

	Management Accounts Final Outturn 2017/18
Committee	Gloucestershire Joint Waste Committee
Committee Date	9 October 2018
Significant Decision	No
Responsible Officers	Wayne Lewis, Head of Gloucestershire Joint Waste Team (01452 425504), wayne.lewis@gloucestershire.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 and shows the final outturn for the financial year 2017/18; • The combined position across authorities.
Recommendations	<p><i>It is recommended that the Committee:</i></p> <p>a) Notes the financial performance as contained in this report.</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 and are managed with the support of 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 Enovert 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. Outturn Financial Position

2.1. The combined revenue budgets for GCC, CBC, CDC, FODDC and TBC is shown at Appendix 1. The final year end revenue outturn position is an overspend of £286,000 (0.73% of the net budget). This is a £2,000 difference compared to the provisional outturn report in June. Cheltenham Borough Council is the only partner seeing a change and this relates to central costs.

3. Waste Disposal Costs

- 3.1. Appendix 2 shows Gloucestershire County Council's revenue budget. The final outturn position for the waste disposal revenue budget is a balanced position.
- 3.2. Throughout the year a reduction in forecast waste tonnage was observed due to the continual improvement in performance of district council kerbside services. Stroud District Council, FODDC, Gloucester City and, more recently, CBC have all collected more materials for recycling. This also resulted in increased expenditure on recycling credits and incentive payments.
- 3.3. The costs of running the Household Recycling Centres (HRCs) increased, mainly as a result of increased compactor maintenance and repairs. A capital programme is underway to replace this ageing equipment with new, mobile compactors.
- 3.4. The HRC income variance against budget of £320,000 was the result of a change in the method of invoicing within the HRC materials contracts. Previously the materials income included a deduction for haulage provided by the contractors. Haulage is now charged separately and materials income is received gross. The 2018/19 budget has been set on this basis.
- 3.5. Towards the end of the year a number of weather related service disruptions affected waste tonnages, resulting in a reduction in waste tonnages in one month followed by a month of significantly higher tonnages. Accurate forecasting during this period was difficult to achieve.
- 3.6. An underspend in JWT management costs arose due to some vacancies within the team.

4. Waste Collection Costs

4.1. Cheltenham Borough Council (CBC)

- 4.1.1. Appendix 3 shows the Cheltenham Borough Council revenue budget. The final outturn is an overspend of £149,000.
- 4.1.2. The charge from Ubico was £323,000 over budget in relation to the Waste, Recycling and Street Cleaning services. The main areas impacted were as follows:
 - Household Waste £64,000 – This was due to higher maintenance and fleet hire costs as a result of an ageing fleet prior to the service redesign in October 2017, when new vehicles were purchased.
 - Recycling Centre & Civic Amenity Site £17,000 – This was mainly due to a number of breakdowns at the bulking facility which impacted on the operation and meant that business continuity measures had to be implemented by Ubico.

- Bring Sites (£8,000) – This underspend was due to staff that operate this service being deployed on other services to cover staff shortages (typically on the kerbside waste and recycling collection rounds).
- Recycling Collection Schemes £173,000 - This was due to higher maintenance and fleet hire costs as a result of an ageing fleet prior to the service redesign in October 2017, when new vehicles were purchased.
- Green Waste £10,000 – This was due to an increased take up in the service.
- Street cleansing £71,000 – This was due to an ageing fleet and higher maintenance and fleet hire costs. This is being addressed in the 2018/19 budget and new fleet/equipment purchased.

- 4.1.3. Material sales generated £23,000 more income than budgeted due to increased recycling following the new service launch in October 2017. This increased recycling also resulted in additional Recycling Credits income of £22,000 above budget. Recycling Incentive Payments income was £12,000 above budget due to the increase in the landfill diversion incentive payment as a result of better recycling performance post the service implementation.
- 4.1.4. Garden waste income was higher by £32,000 due to increased take up of the garden waste service.
- 4.1.5. There was a greater level of income from the trade waste service compared to budget by £30,000
- 4.1.6. There was an error in the budget relating to Household Waste Income, resulting in an adverse variance of £27,000. This error has been rectified for 2018/19.
- 4.1.7. An underspend of £66,000 relates to Capitalised Equipment Purchases. This was capitalisation of containers purchased to support the waste and recycling service redesign, mainly recycling boxes and the new blue cardboard bags.
- 4.1.8. Waste and Recycling Marketing overspent by £19,000, which is attributed to the waste and recycling service redesign and associated promotions.
- 4.1.9. Programmed maintenance on the recycling centre underspent by £31,000 due to an underspend of £24,000 on the replacement of compactors and two schemes, with a total budget of £8,000, not starting in 2017/18. These will be carried forward to be completed in 2018/19.

