

	Management Accounts Monitoring Report 2018/19
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 for the first four months of the current financial year; • 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. 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 £276,000 (0.70% of the net budget). This is based on monitoring forecasts made in August and actual financial transactions to the end of July 2018.

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 position.

4. Waste Collection Costs

4.1. Cheltenham Borough Council (CBC)

4.1.1. The CBC revenue budget at Appendix 3 forecasts an overspend of £229,000.

4.1.2. This is based on Ubico's current forecast expenditure and the anticipated CBC income likely to be received. The main reasons for the overspend include:

4.1.2.1. Additional resources being used on the recycling collection fleet due to the increased demand and participation in the service resulting in an overspend of £80,000.

4.1.2.2. Increased costs of £96,000 on vehicle maintenance and vehicle hire because of the older cleansing fleet, which is due for replacement in 2018/19.

4.1.2.3. The wood recycling contractor went out of business resulting in short term arrangements having to be introduced at additional cost.

4.1.2.4. Issues and downtime with the baler at the bulking facility resulting in a decrease in material income and the need for co-mingling of some recycling which is likely to result in lost income of £55,000 in 2018/19.

4.1.3. Income from garden waste sales is forecast to be £53,000 higher than anticipated due to increased take up of the scheme.

4.1.4. Income from recycling credits is also anticipated to be higher than budgeted.

4.1.5. The situation will be monitored and a better understanding of the impact will be known as the year progresses.

4.2. Cotswold District Council (CDC)

4.2.1. CDC's revenue budget at Appendix 4 shows a forecast outturn overspend of £57,000.

4.2.2. The main reason for this is due to the likelihood of increased costs on vehicle maintenance and vehicle hire because of the older fleet, which is due for replacement in 2019. The current forecast provisionally estimates £50,000 on household waste collection vehicles plus £100,000 on recycling vehicles. The situation will be monitored and a better understanding of the impact will be known as the year progresses.

4.2.3. Income from garden waste sales is forecast to be £93,000 higher than anticipated due to increased take up of the scheme.

4.3. Forest of Dean District Council (FODDC)

- 4.3.1. FODDC at Appendix 5, currently forecasts an overspend of £37,000.
- 4.3.2. The waste, recycling, street cleaning budget position is forecasting to be overspent at year end by around £90,000. This is due to the income for recycling materials at quarter 1 being £45,000 under budget. During 2017/18 there was a significant decrease in the market prices for hard mixed fibres (paper and cardboard) and the decline in price continued until May this year. As mixed papers accounts for a large proportion of the tonnage collected for recycling the effect of the drop in market price had a major impact on income. The price decrease was due to China imposing restrictions on the materials which they accept requiring all materials to be segregated into single material streams. Whilst the mixed fibres from Forest of Dean DC were not going to China these restrictions affected the global recycling market as the supply of material is greater than demand, and as such this resulted in the price of mixed papers falling to an all-time low. The market price for mixed paper has started to recover so the deficit should reduce over the coming quarters.
- 4.3.3. The shortfall in income for recycling is being offset by a higher than anticipated income from recycling credits as the tonnage of recycling collected has increased. If this trend continues throughout the year, it is anticipated that additional income of £28,000 will be received. The garden waste budget is forecasting an underspend at year end of £25,000 due to licence sales being higher than budget and demand for new garden waste bins being less than anticipated. All contractor costs are on budget. Therefore a projected overspend across the service is currently forecasted to be £37,000

4.4. Tewkesbury Borough Council (TBC)

- 4.4.1. TBC revenue budget at Appendix 6 forecasts an underspend of £47,000.
- 4.4.2. Currently the Ubico contract is predicted to be £50,000 overspent by the end of the year. The main reason for this is due to employment costs with supervisor and fleet costs higher than predicted.
- 4.4.3. Recycling credits are also showing as being behind budget at present for income, but that will need to be monitored through the year as the council is currently working off estimates.
- 4.4.4. There is a £60,000 gain from the garden waste service, where the change in the operation of the service has resulted in an increase in the income received, higher than expected in the budget.
- 4.4.5. Also, trade waste income is predicted to be £39,000 higher than budget.
- 4.4.6. This means the overall projection at this stage in the year is a surplus of circa £45,000.

