

**CHILTERN & WYCOMBE JOINT WASTE COLLECTION COMMITTEE
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CDC and WDC early roll out funding split

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RECOMMENDATION

That the Joint Waste Collection Committee endorse the methodology for sharing the income from rolling out the new waste and recycling service between July 2013 and November 2013, to ensure that the financial impact of a phased roll out are fairly distributed between the two authorities.

1. This report outlines the proposed method of splitting recycling credits and IAA funding between CDC and WDC, between July 2013 and October 2013. Before the roll out of the new services were agreed, the Joint Waste Collection Committee agreed that one authority should not be financial penalised by rolling out their recycling service second.
2. Four income streams were looked at in relation to this cost share:
 - A. Recycling credits from paper and card collections
 - B. Recycling credits from “old schemes” i.e. bring sites, CDC glass collections and WDC plastic and cans collections
 - C. Recycling credits from “new schemes” i.e. blue bin
 - D. IAA income
3. Both A) Recycling credits from paper and card collections and B) Recycling credits from “old schemes” have been excluded from the calculation, as these were not related to the new scheme.
4. The cost share expenses were considered from mid July 2013 to October 2013 (inclusive). The table below shows the estimated income to be shared between CDC and WDC.

Figure 1: Estimated income to be shared between CDC and WDC

	Income to be redistributed				Total
	July	August	September	October	
Joint New Scheme RC	£ 14,832	£ 14,222	£ 14,590	£ 17,205	£ 60,849
Joint IAA Income	£ -	£ 7,317	£ 7,317	£ 7,317	£ 21,951
Total	£ 14,832	£ 21,539	£ 21,907	£ 24,522	£ 82,800

5. Two ways of distributing the income in figure one were looked at:

Methodology a) Looking at WDC estimated loss in income from rolling out second based on:

- the average monthly WDC IAA payment after WDC roll out
- The average monthly increase in WDC recycling credit payment after WDC roll out

As shown in figure two this method shows that WDC estimated lost income of a £49,850 by rolling out second.

Figure 2: Estimated lost income to WDC

Wycombe	July	August	September	October	Total
IAA - Estimated WDC Loss		£ 11,121	£ 11,121	£ 11,121	£ 33,364
RC - Estimated WDC Loss	£ 2,355.16	£ 4,710	£ 4,710	£ 4,710	£ 16,486
Total	£ 2,355	£ 15,832	£ 15,832	£ 15,832	£ 49,850

Methodology b) Looking at proportionally splitting the income in figure three by household numbers

- the average monthly WDC IAA payment after WDC roll out
- CDC 35% - WDC 65%

Figure 3: Proportional splitting income by Household

	July	August	September	October	Total
WDC % Split of redistributed income	£ 9,641	£ 14,000	£ 14,240	£ 15,939	£ 53,820
CDC % Split of redistributed income	£ 5,191	£ 7,539	£ 7,667	£ 8,583	£ 28,980
Total	£ 14,832	£ 21,539	£ 21,907	£ 24,522	£ 82,800

As shown in figure three this method shows that WDC estimated proportion of the income would be £53,820.

6. Both ways of calculating the share of the income/loss of rolling out the new services came to a similar figure, but methodology a) is considered to be the most accurate way to share the income between CDC and WDC. (CDC - £32,950, WDC - £49,850)