4.2. Cotswold District Council (CDC)

- 4.2.1. Appendix 4 shows the Cotswold District Council revenue budget. The final outturn is an overspend of £189,000.
- 4.2.2. Increased vehicle maintenance and hire costs and a greater number of properties to collect from in the district, due to house building, resulted in overspends of £68,000 on household waste collections and £294,000 on recycling collection schemes. This also affected green waste collections, along with an increase in the number of households participating in the scheme, leading to an overspend of £68,000.
- 4.2.3. However, this increased take up of the green waste service resulted in £124,000 more income than budgeted, which helped offset the overspend.

4.3. Forest of Dean District Council (FODDC)

- 4.3.1. Appendix 5 shows the Forest of Dean District Council revenue budget. The final outturn is an underspend of £32,000.
- 4.3.2. Recycling Collection schemes were £86,000 over budget. This was a result of income for recycling material being significantly below budget at £84,000 because of the decrease in the market price for hard mixed fibres (paper and cardboard). This was due to the restrictions on materials accepted by China which affected the global demand for this material.
- 4.3.3. The lack of income for materials was partially offset by income for recycling credits being £12,000 higher than budgeted due to an increase in the amount of tonnage collected for recycling
- 4.3.4. There was an overspend of £8,000 on purchase of recycling containers due to the increasing demand of more residents recycling and separating out materials and a £6,000 overspend on contractor costs.
- 4.3.5. The overspend on recycling collection schemes was offset by underspends on Garden Waste Collection (£33,000) due to licence sales being higher than predicted and demand for new bins being less than predicted, Street cleansing and recycling banks (£42,000) due to contractor costs being lower than anticipated, Marketing (£33,000) and Staffing costs (£10,000).

4.4. Tewkesbury Borough Council (TBC)

- 4.4.1. Appendix 6 shows Tewkesbury Borough Council revenue budget and the final outturn is an underspend of £20,000.
- 4.4.2. Ubico Ltd confirmed a £58,000 underspend against budget. They reported overspends on refuse collection, trade waste and garden waste. This is offset by savings on food waste of £45,000.
- 4.4.3. There was a one off gain by releasing part of the estimated creditor for last year's outturn, as the previous year overspend was less than projected.
- 4.4.4. There was also another one off saving from the end of life costs of the CPD waste vehicle contract which terminated on the 01/04/17. This cost was being met from reserves, which means that additional reserves are available to utilise for other non-recurring expenditure.
- 4.4.5. Additional income on bulky waste and bin sales against budget was offset by a £45,000 loss on garden waste income. This has been attributed to the move to a single renewal date for all our customers starting on the 01/04/18.
- 4.4.6. Ignoring the fact that depreciation is not a real cost and the council no longer apportions support charges then TBC would have a gain of £68,000.

Appendix 1 – Total Revenue Budget Summary across all JWC partners

Revenue Budget Summary - Gloucestershire Joint Waste Partnership Final 2017/18 Outturn

Budget Area	Total Budget £'000	Outturn £'000	Variance £'000
Joint Waste Management Unit			
Gross Expenditure	314	310	-4
Income	-273	-265	8
Net Expenditure	41	45	4
Joint Improvement Board			
Gross Expenditure	0	-7	-7
Income	-41	-38	3
Net Expenditure	-41	-45	-4
TOTAL - GJWP	0	0	0
<u>Waste Disposal</u>			
Royalty Payments	-671	-675	-4
WCA Landfill and Composting			
Gross Expenditure	16,012	15,941	-71
Income	0	-36	-36
Net Expenditure	16,012	15,905	-107
Household Recycling Centres		0	0
Gross Expenditure	5,154	5,639	485
Income	-262	-582	-320
Net Expenditure	4,892	5,057	165
Trade Waste	-4	-5	-1
Recycling Credits	4,267	4,383	116
Tipping Away	56	56	0
Closed Landfill Sites	26	25	-1
WCA Fridges and TVs	80	72	-8
Management Costs			
Gross Expenditure	2	8	6
Income	-8	-8	0
Net Expenditure	-6	0	6
Waste Projects			
Gross Expenditure	50	59	9
Income	0	-14	-14
Net Expenditure	50	45	-5
Marketing Promotions - Waste	50	29	-21
TOTAL - WASTE DISPOSAL	24,752	24,892	140

