

	Management Accounts Monitoring Report 2017/18
Committee	Gloucestershire Joint Waste Committee
Committee Date	5 December 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 seven months of the current financial year. • The combined position across authorities. • The estimated 2018/19 JWC shared costs
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. The operational budgets for waste disposal, waste collection and street cleaning remain 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 (GCC) contracts include Cory for waste disposal and the local authority company Ubico for Household Recycling Centres; Forest of Dean District Council (FODDC) contracts include Biffa for waste collection and street cleaning; whilst Cheltenham Borough Council (CBC), Cotswold District Council (CDC) and Tewkesbury Borough Council (TBC) waste collection and street cleaning services are provided by Ubico.
- 1.4. As GCC is the Administering Authority for the Joint Waste Committee, budgets associated with supporting 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 budget for GCC, CBC, CDC, FODDC and TBC is shown at Appendix 1. The current forecast year end revenue position is an overspend of £265,000 (0.66% of the net budget). This is based on monitoring forecasts made in November and actual financial transactions to the end of October 2017.

3. Waste Disposal Costs

3.1. The GCC revenue budget at Appendix 2 shows the net forecast budget position for waste disposal is a balanced budget.

3.2. This year has seen a significant improvement in recycling performance, resulting in a net underspend in this area of the budget. However, this is offset by a subsequent increase in recycling credit payments and a separate increase in Household Recycling Centre (HRC) operating costs. Machinery breakdowns, additional haulage and additional agency staff costs make up the majority of this increase. Work is underway by Ubico and the JWT to address each of these issues. HRC materials disposal and recycling income/expenditure is approximately on budget, as prices have been reasonably stable around the expected averages. The risk remains that significant changes in market prices could impact these forecasts, although such changes are not anticipated in the near future.

3.3. JWT staffing costs are underspent as a number of posts have been vacant through the year.

3.4. In previous financial years, the shared costs of the partnership have been funded from drawing down the contributions made during the set up of the partnership. These contributions are forecast to be fully utilised before the end of this financial year. To avoid requesting contributions from the partners this year it is proposed that GCC meets this cost to a maximum of £7,500 (£15,000 per annum pro-rata) as part of the agreed savings contribution relating to the Head of Service post (JWC 21/02/17, Agenda Item 6). This is included in the forecast outturn for JWT staffing costs.

4. Waste Collection Costs

4.1. Cheltenham Borough Council (CBC)

4.1.1. The CBC revenue budget at Appendix 3 forecasts an overspend of £233,000.

4.1.2. The continued use of older refuse vehicles, which are becoming less efficient and incurring higher operating and maintenance costs, has given rise to an additional contract charge from Ubico of approximately £120,000 for the half year to 30th September 2017. These additional costs will be mitigated by a finance lease payment due back to the council from Ubico for the same period, due to the delay in purchase of new vehicles. It should be noted that new vehicles came into operation from October 2017 so these additional costs will not continue for the rest of the year.

4.1.3. The cost of recycling waste wood previously met by Ubico was not factored into the budget and is expected to cost £63,000 in 2017/18. Income from cardboard recycling has been adversely affected by a sharp fall in the value of this commodity from £97 to £67 per tonne leading to a projected loss of income of £50,000.

4.2. Cotswold District Council (CDC)

- 4.2.1. CDC's revenue budget at Appendix 4 shows a forecast outturn overspend of £7,000.
- 4.2.2. In Quarter 1, Ubico reported high levels of agency staff usage, resulting in an overspend against recycling. Ubico assigns all agency loaders to work on recycling collections so as to minimise new starters' use of the mechanical bin lifts which are fitted to the refuse and garden waste vehicles. We are seeing the extent of likely overspend decrease as agency costs are now being coded against other parts of the service, however it is still too early to see if that will fully offset the overspend of £100,000 currently forecast for recycling.
- 4.2.3. Income from green waste is forecast to be £93,000 higher than budgeted. The number of subscribers has again increased resulting in a greater level of income than anticipated.

4.3. Forest of Dean District Council (FODDC)

- 4.3.1. The FODDC revenue budget at Appendix 5, currently forecast a balanced budget.
- 4.3.2. Income for recycling materials in quarter 1 was £14,000 under budget. This was due to a market clamp down on the quality of fibre (paper and card) imported by China, which created a glut on the UK market. This was exacerbated by one of the leading container companies going in to liquidation which also affected the market. Prices for fibres dropped from £85 per tonne to £40 per tonne. The price is now recovering, which it is hoped will 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 recycling materials income shortfall for quarter 1.
- 4.3.4. The budget has increased by £212,000 from the end of August report. This is due to budgets amounting to £25,000 being carried forward from 2016/17, which have now been allocated to the correct cost centres, and also £187,000 being added to account for the recycling vehicles prepayment, which following audit advice at the end of 2016/17, is the correct way to treat the purchase of the new waste vehicles.

