

CHILTERN & WYCOMBE JOINT WASTE COLLECTION COMMITTEE (JWCC) 27 August 2015

2015/16 Joint Waste Service Budget Update

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RECOMMENDATION

That the Joint Waste Collection Committee note the information in this report

1. This report outlines the 2015/16 budget for the Joint Waste Service, and the budget position for Quarter 1. It highlights three main areas a) Contracted Costs b) Joint Client Expenditure c) Joint Client Income
2. 2015/16 Waste Budgets (including internal corporate recharges)

Table 2a	Joint Budget	CDC Budget	WDC Budget
Contracted Costs	£8,220,800	£ 2,738,481	£ 5,481,519
Joint Client Expenditure*	£1,694,791	£959,409	£733,382
Joint Client Income	(£2,083,700)	(£974,002)	(£1,109,697)
Balance	£7,831,891	£2,723,888	£5,105,204

*Please note CDC internal recharges are £555,065

*Please note WDC internal recharges are £293,400

Table 2b	Q1 Budget based on standard 12 month profiling	Q1 Position	Est. Year End Position	Comment
Contracted Costs	£2,055,200	£1,778,990	On Budget	
Joint Client Expenditure	£423,698	£272,151	On Budget	Many costs charged on an annual basis
Joint Client Income	(£520,925)	£239,441	On Budget	Awaiting income from BCC
Balance	£1,957,973	£2,290,582	On Budget	

The waste service budget for 2015/16 is currently estimated to outturn on budget at the end of the year. Areas of risk to income are based around IAA payments, recycling credit levels, and customer driven income. Areas of risk on expenditure include the rate of indexation which will be applied from November 2015 and the upcoming change of tipping point for residual waste.

3. CDC Q1 - 2015/16 Waste Budgets (including internal corporate recharges)

Table 3a	CDC Budget	Q1 Budget based on standard 12 month profiling	Q1 Position
Contracted Costs	£2,738,481	£684,620	£591,900
Joint Client Expenditure	£959,409	£240,089	£156,138
Joint Client Income	(£974,002)	(£243,387)	(£33,349)
Balance	£2,723,888	£681,322	£714,689

4. WDC Q1 - 2015/16 Waste Budgets (including internal corporate recharges)

Table 4a	WDC Budget	Q1 Budget based on standard 12 month profiling	Q1 Position
Contracted Costs	£5,481,519	£1,370,380	£1,187,095
Joint Client Expenditure	£ 733,382	£183,609	£138,992
Joint Client Income	(£1,109,697)	(277,538)	£272,790
Balance	£5,105,204	£1,276,451	£1,598,877

5. Contracted Costs

Table 5a	Joint Budget	CDC Budget	WDC Budget	Comment
Fixed Fee	£7,625,530	£2,521,591	£ 5,103,939	Budget including anticipated indexation
Variable Works	£347,043	£98,583	£248,460	
Increase in HH	£200,000	£70,881	£129,119	Increase in HH and estimate cost of change in tipping point
Increase in Green Customers (CDC ONLY)	£35,000	£35,000	£0	Additional charge for above expect green waste uptake
Bin Cost (CDC ONLY)	£12,427	£12,427	£0	
Third Party Income	(£0)	(£0)	(£0)	
Balance	£8,220,800	£2,738,481	£5,481,519	

Table 5b	Joint Annual Budget	Q1 Budget based on standard 12 month profiling	Q1 Position	Est. Year End Position	Comment
Fixed Fee	£7,625,530	£1,906,383	£1,869,002	On Budget	Indexation to be added in November
Variable Works	£347,043	£86,761	(£ 100,621)	On Budget	
Increase in HH	£200,000	£50,000	£0	On Budget	
Increase in Green Customers (CDC ONLY)	£35,000	£8,750	£ 7,568	On Budget	
Bin Cost (CDC)	£12,427	£3,107	£3,046	On Budget	

ONLY)					
Third Party Income	(£0)	(£0)	(£0)	On Budget	

Balance	£7,625,530	£1,906,383	£1,869,002	On Budget	
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The waste contract budget for 2015/16 is predicted to outrun on budget. Risk in relation to contract expenditure include the rate of indexation which will be applied from November 2015 and the upcoming change of tipping point for residual waste. Budget has been included for both of these areas to mitigate for this risk. Currently "increase in households" budget area, reflects the potential cost from increase in property numbers and the change in tipping point. Although currently a standard budget split is applied to this area, indications are that the potential costs may be more significant in the CDC area.

