

**JOINT WASTE COLLECTION COMMITTEE**  
**31 JANUARY 2013**

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**UPDATE ON PROCUREMENT COSTS, COST PARTITION AND BUDGET**

Contact Officer: Alison Howes (01494 732141)

**RECOMMENDATION**

**That the report be noted.**

1. This report is to provide Members with the latest update of project procurement costs and to advise on progress on the cost partition and budget.
2. Attached at **Appendix 1** is a summary of the expected cumulative programme costs to the end of January 2013. Total expenditure is shown to be £889,538 which is split on a 64/36 basis as follows:-

Wycombe	£569,304
Chiltern	£320,234

3. Members were last provided with an update at the meeting of the Joint Waste Collection Board on 22 November 2012. At that time a further breakdown of costs incurred under the heading of “various expenses” was requested. This information is also provided in the appendix.
4. The movement from the previously reported total of £875,174 includes additional costs to the end of November for further work completed by legal advisers Bevan Brittan plus a further provision for work not yet invoiced to the end of January and ongoing support of the internal legal lead to the end of January.

**Cost Partition and Budget**

5. At the meeting of the Joint Waste Collection Board on 22 November 2012 Members received a report setting out the detail of the cost partition in respect of the contract costs. There are no revisions to the previously agreed contract cost partition to report. At the same time Members were advised that the cost partition of the Joint Client had not been finalised.
6. Finance officers from both councils met again on 11 January to progress joint client cost partition, draft budgets and accounting arrangements.
7. The Wycombe and Chiltern Cabinets meet on 4 and 12 February respectively to approve 2013/14 budgets. The joint collection contract figures previously reported, which included a provision for contract indexation, will be reflected in respective Council’s budget plans. In respect of the Joint Client it has been agreed that the best approach to be adopted for budget purposes is for each council to assume a standstill

position (after allowing for a 1% pay award) on their current client arrangements. The rationale for this approach is that the largest element of the Joint Client budget will be staffing costs and a full financial appraisal of the new client structure cannot be undertaken until appointments into the new structure are made and the associated pension implications assessed by the Pension Fund actuary. The outcome of these is unlikely to be available in time for the council's budget setting and reporting deadlines and although savings are expected to be achieved they will be on a much smaller scale than those achieved on the contract and not significant in terms of overall budgets.

8. A further update report will be presented at the next meeting by which time firmer detail should be available.