4.4. Tewkesbury Borough Council (TBC)

- 4.4.1. The TBC revenue budget at Appendix 6 forecasts an overspend of £25,000. TBC's forecast outturn is based on the position at the end of September 2017.
- 4.4.2. The main reason for the forecast overspend is the garden waste income which at the end of September is approximately £50,000 less than expected. TBC is moving towards a single renewal date for garden waste services so that all subscriptions will run for the financial year as from 1 April 2018, and this has impacted on the income for 2017/18.
- 4.4.3. The overspend may be partially offset by additional income from bulky waste and recycling credits which are higher than anticipated due to additional recycling tonnage being collected.
- 4.4.4. At the end of quarter 2 Ubico are overspent £2,000 on refuse, £12,000 on trade waste and £8,000 on garden waste. These overspends are offset by underspends of £2,000 on street cleaning, £15,500 on food waste and £7,000 on recycling.

5. Estimated 2018/19 Shared Costs

5.1. In previous financial years, the shared costs of the partnership have been funded from drawing down the contributions made during the initial set up of the partnership. These contributions are forecast to be fully utilised by the end of 2017/18. Therefore, the partners will need to make contributions to fund shared costs for 2018/19. Appendix 7 shows an estimate of the shared costs and the contribution each partner will be requested to make. This is based on the funding formula presented to the JWC meeting of 21/02/17, Agenda Item 6, relating to the Head of Service post (the cost of which forms the majority of the shared costs).

Appendix 1 – Total Revenue Budget Summary across all JWC partners

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2017/18						
Head of Service:	Wayne Lewis			Analysis of progress to:		31/10/2017
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	204	213	9	309	-5
Income	-273	-136	-67	69	-264	9
Net Expenditure	41	68	146	78	45	4
Joint Improvement Board						
Gross Expenditure	0	0	0	0	-7	-7
Income	-41	0	-38	-38	-38	3
Net Expenditure	-41	0	-38	-38	-45	-4
TOTAL - GJWP	0	68	108	40	0	0
Waste Disposal						
Royalty Payments	-671	-351	-363	-12	-680	-9
WCA Landfill and Composting						
Gross Expenditure	16,012	8,433	8,117	-316	15,494	-518
Income	0	0	-12	-12	-12	-12
Net Expenditure	16,012	8,433	8,105	-328	15,482	-530
Household Recycling Centres						
Gross Expenditure	5,154	2,781	3,224	443	5,937	783
Income	-262	-131	-318	-187	-508	-246
Net Expenditure	4,892	2,650	2,906	256	5,429	537
Trade Waste	-4	-2	0	2	-4	0
Recycling Credits	4,267	2,061	1,733	-328	4,410	143
Tipping Away	56	0	0	0	56	0
Closed Landfill Sites	26	14	16	2	32	6
WCA Fridges and TVs	80	41	39	-2	78	-2
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	23	29	6	59	9
Income	0	0	-14	-14	-14	-14
Net Expenditure	50	23	15	-8	45	-5
Marketing Promotions - Waste	50	29	4	-25	41	-9
TOTAL - WASTE DISPOSAL	24,752	12,898	12,455	-443	24,884	132

Waste Collection				0		
Household Waste	4,874	2,858	3,070	212	5,011	137
Bulky Household Waste						
Gross Expenditure	61	36	47	11	61	0
Income	-149	-83	-113	-30	-161	-12
Net Expenditure	-88	-47	-66	-19	-100	-12
Food/Organic Waste						
Gross Expenditure	513	339	323	-16	482	-31
Income	0	0	0	0	0	0
Net Expenditure	513	339	323	-16	482	-31
Green Waste						
Gross Expenditure	2,420	1,524	1,555	31	2,436	16
Income	-2,468	-2,078	-2,131	-53	-2,474	-6
Net Expenditure	-48	-554	-576	-22	-38	10
Recycling Centres						
Gross Expenditure	571	333	347	14	571	0
Income	-181	-106	-107	-1	-181	0
Net Expenditure	390	227	240	13	390	0
Bring Sites						
Gross Expenditure	303	165	161	-4	303	0
Income	-77	-44	-42	2	-77	0
Net Expenditure	226	121	119	-2	226	0
Recycling Collection Schemes						
Gross Expenditure	5,680	3,296	3,375	79	5,730	50
Income	-2,783	-1,416	-1,462	-46	-2,797	-14
Net Expenditure	2,897	1,880	1,913	33	2,933	36
Bulking of Recyclables						
Gross Expenditure	358	209	255	46	421	63
Income	-590	-344	-189	155	-540	50
Net Expenditure	-232	-135	66	201	-119	113
Trade Waste						
Gross Expenditure	869	506	511	5	893	24
Income	-907	-564	-537	27	-907	0
Net Expenditure	-38	-58	-26	32	-14	24
Recycling Schemes Marketing	122	48	28	-20	113	-9
TOTAL - WASTE COLLECTION	8,616	4,679	5,091	412	8,884	268
Street Cleaning	2,850	1,702	1,667	-35	2,848	-2
Central Costs						
Central Support Costs	2,151	137	137	0	2,151	0
JWT Staffing Costs	601	255	135	-120	468	-133
Depreciation	1,062	232	284	52	1,062	0
TOTAL - CENTRAL COSTS	3,814	624	556	-68	3,681	-133
TOTAL NET EXPENDITURE	40,032	19,971	19,877	-94	40,297	265

