the operational budget consists of payments to contractors: Gloucestershire County Council contracts include Cory for waste disposal and the local authority company 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 Ubico.
- 1.4. 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 are the largest element of this budget. These are transferred from each partner organisation's budget to the Administering Authority on a quarterly basis.

2. Current Financial Position

2.1. 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 £378,000 (0.95% of the net budget). This is based on monitoring forecasts made in September and actual financial transactions to the end of August 2017.

3. Waste Disposal Costs

- 3.1. Gloucestershire County Council revenue budget at Appendix 2 shows the net forecast budget position for waste disposal is a balanced budget.
- 3.2. During quarter 1 the amount of waste disposed of at landfill remains at a reduced level compared to the same period last year, notably due to the service changes at Stroud and Forest of Dean during 2016/17. The subsequent reduced costs of disposal continue to support the payment of the food waste incentives and recycling credits and this is reflected in an increase in these payments compared to budget.
- 3.3. Household recycling centre (HRC) costs are forecast to be higher than budget due to a number of operational factors, for example an increase in haulage costs due to more container loads being transported, but to a large extent this is offset by the income received from the trading of materials. Other maintenance works due to take place at the HRCs during 2017/18 are adding to the overspend in this area.
- 3.4. JWT management costs remain approximately 35% under budget due to the current vacancies within the team.
- 3.5. Despite the variances in individual cost centre outturns, we are anticipating a balanced position at the end of the year for the total WDA budget.

4. Waste Collection Costs

4.1. Cheltenham Borough Council (CBC)

- 4.1.1. The CBC revenue budget at Appendix 3 forecasts an overspend of £100,000.
- 4.1.2. CBC is currently operating close to budget in most areas apart from refuse collection where Ubico are reporting continuing high levels of vehicle maintenance costs due to older vehicles awaiting replacement and hire of vehicles pending new vehicles coming into service in October. This additional cost is running at approximately £50,000 a quarter and is expected to continue to the end of the second quarter.

4.2. Cotswold District Council (CDC)

- 4.2.1. CDC's revenue budget at Appendix 4 shows a forecast outturn overspend of £120,000.
- 4.2.2. Ubico is reporting high levels of agency usage which is resulting in an overspend against recycling. However, this is unlikely to be a true picture as all agency loaders work on recycling due to minimising new staff exposure to bin lifts which are fitted to the refuse and garden waste vehicles. Therefore, we should see a saving against those cost centres, however at this time it is too early to see if that will fully offset the overspend in recycling.

4.3. Forest of Dean District Council (FODDC)

- 4.3.1. FODDC at Appendix 5, currently forecast a balanced outturn revenue budget.
- 4.3.2. Income for recycling materials in quarter 1 is £14,000 under budget. This was due to a market clamp down on paper and cardboard input to China which created a glut on the UK market. This was exacerbated by the fact that one of the leading container companies went into liquidation which also affected the market. Prices for mixed papers and cardboard dropped from £85 per tonne to £40 per tonne, this price is now recovering so we hope to reduce the shortfall in income over the rest of the year.
- 4.3.3. Income from garden waste sales is higher than anticipated so should offset the shortfall for quarter 1.

4.4. Tewkesbury Borough Council (TBC)

- 4.4.1. TBC revenue budget at Appendix 6 forecasts an overspend of £158,000.
- 4.4.2. The main reason for this is the garden waste income which at the end of August is showing as being nearly £50,000 behind expected income. Tewkesbury is moving towards a single renewal date for garden waste services and whilst some financial impact was expected of this change, it was not anticipated to be at this level. This figure is being investigated further to understand the potential impact on the whole year, and will be reported on at the end of quarter 2. As the majority of subscriptions will be renewed by this date, it is not expected that the projected year end figure of £116,000 down on income will be realised.
- 4.4.3. Ubico are reporting an overall service impact of £7,000 overspend at the end of quarter 1. No significant variances have been reported for each contracted service but within services that are variances over £10,000. At present Ubico are not providing a narrative explanation for the variances.
- 4.4.4. Another impact has been the change of materials recycling facility (MRF) supplier and the introduction of round changes with the new vehicle fleet. In quarter 1 there was a drop in recyclate going to the MRF which will be offset by less recycling credits. This will be monitored through quarter 2 to assess whether the fall in the level of recyclate being collected has stabilised.