Appendix 1 – Total Revenue Budget Summary across all JWC partners

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2018/19						
Head of Service:	Wayne Lewis			Analysis of progress to:		31/07/2018
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	365	150	118	-32	309	-56
Income	-365	-91	-76	15	-309	56
Net Expenditure	0	59	42	-17	0	0
Joint Improvement Board						
Gross Expenditure	0	0	0	0	0	0
Income	0	0	0	0	0	0
Net Expenditure	0	0	0	0	0	0
TOTAL - GJWP	0	59	42	-17	0	0
Waste Disposal						
Royalty Payments	-710	-240	-176	64	-670	40
WCA Landfill and Composting						
Gross Expenditure	16,124	5,398	4,344	-1,054	16,095	-29
Income	-24	-24	0	24	-24	0
Net Expenditure	16,100	5,374	4,344	-1,030	16,071	-29
Household Recycling Centres						
Gross Expenditure	5,354	2,032	1,546	-486	5,395	41
Income	-524	-228	-189	39	-485	39
Net Expenditure	4,830	1,804	1,357	-447	4,910	80
Trade Waste	-5	0	4	4	-5	0
Recycling Credits	4,520	1,345	606	-739	4,518	-2
Tipping Away	28	0	28	28	28	0
Closed Landfill Sites	29	6	7	1	31	2
WCA Fridges and TVs	78	26	20	-6	77	-1
Management Costs						
Gross Expenditure	24	4	4	0	24	0
Income	-8	0	0	0	-8	0
Net Expenditure	16	4	4	0	16	0
Waste Projects						
Gross Expenditure	50	18	20	2	67	17
Income	0	0	0	0	0	0
Net Expenditure	50	18	20	2	67	17
Marketing Promotions - Waste	50	10	27	17	50	0
TOTAL - WASTE DISPOSAL	24,986	8,347	6,241	-2,106	25,093	107
Waste Collection						
Household Waste	4,744	1,844	1,941	97	4,809	65
Bulky Household Waste						
Gross Expenditure	107	36	35	-1	128	21
Income	-131	-43	-57	-14	-154	-23
Net Expenditure	-24	-7	-22	-15	-26	-2
Food/Organic Waste						
Gross Expenditure	481	200	202	2	483	2
Income	0	0	0	0	0	0
Net Expenditure	481	200	202	2	483	2
Green Waste						
Gross Expenditure	2,669	1,085	1,092	7	2,648	-21
Income	-2,515	-2,087	-2,284	-197	-2,732	-217
Net Expenditure	154	-1,002	-1,192	-190	-84	-238
Recycling Centres						
Gross Expenditure	466	193	190	-3	571	105
Income	-181	-60	-53	7	-183	-2
Net Expenditure	285	133	137	4	388	103
Bring Sites						
Gross Expenditure	319	121	118	-3	327	8
Income	-78	-26	-21	5	-70	8
Net Expenditure	241	95	97	2	257	16
Recycling Collection Schemes						
Gross Expenditure	6,555	2,517	2,475	-42	6,724	169
Income	-2,810	-858	-764	94	-2,816	-6
Net Expenditure	3,745	1,659	1,711	52	3,908	163

Bulking of Recyclables						
Gross Expenditure	388	158	159	1	469	81
Income	-590	-197	-155	42	-587	3
Net Expenditure	-202	-39	4	43	-118	84
Trade Waste						
Gross Expenditure	913	380	386	6	936	23
Income	-946	-403	-364	39	-982	-36
Net Expenditure	-33	-23	22	45	-46	-13
Recycling Schemes Marketing	90	22	8	-14	89	-1
TOTAL - WASTE COLLECTION	9,481	2,882	2,908	26	9,660	179
Street Cleaning	2,955	1,185	1,186	1	3,049	94
Central Costs						
Central Support Costs	1,076	76	76	0	1,076	0
JWT Staffing Costs	690	161	110	-51	586	-104
Depreciation	499	203	203	0	499	0
TOTAL - CENTRAL COSTS	2,265	440	389	-51	2,161	-104
TOTAL NET EXPENDITURE	39,687	12,913	10,766	-2,147	39,963	276

