

	Management Accounts Monitoring Report 2017/18
Committee	Gloucestershire Joint Waste Committee
Committee Date	20 February 2018
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	<p>The report sets out:</p> <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 authorities; • An indicative draft 2018/19 Revenue Budget for the whole partnership.
Recommendations	<p><i>It is recommended that the Committee:</i></p> <p>a) Notes the financial performance as contained in this report. b) Notes the indicative draft 2018/19 Revenue Budget, but also that this may change as partner budgets are firmed up.</p>
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 budgets for GCC, CBC, CDC, FODDC and TBC is shown at Appendix 1. The current forecast year end revenue position is an overspend of £137,000 (0.34% of the net budget). This is based on monitoring forecasts made in January and actual financial transactions to the end of December 2017.

3. Waste Disposal Costs

3.1. Gloucestershire County Council's revenue budget at Appendix 2 shows the net forecast budget position for waste disposal is a balanced budget.

3.2. A reduction in the cost of waste disposal against budget is being experienced as a result of the continued high performance of Stroud kerbside services and the increase in recycling at FODDC and, more recently, CBC.

3.3. This is offset in the main by increased costs of running the Household Recycling Centres (HRCs) and investing in equipment at Pyke and Hempsted HRCs.

3.4. A further underspend in JWT management costs has arisen due to some vacancies within the team.

4. Waste Collection Costs

4.1. Cheltenham Borough Council (CBC)

4.1.1. The CBC revenue budget at Appendix 3 forecasts an overspend of £183,000.

4.1.2. New vehicles came into operation in October 2017. Use of older, less efficient, refuse vehicles, gave rise to additional Ubico contract charges of approximately £120,000 for the first half year. 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.

4.1.3. The revised recycling collection service began in October. To operate at full efficiency residents should pre-sort recyclable materials. This and higher volume of material being presented has made it necessary to currently have two extra crews to complete the collections. This has cost approximately £14,000 per month from the beginning of December. A business case is being developed to consider what mitigation measures can be introduced and whether this additional spend should continue. The business case will revisit the assumptions made in the original modelling and evaluate the options available going forwards. The forecast includes £100,000 to allow for the two extra crews to continue until the end of the financial year, plus other implementation costs associated with the project. It also includes costs associated with extra activities undertaken in response to the inclement weather over the Christmas period.

- 4.1.4. As volumes have increased, there may be increased income from recycling credits, landfill diversion payments and sale of recyclables. As the service has yet to fully settle down, it is not yet possible to accurately forecast this or the effect of any impact on bring sites or HRC
- 4.1.5. 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. The budget for this element of the service has been built in to the 2018/19 budget. 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. This is partially offset by a forecast increase in income from Green Waste of £30,000.

4.2. Cotswold District Council (CDC)

- 4.2.1. CDC's revenue budget at Appendix 4 shows a forecast outturn underspend of £22,000 however, there may be an impact on income as a result of the anticipated fall in recycle values in Quarter 4.
- 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 £84,000 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.
- 4.2.4. Expenditure on garden waste scheme promotion is forecast to be incurred before the end of the year. However, the Recycling Schemes Marketing is forecast to underspend by £9,000.

4.3. Forest of Dean District Council (FODDC)

- 4.3.1. The FODDC revenue budget at Appendix 5 currently forecasts a balanced budget.
- 4.3.2. Income for recycling materials is predicted to be £65,000 under budget. This is due to a reduction in income for paper and card. The market for mixed papers has been fluctuating throughout the year from a high of £87.50 per tonne to a low of £43 per tonne. As mixed papers are a large proportion of the tonnage collected for recycling, this has a significant impact on income. There has also been a drop in the income for plastic bottles which is having a further negative impact on the budget.
- 4.3.3. The shortfall in income for recycle is being offset by the following:
- Income from garden waste licence sales being £18,000 higher than anticipated.
 - Street cleaning is underspent by £17,000 as the contractor has developed safe systems of work for cleansing of roads internally so there was less expenditure on third party temporary traffic management than anticipated.
 - The budgets for replacement of waste containers are underspent across the services by £18,000
 - Marketing budgets are underspend by £12,000.

4.4. Tewkesbury Borough Council (TBC)

4.4.1. The TBC revenue budget at Appendix 6 forecasts an underspend of £24,000.

4.4.2. The Ubico contract is projected to be £36,000 overspent at year end, along with a loss on garden waste income of £58,000.

4.4.3. This is being offset by one off savings on the budget for the end of life for the collection vehicles, gains on the materials recycling facility (MRF) gate fees paid and on recycling credits received.

5. Draft 2018/19 Revenue Budget

5.1. Appendix 7 shows the draft 2018/19 Revenue Budget summary for the whole partnership. These are indicative figures only. The partners are currently in the process of setting budgets and the figures may change as the budget setting progresses, subject to member approval.