Appendix 2 – Gloucestershire County Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2017/18						
Head of Service:	Wayne Lewis		Analysis of progress to:		31/10/2017	
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	204	213	9	309	-5
Income	-273	-136	-67	69	-264	9
Net Expenditure	41	68	146	78	45	4
Joint Improvement Board						
Gross Expenditure	0	0	0	0	-7	-7
Income	-41	0	-38	-38	-38	3
Net Expenditure	-41	0	-38	-38	-45	-4
TOTAL - GJWP	0	68	108	40	0	0
Waste Disposal						
Royalty Payments	-671	-351	-363	-12	-680	-9
WCA Landfill and Composting						
Gross Expenditure	16,012	8,433	8,117	-316	15,494	-518
Income	0	0	-12	-12	-12	-12
Net Expenditure	16,012	8,433	8,105	-328	15,482	-530
Household Recycling Centres						
Gross Expenditure	5,154	2,781	3,224	443	5,937	783
Income	-262	-131	-318	-187	-508	-246
Net Expenditure	4,892	2,650	2,906	256	5,429	537
Trade Waste	-4	-2	0	2	-4	0
Recycling Credits	4,267	2,061	1,733	-328	4,410	143
Tipping Away	56	0	0	0	56	0
Closed Landfill Sites	26	14	16	2	32	6
WCA Fridges and TVs	80	41	39	-2	78	-2
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	23	29	6	59	9
Income	0	0	-14	-14	-14	-14
Net Expenditure	50	23	15	-8	45	-5
Marketing Promotions - Waste	50	29	4	-25	41	-9
TOTAL - WASTE DISPOSAL	24,752	12,898	12,455	-443	24,884	132
Central Costs						
Central Support Costs	1,112	0	0	0	1,112	0
JWT Staffing Costs	328	164	47	-117	196	-132
TOTAL - CENTRAL COSTS	1,440	164	47	-117	1,308	-132
TOTAL NET EXPENDITURE	26,192	13,130	12,610	-520	26,192	0

Appendix 3 – Cheltenham Borough Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2017/18						
Head of Service:	Wayne Lewis			Analysis of progress to:	31/10/2017	
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	1,377	803	989	186	1,497	120
Bulky Household Waste						
Gross Expenditure	27	16	23	7	27	0
Income	-48	-28	-35	-7	-48	0
Net Expenditure	-21	-12	-12	0	-21	0
Green Waste						
Gross Expenditure	314	183	183	0	314	0
Income	-595	-347	-338	9	-595	0
Net Expenditure	-281	-164	-155	9	-281	0
Recycling Centres						
Gross Expenditure	571	333	347	14	571	0
Income	-181	-106	-107	-1	-181	0
Net Expenditure	390	227	240	13	390	0
Bring Sites						
Gross Expenditure	162	94	94	0	162	0
Income	-66	-38	-35	3	-66	0
Net Expenditure	96	56	59	3	96	0
Recycling Collection Schemes						
Gross Expenditure	1,595	930	971	41	1,595	0
Income	-405	-236	-267	-31	-405	0
Net Expenditure	1,190	694	704	10	1,190	0
Bulking of Recyclables						
Gross Expenditure	358	209	255	46	421	63
Income	-590	-344	-189	155	-540	50
Net Expenditure	-232	-135	66	201	-119	113
Trade Waste						
Gross Expenditure	579	337	329	-8	579	0
Income	-637	-372	-345	27	-637	0
Net Expenditure	-58	-35	-16	19	-58	0
Recycling Schemes Marketing	23	13	29	16	23	0
TOTAL - WASTE COLLECTION	2,484	1,447	1,904	457	2,717	233
Street Cleaning	800	466	466	0	800	0
Central Costs						
Central Support Costs	419	0	0	0	419	0
JWT Staffing Costs	31	18	18	0	31	0
Depreciation	45	0	52	52	45	0
TOTAL - CENTRAL COSTS	495	18	70	52	495	0
TOTAL NET EXPENDITURE	3,779	1,931	2,440	509	4,012	233