<u>Waste Collection</u>			
Household Waste	4,900	5,026	126
Bulky Household Waste			
Gross Expenditure	61	81	20
Income	-149	-210	-61
Net Expenditure	-88	-129	-41
Food/Organic Waste			
Gross Expenditure	513	464	-49
Income	0	0	0
Net Expenditure	513	464	-49
Green Waste			
Gross Expenditure	2,420	2,496	76
Income	-2,497	-2,626	-129
Net Expenditure	-77	-130	-53
Recycling Centres			
Gross Expenditure	572	560	-12
Income	-181	-160	21
Net Expenditure	391	400	9
Bring Sites			
Gross Expenditure	303	293	-10
Income	-77	-78	-1
Net Expenditure	226	215	-11
Recycling Collection Schemes			
Gross Expenditure	5,680	6,138	458
Income	-2,783	-2,787	-4
Net Expenditure	2,897	3,351	454
Bulking of Recyclables			
Gross Expenditure	421	423	2
Income	-540	-577	-37
Net Expenditure	-119	-154	-35
Trade Waste			
Gross Expenditure	868	860	-8
Income	-907	-934	-27
Net Expenditure	-39	-74	-35
Recycling Schemes Marketing	122	69	-53
TOTAL - WASTE COLLECTION	8,726	9,038	312
<u>Street Cleaning</u>	2,850	2,784	-66
<u>Central Costs</u>			
Central Support Costs	1,335	1,335	0
JWT Staffing Costs	601	453	-148
Depreciation	993	1,041	48
TOTAL - CENTRAL COSTS	2,929	2,829	-100
TOTAL NET EXPENDITURE	39,257	39,543	286

Appendix 2 – Gloucestershire County Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership Final 2017/18 Outturn

Partner: Gloucestershire County Council

Budget Area	Total Budget £'000	Outturn £'000	Variance £'000
Joint Waste Management Unit			
Gross Expenditure	314	310	-4
Income	-273	-265	8
Net Expenditure	41	45	4
Joint Improvement Board			
Gross Expenditure	0	-7	-7
Income	-41	-38	3
Net Expenditure	-41	-45	-4
TOTAL - GJWP	0	0	0
Waste Disposal			
Royalty Payments	-671	-675	-4
WCA Landfill and Composting			
Gross Expenditure	16,012	15,941	-71
Income	0	-36	-36
Net Expenditure	16,012	15,905	-107
Household Recycling Centres			
Gross Expenditure	5,154	5,639	485
Income	-262	-582	-320
Net Expenditure	4,892	5,057	165
Trade Waste	-4	-5	-1
Recycling Credits	4,267	4,383	116
Tipping Away	56	56	0
Closed Landfill Sites	26	25	-1
WCA Fridges and TVs	80	72	-8
Management Costs			
Gross Expenditure	2	8	6
Income	-8	-8	0
Net Expenditure	-6	0	6
Waste Projects			
Gross Expenditure	50	59	9
Income	0	-14	-14
Net Expenditure	50	45	-5
Marketing Promotions - Waste	50	29	-21
TOTAL - WASTE DISPOSAL	24,752	24,892	140

<u>Central Costs</u>			
Central Support Costs	431	431	0
JWT Staffing Costs	328	188	-140
TOTAL - CENTRAL COSTS	759	619	-140
TOTAL NET EXPENDITURE	25,511	25,511	0

Appendix 3 – Cheltenham Borough Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership Final 2017/18 Outturn

Partner: Cheltenham Borough Council

Budget Area	Total Budget £'000	Outturn £'000	Variance £'000
<u>Waste Collection</u>			
Household Waste	1,403	1,466	63
Bulky Household Waste			
Gross Expenditure	27	43	16
Income	-48	-59	-11
Net Expenditure	-21	-16	5
Green Waste			
Gross Expenditure	314	319	5
Income	-625	-657	-32
Net Expenditure	-311	-338	-27
Recycling Centres			
Gross Expenditure	572	560	-12
Income	-181	-160	21
Net Expenditure	391	400	9
Bring Sites			
Gross Expenditure	162	155	-7
Income	-66	-65	1
Net Expenditure	96	90	-6
Recycling Collection Schemes			
Gross Expenditure	1,595	1,735	140
Income	-405	-447	-42
Net Expenditure	1,190	1,288	98
Bulking of Recyclables			
Gross Expenditure	421	423	2
Income	-540	-577	-37
Net Expenditure	-119	-154	-35
Trade Waste			
Gross Expenditure	579	562	-17
Income	-637	-667	-30
Net Expenditure	-58	-105	-47
Recycling Schemes Marketing	23	42	19
TOTAL - WASTE COLLECTION	2,594	2,673	79
<u>Street Cleaning</u>	800	870	70