Appendix 1 – Total Revenue Budget Summary across all JWC partners

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2017/18

Acting Head of Service: David Dale

Analysis of progress to: 31/08/2017

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	314	180	142	-38	295	-19
Income	-273	-68	-67	1	-254	19
Net Expenditure	41	112	75	-37	41	0
Joint Improvement Board						
Gross Expenditure	0	0	0	0	0	0
Income	-41	0	-38	-38	-41	0
Net Expenditure	-41	0	-38	-38	-41	0
TOTAL - GJWP	0	112	37	-75	0	0
Waste Disposal						
Royalty Payments	-671	-236	-231	5	-669	2
WCA Landfill and Composting						
Gross Expenditure	16,012	5,712	5,353	-359	15,571	-441
Income	0	0	-12	-12	-12	-12
Net Expenditure	16,012	5,712	5,341	-371	15,559	-453
Household Recycling Centres		0	0	0	0	0
Gross Expenditure	5,154	1,876	2,279	403	5,782	628
Income	-262	-87	-205	-118	-435	-173
Net Expenditure	4,892	1,789	2,074	285	5,347	455
Trade Waste	-4	-1	0	1	-3	1
Recycling Credits	4,267	1,298	740	-558	4,389	122
Tipping Away	56	0	0	0	56	0
Closed Landfill Sites	26	10	12	2	32	6
WCA Fridges and TVs	80	25	25	0	80	0
Management Costs						
Gross Expenditure	2	0	0	0	3	1
Income	-8	0	0	0	-8	0
Net Expenditure	-6	0	0	0	-5	1
Waste Projects						
Gross Expenditure	50	17	21	4	50	0
Income	0	0	-4	-4	-14	-14
Net Expenditure	50	17	17	0	36	-14
Marketing Promotions - Waste	50	21	3	-18	42	-8
TOTAL - WASTE DISPOSAL	24,752	8,635	7,981	-654	24,864	112

Waste Collection						
Household Waste	4,864	2,149	2,279	130	5,009	145
Bulky Household Waste						
Gross Expenditure	61	25	32	7	61	0
Income	-149	-62	-82	-20	-160	-11
Net Expenditure	-88	-37	-50	-13	-99	-11
Food/Organic Waste						
Gross Expenditure	420	209	211	2	420	0
Income	0	0	0	0	0	0
Net Expenditure	420	209	211	2	420	0
Green Waste						
Gross Expenditure	2,418	1,150	1,195	45	2,416	-2
Income	-2,468	-1,932	-2,016	-84	-2,366	102
Net Expenditure	-50	-782	-821	-39	50	100
Recycling Centres						
Gross Expenditure	652	313	301	-12	652	0
Income	-181	-76	-62	14	-181	0
Net Expenditure	471	237	239	2	471	0
Bring Sites						
Gross Expenditure	303	126	123	-3	303	0
Income	-77	-32	-25	7	-77	0
Net Expenditure	226	94	98	4	226	0
Recycling Collection Schemes						
Gross Expenditure	5,547	2,485	2,552	67	5,701	154
Income	-2,783	-1,007	-971	36	-2,779	4
Net Expenditure	2,764	1,478	1,581	103	2,922	158
Bulking of Recyclables						
Gross Expenditure	219	91	89	-2	219	0
Income	-590	-246	-158	88	-590	0
Net Expenditure	-371	-155	-69	86	-371	0
Trade Waste						
Gross Expenditure	869	386	380	-6	867	-2
Income	-907	-448	-367	81	-907	0
Net Expenditure	-38	-62	13	75	-40	-2
Recycling Schemes Marketing	115	36	-2	-38	104	-11
TOTAL - WASTE COLLECTION	8,313	3,167	3,479	312	8,692	379
Street Cleaning	2,838	1,305	1,282	-23	2,838	0
Central Costs						
Central Support Costs	2,151	98	98	0	2,151	0
JWT Staffing Costs	609	161	119	-42	496	-113
Depreciation	1,062	165	166	1	1,062	0
TOTAL - CENTRAL COSTS	3,822	424	383	-41	3,709	-113
TOTAL NET EXPENDITURE	39,725	13,643	13,162	-481	40,103	378