Appendix 2 – Gloucestershire County Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2018/19						
Head of Service:	Wayne Lewis				Analysis of progress to:	31/07/2018
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	365	150	118	-32	309	-56
Income	-365	-91	-76	15	-309	56
Net Expenditure	0	59	42	-17	0	0
TOTAL - GJWP	0	59	42	-17	0	0
Waste Disposal						
Royalty Payments	-710	-240	-176	64	-670	40
WCA Landfill and Composting						
Gross Expenditure	16,124	5,398	4,344	-1,054	16,095	-29
Income	-24	-24	0	24	-24	0
Net Expenditure	16,100	5,374	4,344	-1,030	16,071	-29
Household Recycling Centres						
Gross Expenditure	5,354	2,032	1,546	-486	5,395	41
Income	-524	-228	-189	39	-485	39
Net Expenditure	4,830	1,804	1,357	-447	4,910	80
Trade Waste	-5	0	4	4	-5	0
Recycling Credits	4,520	1,345	606	-739	4,518	-2
Tipping Away	28	0	28	28	28	0
Closed Landfill Sites	29	6	7	1	31	2
WCA Fridges and TVs	78	26	20	-6	77	-1
Management Costs						
Gross Expenditure	24	4	4	0	24	0
Income	-8	0	0	0	-8	0
Net Expenditure	16	4	4	0	16	0
Waste Projects						
Gross Expenditure	50	18	20	2	67	17
Income	0	0	0	0	0	0
Net Expenditure	50	18	20	2	67	17
Marketing Promotions - Waste	50	10	27	17	50	0
TOTAL - WASTE DISPOSAL	24,986	8,347	6,241	-2,106	25,093	107
Central Costs						
Central Support Costs	431	0	0	0	431	0
JWT Staffing Costs	360	90	58	-32	253	-107
TOTAL - CENTRAL COSTS	791	90	58	-32	684	-107
TOTAL NET EXPENDITURE	25,777	8,496	6,341	-2,155	25,777	0

Appendix 3 – Cheltenham Borough Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2018/19						
Head of Service:	Wayne Lewis		Analysis of progress to:		31/07/2018	
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	1,192	494	562	68	1,159	-33
Bulky Household Waste						
Gross Expenditure	27	9	7	-2	48	21
Income	-48	-16	-22	-6	-68	-20
Net Expenditure	-21	-7	-15	-8	-20	1
Green Waste						
Gross Expenditure	380	157	160	3	393	13
Income	-625	-208	-261	-53	-678	-53
Net Expenditure	-245	-51	-101	-50	-285	-40
Recycling Centres						
Gross Expenditure	466	193	190	-3	571	105
Income	-181	-60	-53	7	-183	-2
Net Expenditure	285	133	137	4	388	103
Bring Sites						
Gross Expenditure	173	72	72	0	181	8
Income	-66	-22	-16	6	-58	8
Net Expenditure	107	50	56	6	123	16
Recycling Collection Schemes						
Gross Expenditure	2,217	905	905	0	2,292	75
Income	-405	-135	-129	6	-499	-94
Net Expenditure	1,812	770	776	6	1,793	-19
Bulking of Recyclables						
Gross Expenditure	388	158	159	1	469	81
Income	-590	-197	-155	42	-587	3
Net Expenditure	-202	-39	4	43	-118	84
Trade Waste						
Gross Expenditure	605	251	256	5	623	18
Income	-637	-212	-160	52	-634	3
Net Expenditure	-32	39	96	57	-11	21
Recycling Schemes Marketing	23	8	0	-8	23	0
TOTAL - WASTE COLLECTION	2,919	1,397	1,515	118	3,052	133
Street Cleaning	836	348	347	-1	932	96
Central Costs						
Central Support Costs	418	0	0	0	418	0
JWT Staffing Costs	61	20	0	-20	61	0
Depreciation	71	71	71	0	71	0
TOTAL - CENTRAL COSTS	550	91	71	-20	550	0
TOTAL NET EXPENDITURE	4,305	1,836	1,933	97	4,534	229