<u>Central Costs</u>			
Central Support Costs	419	419	0
JWT Staffing Costs	31	31	0
Depreciation	51	51	0
TOTAL - CENTRAL COSTS	501	501	0
TOTAL NET EXPENDITURE	3,895	4,044	149

Appendix 4 – Cotswold District Council

Revenue Budget Summary - Gloucestershire Joint Waste Partnership Final 2017/18 Outturn

Partner: Cotswold District Council

Budget Area	Total Budget £'000	Outturn £'000	Variance £'000
<u>Waste Collection</u>			
Household Waste	1,179	1,247	68
Bulky Household Waste			
Gross Expenditure		0	0
Income	-36	-51	-15
Net Expenditure	-36	-51	-15
Green Waste			
Gross Expenditure	1,367	1,435	68
Income	-627	-751	-124
Net Expenditure	740	684	-56
Recycling Collection Schemes			
Gross Expenditure	1,716	2,010	294
Income	-1,035	-1,032	3
Net Expenditure	681	978	297
Recycling Schemes Marketing	13	0	-13
TOTAL - WASTE COLLECTION	2,577	2,858	281
<u>Street Cleaning</u>	1,068	974	-94
<u>Central Costs</u>			
Central Support Costs	0	0	0
JWT Staffing Costs	40	42	2
Depreciation	91	91	0
TOTAL - CENTRAL COSTS	131	133	2
TOTAL NET EXPENDITURE	3,776	3,965	189

Appendix 5 – Forest of Dean District Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership Final 2017/18 Outturn

Partner: Forest of Dean District Council

Budget Area	Total Budget £'000	Outturn £'000	Variance £'000
<u>Waste Collection</u>			
Household Waste	1,356	1,360	4
Bulky Household Waste			
Gross Expenditure	34	38	4
Income	-28	-36	-8
Net Expenditure	6	2	-4
Food/Organic Waste			
Gross Expenditure	101	95	-6
Income	0	0	0
Net Expenditure	101	95	-6
Green Waste			
Gross Expenditure	392	377	-15
Income	-548	-566	-18
Net Expenditure	-156	-189	-33
Bring Sites			
Gross Expenditure	141	138	-3
Income	-11	-13	-2
Net Expenditure	130	125	-5
Recycling Collection Schemes			
Gross Expenditure	1,234	1,248	14
Income	-781	-709	72
Net Expenditure	453	539	86
Recycling Schemes Marketing	56	23	-33
TOTAL - WASTE COLLECTION	1,946	1,955	9
<u>Street Cleaning</u>	550	519	-31
<u>Central Costs</u>			
Central Support Costs	234	234	0
JWT Staffing Costs	137	127	-10
Depreciation	322	322	0
TOTAL - CENTRAL COSTS	693	683	-10
TOTAL NET EXPENDITURE	3,189	3,157	-32

Appendix 6 – Tewkesbury Borough Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership Final 2017/18 Outturn

Partner: Tewkesbury Borough Council

Budget Area	Total Budget £'000	Outturn £'000	Variance £'000
<u>Waste Collection</u>			
Household Waste	962	953	-9
Bulky Household Waste			
Gross Expenditure			0
Income	-37	-64	-27
Net Expenditure	-37	-64	-27
Food/Organic Waste			
Gross Expenditure	412	369	-43
Income			0
Net Expenditure	412	369	-43
Green Waste			
Gross Expenditure	347	365	18
Income	-697	-652	45
Net Expenditure	-350	-287	63
Recycling Collection Schemes			
Gross Expenditure	1,135	1,145	10
Income	-562	-599	-37
Net Expenditure	573	546	-27
Trade Waste			
Gross Expenditure	289	298	9
Income	-270	-267	3
Net Expenditure	19	31	12
Recycling Schemes Marketing	30	4	-26
TOTAL - WASTE COLLECTION	1,609	1,552	-57
<u>Street Cleaning</u>	432	421	-11
<u>Central Costs</u>			
Central Support Costs	251	251	0
JWT Staffing Costs	65	65	0
Depreciation	529	577	48
TOTAL - CENTRAL COSTS	845	893	48
TOTAL NET EXPENDITURE	2,886	2,866	-20