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:	31/12/2017	
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	310	270	-40	309	-5
Income	-273	-136	-133	3	-264	9
Net Expenditure	41	174	137	-37	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	174	99	-75	0	0
Waste Disposal						
Royalty Payments	-671	-463	-477	-14	-675	-4
WCA Landfill and Composting						
Gross Expenditure	16,012	11,049	10,750	-299	15,436	-576
Income	0	0	-36	-36	-36	-36
Net Expenditure	16,012	11,049	10,714	-335	15,400	-612
Household Recycling Centres						
Gross Expenditure	5,154	3,577	3,985	408	6,062	908
Income	-262	-175	-410	-235	-530	-268
Net Expenditure	4,892	3,402	3,575	173	5,532	640
Trade Waste	-4	-3	0	3	-5	-1
Recycling Credits	4,267	2,650	2,294	-356	4,400	133
Tipping Away	56	0	0	0	56	0
Closed Landfill Sites	26	18	19	1	33	7
WCA Fridges and TVs	80	55	51	-4	76	-4
Management Costs						
Gross Expenditure	2	2	0	-2	4	2
Income	-8	0	0	0	-8	0
Net Expenditure	-6	2	0	-2	-4	2
Waste Projects						
Gross Expenditure	50	30	44	14	58	8
Income	0	0	-14	-14	-14	-14
Net Expenditure	50	30	30	0	44	-6
Marketing Promotions - Waste	50	37	9	-28	34	-16
TOTAL - WASTE DISPOSAL	24,752	16,777	16,215	-562	24,891	139

Waste Collection				0		
Household Waste	4,874	3,838	3,759	-79	4,814	-60
Bulky Household Waste						
Gross Expenditure	61	46	60	14	61	0
Income	-149	-112	-146	-34	-164	-15
Net Expenditure	-88	-66	-86	-20	-103	-15
Food/Organic Waste						
Gross Expenditure	513	443	419	-24	482	-31
Income	0	0	0	0	0	0
Net Expenditure	513	443	419	-24	482	-31
Green Waste						
Gross Expenditure	2,420	1,932	1,937	5	2,438	18
Income	-2,468	-2,249	-2,243	6	-2,551	-83
Net Expenditure	-48	-317	-306	11	-113	-65
Recycling Centres						
Gross Expenditure	571	428	426	-2	571	0
Income	-181	-136	-121	15	-181	0
Net Expenditure	390	292	305	13	390	0
Bring Sites						
Gross Expenditure	303	227	222	-5	298	-5
Income	-77	-57	-55	2	-77	0
Net Expenditure	226	170	167	-3	221	-5
Recycling Collection Schemes						
Gross Expenditure	5,680	4,456	4,483	27	5,875	195
Income	-2,783	-1,992	-2,032	-40	-2,743	40
Net Expenditure	2,897	2,464	2,451	-13	3,132	235
Bulking of Recyclables						
Gross Expenditure	358	268	324	56	421	63
Income	-590	-442	-285	157	-540	50
Net Expenditure	-232	-174	39	213	-119	113
Trade Waste						
Gross Expenditure	869	675	680	5	889	20
Income	-907	-708	-734	-26	-907	0
Net Expenditure	-38	-33	-54	-21	-18	20
Recycling Schemes Marketing	122	73	41	-32	90	-32
TOTAL - WASTE COLLECTION	8,616	6,690	6,735	45	8,776	160
Street Cleaning	2,850	2,254	2,196	-58	2,827	-23
Central Costs						
Central Support Costs	2,151	176	176	0	2,151	0
JWT Staffing Costs	601	334	250	-84	462	-139
Depreciation	1,062	298	350	52	1,062	0
TOTAL - CENTRAL COSTS	3,814	808	776	-32	3,675	-139
TOTAL NET EXPENDITURE	40,032	26,703	26,021	-682	40,169	137