Appendix 2 – Gloucestershire County Council

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2017/18

Acting Head of Service: David Dale

Analysis of progress to: 31/08/2017

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	314	180	142	-38	295	-19
Income	-273	-68	-67	1	-254	19
Net Expenditure	41	112	75	-37	41	0
Joint Improvement Board						
Gross Expenditure	0	0	0	0	0	0
Income	-41	0	-38	-38	-41	0
Net Expenditure	-41	0	-38	-38	-41	0
TOTAL - GJWP	0	112	37	-75	0	0
Waste Disposal						
Royalty Payments	-671	-236	-231	5	-669	2
WCA Landfill and Composting						
Gross Expenditure	16,012	5,712	5,353	-359	15,571	-441
Income	0	0	-12	-12	-12	-12
Net Expenditure	16,012	5,712	5,341	-371	15,559	-453
Household Recycling Centres						
Gross Expenditure	5,154	1,876	2,279	403	5,782	628
Income	-262	-87	-205	-118	-435	-173
Net Expenditure	4,892	1,789	2,074	285	5,347	455
Trade Waste	-4	-1	0	1	-3	1
Recycling Credits	4,267	1,298	740	-558	4,389	122
Tipping Away	56	0	0	0	56	0
Closed Landfill Sites	26	10	12	2	32	6
WCA Fridges and TVs	80	25	25	0	80	0
Management Costs						
Gross Expenditure	2	0	0	0	3	1
Income	-8	0	0	0	-8	0
Net Expenditure	-6	0	0	0	-5	1
Waste Projects						
Gross Expenditure	50	17	21	4	50	0
Income	0	0	-4	-4	-14	-14
Net Expenditure	50	17	17	0	36	-14
Marketing Promotions - Waste	50	21	3	-18	42	-8
TOTAL - WASTE DISPOSAL	24,752	8,635	7,981	-654	24,864	112

Central Costs						
Central Support Costs	1,112	0	0	0	1,112	0
JWT Staffing Costs	328	82	47	-35	216	-112
TOTAL - CENTRAL COSTS	1,440	82	47	-35	1,328	-112
TOTAL NET EXPENDITURE	26,192	8,829	8,065	-764	26,192	0

Appendix 3 – Cheltenham Borough Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2017/18

Acting Head of Service: David Dale

Analysis of progress
to:

31/08/2017

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	1,367	573	665	92	1,467	100
Bulky Household Waste						
Gross Expenditure	27	11	15	4	27	0
Income	-48	-20	-26	-6	-48	0
Net Expenditure	-21	-9	-11	-2	-21	0
Green Waste						
Gross Expenditure	312	131	133	2	312	0
Income	-595	-248	-280	-32	-595	0
Net Expenditure	-283	-117	-147	-30	-283	0
Recycling Centres						
Gross Expenditure	652	313	301	-12	652	0
Income	-181	-76	-62	14	-181	0
Net Expenditure	471	237	239	2	471	0
Bring Sites						
Gross Expenditure	162	67	67	0	162	0
Income	-66	-27	-21	6	-66	0
Net Expenditure	96	40	46	6	96	0
Recycling Collection Schemes						
Gross Expenditure	1,556	648	687	39	1,556	0
Income	-405	-169	-161	8	-405	0
Net Expenditure	1,151	479	526	47	1,151	0
Bulking of Recyclables						
Gross Expenditure	219	91	89	-2	219	0
Income	-590	-246	-158	88	-590	0
Net Expenditure	-371	-155	-69	86	-371	0
Trade Waste						
Gross Expenditure	579	241	235	-6	579	0
Income	-637	-265	-184	81	-637	0
Net Expenditure	-58	-24	51	75	-58	0
Recycling Schemes Marketing	23	9	0	-9	23	0
TOTAL - WASTE COLLECTION	2,375	1,033	1,300	267	2,475	100

Street Cleaning	806	336	334	-2	806	0
Central Costs						
Central Support Costs	419	0	0	0	419	0
JWT Staffing Costs	39	13	13	0	39	0
Depreciation	45	0	0	0	45	0
TOTAL - CENTRAL COSTS	503	13	13	0	503	0
TOTAL NET EXPENDITURE	3,684	1,382	1,647	265	3,784	100

Appendix 4 – Cotswold District Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2017/18