Appendix 4 – Cotswold District Council

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2018/19						
Head of Service:	Wayne Lewis				Analysis of progress to:	31/07/2018
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	1,176	482	496	14	1,226	50
Bulky Household Waste						
Gross Expenditure	39	13	14	1	39	0
Income	-36	-12	-19	-7	-36	0
Net Expenditure	3	1	-5	-6	3	0
Green Waste						
Gross Expenditure	1,414	588	595	7	1,414	0
Income	-627	-617	-704	-87	-720	-93
Net Expenditure	787	-29	-109	-80	694	-93
Recycling Collection Schemes						
Gross Expenditure	1,796	728	703	-25	1,896	100
Income	-1,035	-274	-248	26	-1,035	0
Net Expenditure	761	454	455	1	861	100
Recycling Schemes Marketing	13			0	13	0
TOTAL - WASTE COLLECTION	2,740	908	837	-71	2,797	57
Street Cleaning	1,085	452	463	11	1,085	0
Central Costs						
Central Support Costs	0	0	0	0	0	0
JWT Staffing Costs	50	16	16	0	50	0
Depreciation	31	0	0	0	31	0
TOTAL - CENTRAL COSTS	81	16	16	0	81	0
TOTAL NET EXPENDITURE	3,906	1,376	1,316	-60	3,963	57

Appendix 5 – Forest of Dean District Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2018/19						
Head of Service:	Wayne Lewis				Analysis of progress to:	31/07/2018
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	1,484	495	494	-1	1,484	0
Bulky Household Waste						
Gross Expenditure	41	14	14	0	41	0
Income	-38	-13	-13	0	-38	0
Net Expenditure	3	1	1	0	3	0
Food/Organic Waste						
Gross Expenditure	8	3	4	1	8	0
Income	0	0	0	0	0	0
Net Expenditure	8	3	4	1	8	0
Green Waste						
Gross Expenditure	450	164	167	3	436	-14
Income	-565	-565	-561	4	-576	-11
Net Expenditure	-115	-401	-394	7	-140	-25
Bring Sites						
Gross Expenditure	146	49	46	-3	146	0
Income	-12	-4	-5	-1	-12	0
Net Expenditure	134	45	41	-4	134	0
Recycling Collection Schemes						
Gross Expenditure	1,274	396	382	-14	1,274	0
Income	-715	-239	-186	53	-653	62
Net Expenditure	559	157	196	39	621	62
Recycling Schemes Marketing	39	13	7	-6	39	0
TOTAL - WASTE COLLECTION	2,112	313	349	36	2,149	37
Street Cleaning	556	185	177	-8	556	0
Central Costs						
Central Support Costs	227	76	76	0	227	0
JWT Staffing Costs	139	35	35	0	139	0
Depreciation	397	132	132	0	397	0
TOTAL - CENTRAL COSTS	763	243	243	0	763	0
TOTAL NET EXPENDITURE	3,431	741	769	28	3,468	37

Appendix 6 – Tewkesbury Borough Council Revenue Budget Summary

Revenue Budget Summary - Gloucestershire Joint Waste Partnership 2018/19						
Head of Service:	Wayne Lewis				Analysis of progress to:	31/07/2018
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	892	373	389	16	940	48
Bulky Household Waste						
Gross Expenditure				0		0
Income	-9	-2	-3	-1	-12	-3
Net Expenditure	-9	-2	-3	-1	-12	-3
Food/Organic Waste						
Gross Expenditure	473	197	198	1	475	2
Income				0		0
Net Expenditure	473	197	198	1	475	2
Green Waste						
Gross Expenditure	425	176	170	-6	405	-20
Income	-698	-697	-758	-61	-758	-60
Net Expenditure	-273	-521	-588	-67	-353	-80
Recycling Collection Schemes						
Gross Expenditure	1,268	488	485	-3	1,262	-6
Income	-655	-210	-201	9	-629	26
Net Expenditure	613	278	284	6	633	20
Trade Waste						
Gross Expenditure	308	129	130	1	313	5
Income	-309	-191	-204	-13	-348	-39
Net Expenditure	-1	-62	-74	-12	-35	-34
Recycling Schemes Marketing	15	1	1	0	14	-1
TOTAL - WASTE COLLECTION	1,710	264	207	-57	1,662	-48
Street Cleaning	478	200	199	-1	476	-2
Central Costs						
Central Support Costs	0			0		0
JWT Staffing Costs	80	0	1	1	83	3
Depreciation	0			0		0
TOTAL - CENTRAL COSTS	80	0	1	1	83	3
TOTAL NET EXPENDITURE	2,268	464	407	-57	2,221	-47