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:	31/12/2017	
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	310	270	-40	309	-5
Income	-273	-136	-133	3	-264	9
Net Expenditure	41	174	137	-37	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	174	99	-75	0	0
Waste Disposal						
Royalty Payments	-671	-463	-477	-14	-675	-4
WCA Landfill and Composting						
Gross Expenditure	16,012	11,049	10,750	-299	15,436	-576
Income	0	0	-36	-36	-36	-36
Net Expenditure	16,012	11,049	10,714	-335	15,400	-612
Household Recycling Centres						
Gross Expenditure	5,154	3,577	3,985	408	6,062	908
Income	-262	-175	-410	-235	-530	-268
Net Expenditure	4,892	3,402	3,575	173	5,532	640
Trade Waste	-4	-3	0	3	-5	-1
Recycling Credits	4,267	2,650	2,294	-356	4,400	133
Tipping Away	56	0	0	0	56	0
Closed Landfill Sites	26	18	19	1	33	7
WCA Fridges and TVs	80	55	51	-4	76	-4
Management Costs						
Gross Expenditure	2	2	0	-2	4	2
Income	-8	0	0	0	-8	0
Net Expenditure	-6	2	0	-2	-4	2
Waste Projects						
Gross Expenditure	50	30	44	14	58	8
Income	0	0	-14	-14	-14	-14
Net Expenditure	50	30	30	0	44	-6
Marketing Promotions - Waste	50	37	9	-28	34	-16
TOTAL - WASTE DISPOSAL	24,752	16,777	16,215	-562	24,891	139
Central Costs						
Central Support Costs	1,112	0	0	0	1,112	0
JWT Staffing Costs	328	164	86	-78	189	-139
TOTAL - CENTRAL COSTS	1,440	164	86	-78	1,301	-139
TOTAL NET EXPENDITURE	26,192	17,115	16,400	-715	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:	31/12/2017
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	1,033	1,041	8	1,377	0
Bulky Household Waste						
Gross Expenditure	27	20	30	10	27	0
Income	-48	-36	-44	-8	-48	0
Net Expenditure	-21	-16	-14	2	-21	0
Green Waste						
Gross Expenditure	314	236	233	-3	314	0
Income	-595	-446	-370	76	-625	-30
Net Expenditure	-281	-210	-137	73	-311	-30
Recycling Centres						
Gross Expenditure	571	428	426	-2	571	0
Income	-181	-136	-121	15	-181	0
Net Expenditure	390	292	305	13	390	0
Bring Sites						
Gross Expenditure	162	121	121	0	162	0
Income	-66	-49	-46	3	-66	0
Net Expenditure	96	72	75	3	96	0
Recycling Collection Schemes						
Gross Expenditure	1,595	1,196	1,174	-22	1,695	100
Income	-405	-304	-348	-44	-405	0
Net Expenditure	1,190	892	826	-66	1,290	100
Bulking of Recyclables						
Gross Expenditure	358	268	324	56	421	63
Income	-590	-442	-285	157	-540	50
Net Expenditure	-232	-174	39	213	-119	113
Trade Waste						
Gross Expenditure	579	434	423	-11	579	0
Income	-637	-478	-504	-26	-637	0
Net Expenditure	-58	-44	-81	-37	-58	0
Recycling Schemes Marketing	23	17	41	24	23	0
TOTAL - WASTE COLLECTION	2,484	1,862	2,095	233	2,667	183
Street Cleaning	800	600	599	-1	800	0
Central Costs						
Central Support Costs	419	0	0	0	419	0
JWT Staffing Costs	31	23	23	0	31	0
Depreciation	45	0	52	52	45	0
TOTAL - CENTRAL COSTS	495	23	75	52	495	0
TOTAL NET EXPENDITURE	3,779	2,485	2,769	284	3,962	183

Appendix 4 – Cotswold District Council

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2017/18						
Head of Service:	Wayne Lewis				Analysis of progress to:	31/12/2017
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	970	970	0	1,179	0
Bulky Household Waste						
Gross Expenditure				0	0	0
Income	-36	-27	-37	-10	-40	-4
Net Expenditure	-36	-27	-37	-10	-40	-4
Green Waste						
Gross Expenditure	1,367	1,137	1,144	7	1,367	0
Income	-627	-623	-718	-95	-720	-93
Net Expenditure	740	514	426	-88	647	-93
Recycling Collection Schemes						
Gross Expenditure	1,716	1,400	1,461	61	1,800	84
Income	-1,035	-706	-743	-37	-1,035	0
Net Expenditure	681	694	718	24	765	84
Recycling Schemes Marketing	13	9	0	-9	4	-9
TOTAL - WASTE COLLECTION	2,577	2,160	2,077	-83	2,555	-22
Street Cleaning	1,068	881	869	-12	1,068	0
Central Costs						
Central Support Costs	135	0	0	0	135	0
JWT Staffing Costs	40	30	31	1	40	0
Depreciation	91	0	0	0	91	0
TOTAL - CENTRAL COSTS	266	30	31	1	266	0
TOTAL NET EXPENDITURE	3,911	3,071	2,977	-94	3,889	-22