Appendix 4 – Cotswold District Council

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2017/18						
Head of Service:		Wayne Lewis		Analysis of progress to:		31/10/2017
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	774	767	-7	1,179	0
Bulky Household Waste						
Gross Expenditure				0		0
Income	-36	-21	-30	-9	-36	0
Net Expenditure	-36	-21	-30	-9	-36	0
Green Waste						
Gross Expenditure	1,367	909	919	10	1,367	0
Income	-627	-621	-716	-95	-720	-93
Net Expenditure	740	288	203	-85	647	-93
Recycling Collection Schemes						
Gross Expenditure	1,716	1,121	1,150	29	1,816	100
Income	-1,035	-533	-547	-14	-1,035	0
Net Expenditure	681	588	603	15	781	100
Recycling Schemes Marketing	13	0	0	0	13	0
TOTAL - WASTE COLLECTION	2,577	1,629	1,543	-86	2,584	7
Street Cleaning	1,068	708	696	-12	1,068	0
Central Costs						
Central Support Costs	135	0	0	0	135	0
JWT Staffing Costs	40	23	24	1	40	0
Depreciation	91	0	0	0	91	0
TOTAL - CENTRAL COSTS	266	23	24	1	266	0
TOTAL NET EXPENDITURE	3,911	2,360	2,263	-97	3,918	7

Appendix 5 – Forest of Dean District Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2017/18						
Head of Service:	Wayne Lewis				Analysis of progress to:	31/10/2017
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	678	702	24	1,356	0
Bulky Household Waste						
Gross Expenditure	34	20	24	4	34	0
Income	-28	-16	-24	-8	-28	0
Net Expenditure	6	4	0	-4	6	0
Food/Organic Waste						
Gross Expenditure	101	98	98	0	101	0
Income	0			0		0
Net Expenditure	101	98	98	0	101	0
Green Waste						
Gross Expenditure	392	229	242	13	392	0
Income	-548	-548	-565	-17	-562	-14
Net Expenditure	-156	-319	-323	-4	-170	-14
Bring Sites						
Gross Expenditure	141	71	67	-4	141	0
Income	-11	-6	-7	-1	-11	0
Net Expenditure	130	65	60	-5	130	0
Recycling Collection Schemes						
Gross Expenditure	1,234	617	651	34	1,234	0
Income	-781	-391	-378	13	-767	14
Net Expenditure	453	226	273	47	467	14
Recycling Schemes Marketing	56	33	2	-31	56	0
TOTAL - WASTE COLLECTION	1,946	785	812	27	1,946	0
Street Cleaning	550	275	253	-22	550	0
Central Costs						
Central Support Costs	234	137	137	0	234	0
JWT Staffing Costs	137	34	30	-4	137	0
Depreciation	397	232	232	0	397	0
TOTAL - CENTRAL COSTS	768	403	399	-4	768	0
TOTAL NET EXPENDITURE	3,264	1,463	1,464	1	3,264	0

Appendix 6 – Tewkesbury Borough Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2017/18						
Head of Service:	Wayne Lewis			Analysis of progress to:	31/10/2017	
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	962	603	612	9	979	17
Bulky Household Waste						
Gross Expenditure				0		0
Income	-37	-18	-24	-6	-49	-12
Net Expenditure	-37	-18	-24	-6	-49	-12
Food/Organic Waste						
Gross Expenditure	412	241	225	-16	381	-31
Income				0		0
Net Expenditure	412	241	225	-16	381	-31
Green Waste						
Gross Expenditure	347	203	211	8	363	16
Income	-698	-562	-512	50	-597	101
Net Expenditure	-351	-359	-301	58	-234	117
Recycling Collection Schemes						
Gross Expenditure	1,135	628	603	-25	1,085	-50
Income	-562	-256	-270	-14	-590	-28
Net Expenditure	573	372	333	-39	495	-78
Trade Waste						
Gross Expenditure	290	169	182	13	314	24
Income	-270	-192	-192	0	-270	0
Net Expenditure	20	-23	-10	13	44	24
Recycling Schemes Marketing	30	2	-3	-5	21	-9
TOTAL - WASTE COLLECTION	1,609	818	832	14	1,637	28
Street Cleaning	432	253	252	-1	430	-2
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	1,087	1,100	13	2,911	25

Appendix 7 – Estimated Joint Waste Committee Shared Costs 2018-19

Costs	£'000
Head of Service	85
Democratic Services support	4
Finance support	3
Total shared costs	92
GCC Saving Contribution	15
Amended base to be shared	77

40%/60% Share GCC: District Councils (DCs)	GCC £'000	4 existing DCs £'000 each
Assumes no new joining partners	31	12
GCC Saving Contribution	15	
Share of Costs	46	12