Acting Head of Service: David Dale

Analysis of progress to: 31/08/2017

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	1,179	579	577	-2	1,179	0
Bulky Household Waste						
Gross Expenditure				0		0
Income	-36	-15	-21	-6	-36	0
Net Expenditure	-36	-15	-21	-6	-36	0
Green Waste						
Gross Expenditure	1,367	682	696	14	1,367	0
Income	-627	-618	-706	-88	-627	0
Net Expenditure	740	64	-10	-74	740	0
Recycling Collection Schemes						
Gross Expenditure	1,716	828	862	34	1,836	120
Income	-1,035	-361	-357	4	-1,035	0
Net Expenditure	681	467	505	38	801	120
Recycling Schemes Marketing	13	5	0	-5	13	0
TOTAL - WASTE COLLECTION	2,577	1,100	1,051	-49	2,697	120
Street Cleaning	1,068	530	521	-9	1,068	0
Central Costs						
Central Support Costs	135	0	0	0	135	0
JWT Staffing Costs	40	16	13	-3	40	0
Depreciation	91	0	0	0	91	0
TOTAL - CENTRAL COSTS	266	16	13	-3	266	0
TOTAL NET EXPENDITURE	3,911	1,646	1,585	-61	4,031	120

Appendix 5 – Forest of Dean District Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2017/18

Acting Head of Service: David Dale

Analysis of progress to: 31/08/2017

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	1,356	565	587	22	1,356	0
Bulky Household Waste						
Gross Expenditure	34	14	17	3	34	0
Income	-28	-12	-16	-4	-28	0
Net Expenditure	6	2	1	-1	6	0
Food/Organic Waste						
Gross Expenditure	8	3	5	2	8	0
Income	0	0	0	0	0	0
Net Expenditure	8	3	5	2	8	0
Green Waste						
Gross Expenditure	392	163	193	30	392	0
Income	-548	-548	-560	-12	-562	-14
Net Expenditure	-156	-385	-367	18	-170	-14
Bring Sites						
Gross Expenditure	141	59	56	-3	141	0
Income	-11	-5	-4	1	-11	0
Net Expenditure	130	54	52	-2	130	0
Recycling Collection Schemes						
Gross Expenditure	1,140	475	455	-20	1,140	0
Income	-781	-260	-232	28	-767	14
Net Expenditure	359	215	223	8	373	14
Recycling Schemes Marketing	49	20	1	-19	49	0
TOTAL - WASTE COLLECTION	1,752	474	502	28	1,752	0
Street Cleaning	532	222	210	-12	532	0
Central Costs						
Central Support Costs	234	98	98	0	234	0
JWT Staffing Costs	137	34	30	-4	137	0
Depreciation	397	165	166	1	397	0
TOTAL - CENTRAL COSTS	768	297	294	-3	768	0
TOTAL NET EXPENDITURE	3,052	993	1,006	13	3,052	0

Appendix 6 – Tewkesbury Borough Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2017/18

Acting Head of Service: David Dale

Analysis of progress to: 31/08/2017

Partner: Tewkesbury 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	962	432	450	18	1,007	45
Bulky Household Waste						
Gross Expenditure				0		0
Income	-37	-15	-19	-4	-48	-11
Net Expenditure	-37	-15	-19	-4	-48	-11
Food/Organic Waste						
Gross Expenditure	412	206	206	0	412	0
Income				0		0
Net Expenditure	412	206	206	0	412	0
Green Waste						
Gross Expenditure	347	174	173	-1	345	-2
Income	-698	-518	-470	48	-582	116
Net Expenditure	-351	-344	-297	47	-237	114
Recycling Collection Schemes						
Gross Expenditure	1,135	534	548	14	1,169	34
Income	-562	-217	-221	-4	-572	-10
Net Expenditure	573	317	327	10	597	24
Trade Waste						
Gross Expenditure	290	145	145	0	288	-2
Income	-270	-183	-183	0	-270	0
Net Expenditure	20	-38	-38	0	18	-2
Recycling Schemes Marketing	30	2	-3	-5	19	-11
TOTAL - WASTE COLLECTION	1,609	560	626	66	1,768	159
Street Cleaning	432	217	217	0	432	0
Central Costs						
Central Support Costs	251	0	0	0	251	0
JWT Staffing Costs	65	16	16	0	64	-1
Depreciation	529	0	0	0	529	0
TOTAL - CENTRAL COSTS	845	16	16	0	844	-1
TOTAL NET EXPENDITURE	2,886	793	859	66	3,044	158