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:	31/12/2017
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	1,017	966	-51	1,344	-12
Bulky Household Waste						
Gross Expenditure	34	26	30	4	34	0
Income	-28	-21	-29	-8	-28	0
Net Expenditure	6	5	1	-4	6	0
Food/Organic Waste						
Gross Expenditure	101	99	98	-1	101	0
Income	0	0	0	0	0	0
Net Expenditure	101	99	98	-1	101	0
Green Waste						
Gross Expenditure	392	270	257	-13	391	-1
Income	-548	-548	-566	-18	-566	-18
Net Expenditure	-156	-278	-309	-31	-175	-19
Bring Sites						
Gross Expenditure	141	106	101	-5	136	-5
Income	-11	-8	-9	-1	-11	0
Net Expenditure	130	98	92	-6	125	-5
Recycling Collection Schemes						
Gross Expenditure	1,234	949	929	-20	1,234	0
Income	-781	-586	-526	60	-716	65
Net Expenditure	453	363	403	40	518	65
Recycling Schemes Marketing	56	42	3	-39	44	-12
TOTAL - WASTE COLLECTION	1,946	1,346	1,254	-92	1,963	17
Street Cleaning	550	412	372	-40	533	-17
Central Costs						
Central Support Costs	234	176	176	0	234	0
JWT Staffing Costs	137	68	61	-7	137	0
Depreciation	397	298	298	0	397	0
TOTAL - CENTRAL COSTS	768	542	535	-7	768	0
TOTAL NET EXPENDITURE	3,264	2,300	2,161	-139	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:	31/12/2017	
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	818	782	-36	914	-48
Bulky Household Waste						
Gross Expenditure				0		0
Income	-37	-28	-36	-8	-48	-11
Net Expenditure	-37	-28	-36	-8	-48	-11
Food/Organic Waste						
Gross Expenditure	412	344	321	-23	381	-31
Income				0		0
Net Expenditure	412	344	321	-23	381	-31
Green Waste						
Gross Expenditure	347	289	303	14	366	19
Income	-698	-632	-589	43	-640	58
Net Expenditure	-351	-343	-286	57	-274	77
Recycling Collection Schemes						
Gross Expenditure	1,135	911	919	8	1,146	11
Income	-562	-396	-415	-19	-587	-25
Net Expenditure	573	515	504	-11	559	-14
Trade Waste						
Gross Expenditure	290	241	257	16	310	20
Income	-270	-230	-230	0	-270	0
Net Expenditure	20	11	27	16	40	20
Recycling Schemes Marketing						
	30	5	-3	-8	19	-11
TOTAL - WASTE COLLECTION	1,609	1,322	1,309	-13	1,591	-18
Street Cleaning	432	361	356	-5	426	-6
Central Costs						
Central Support Costs	251	0	0	0	251	0
JWT Staffing Costs	65	49	49	0	65	0
Depreciation	529	0	0	0	529	0
TOTAL - CENTRAL COSTS	845	49	49	0	845	0
TOTAL NET EXPENDITURE	2,886	1,732	1,714	-18	2,862	-24

6. Appendix 7 – Draft 2018/19 Revenue Budget

Draft Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2018/19

Head of Service:	Wayne Lewis
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Budget Area	Total Budget £'000
Joint Waste Management Unit	
Gross Expenditure	365
Income	-365
Net Expenditure	0
TOTAL - GJWP	0
<u>Waste Disposal</u>	
Royalty Payments	-704
WCA Landfill and Composting	
Gross Expenditure	15,613
Income	-24
Net Expenditure	15,589
Household Recycling Centres	
Gross Expenditure	5,457
Income	-517
Net Expenditure	4,940
Trade Waste	-5
Recycling Credits	4,492
Tipping Away	28
Closed Landfill Sites	29
WCA Fridges and TVs	78
Management Costs	
Gross Expenditure	24
Income	-8
Net Expenditure	16
Waste Projects	
Gross Expenditure	50
Income	0
Net Expenditure	50
Marketing Promotions - Waste	50
TOTAL - WASTE DISPOSAL	24,563

<u>Waste Collection</u>	
Household Waste	5,235
Bulky Household Waste	
Gross Expenditure	126
Income	-131
Net Expenditure	-5
Food/Organic Waste	
Gross Expenditure	573
Income	0
Net Expenditure	573
Green Waste	
Gross Expenditure	2,628
Income	-2,514
Net Expenditure	114
Recycling Centres	
Gross Expenditure	521
Income	-181
Net Expenditure	340
Bring Sites	
Gross Expenditure	310
Income	-78
Net Expenditure	232
Recycling Collection Schemes	
Gross Expenditure	5,844
Income	-2,810
Net Expenditure	3,034
Bulking of Recyclables	
Gross Expenditure	403
Income	-590
Net Expenditure	-187
Trade Waste	
Gross Expenditure	928
Income	-946
Net Expenditure	-18
Recycling Schemes Marketing	107
TOTAL - WASTE COLLECTION	9,425
<u>Street Cleaning</u>	3,012
<u>Central Costs</u>	
Central Support Costs	1,861
JWT Staffing Costs	660
Depreciation	598
TOTAL - CENTRAL COSTS	3,119
TOTAL NET EXPENDITURE	40,119