6. Joint Client Expenditure and Income Budget

Table 6a shows the budget for the joint waste client and the respective CDC and WDC budgets for 2015/16

Table 6a	Joint Budget	CDC Budget	WDC Budget	Comment
Expenditure				
Employee Expenses	£ 569,030	£ 257,870	£ 286,160	CDC -47.40% WDC - 52.60%
Premises Related Expenses	£ 3,600	£ 1,706	£ 1,894	CDC -47.40% WDC - 52.60%
Transport Related Expenses	£ 20,000	£ 9,480	£10,520	CDC -47.40% WDC - 52.60%
Supplies and Services	£83,910	£ 39,865	£42,045	CDC -47.40% WDC - 52.60%
Advertising / Communications	£69,200	£ 2,836	£ 46,364	CDC -33% WDC - 67%
Green Waste Admin	£10,000	£10,000	£0	CDC Only
Customer Service Recharge	£ 75,650	£5,800	£39,850	Customer Services recharges proposed split
CDC Support Services recharge (General)	£555,065	£55,5065	£0	CDC Only
CDC Support Services recharge (Office)	£14,936	£14,936	£0	CDC Only
WDC Support recharges	£293,400	£0	£293,400	WDC Only
TOTAL	£1,694,791	£897,558	£720,233	
Income				
IAA Funding - CDC	(£0)	(£0)	(£0)	CDC Only
IAA Funding - WDC	(£100,000)	(£0)	(£100,000)	WDC Only
Recycling Credit	(£1,300,000)	(£460,200)	(£839,800)	CDC - 35.40% WDC - 64.60%
Town & Parishes recharges	(£700)	(£700)	(£0)	CDC Only
Garden Waste	(£420,000)	(£420,000)	(£0)	CDC Only

Sale of Boxes/ Bins etc	(£20,000)	(£35,400)	(£64,600)	CDC - 35.40% WDC - 64.60%
Bins for new Developments	(£15,000)	(£5,310)	(£9,690)	CDC - 35.40% WDC - 64.60%
Bulky Waste Collection	(£100,000)	(£35,400)	(£64,600)	CDC - 35.40% WDC - 64.60%
Schools Charges	(£128,000)	(£45,312)	(£82,688)	CDC - 35.40% WDC - 64.60%
TOTAL	(£2,083,700)	(£974,002)	(£1,109,697)	

Table 6b shows the Q1 budget position and expected outturn position for the joint waste client

Table 6b	Joint Budget	Q1 Budget based on standard 12 month profiling	Q1 Position	Est. Year End Position	Comment
Expenditure					
Employee Expenses	£ 569,030	£142,258	£ 130,132	On Budget	
Premises Related Expenses	£ 3,600	£900	£0	On Budget	Annual Fee
Transport Related Expenses	£ 20,000	£5,000	£ 3,548	On Budget	Switch to online millage claims has delayed some claims
Supplies and Services	£83,910	£20,978	£0	On Budget	Awaiting invoices (including BWP)
Advertising / Communications	£69,200	£17,300	(£ 51,189)	On Budget	Awaiting invoices and comms campaign in Q4
Green Waste Admin	£10,000	£2,500	£0	On Budget	Main renewals start end August 2015
Customer Service Recharge	£ 75,650	£18,913	£0	Under Review	Annual Recharge
CDC Support Services recharge (General)	£55,5065	£138,766	£0	-	Annual Fee
CDC Support Services recharge (Office)	£14,936	£3,734	£0	-	Annual Fee
WDC Support recharges	£293,400	£73,350	£0	-	Annual Fee
TOTAL	£1,694,791	£423,697.75	£82,491		
Income					
IAA Funding - CDC	(£0)	(£0)	£150,000	Awaiting information from BCC	2014/15 income carried fwd. but was not paid by BCC yet
IAA Funding - WDC	(£100,000)	(£25,000)	(£0)	Awaiting information from BCC	2014/15 income carried fwd. but was not paid by BCC yet

Recycling Credit	(£1,300,000)	(£325,000)	£423,372	Awaiting confirmation on Q1 performance	2014/15 income carried fwd. but was not paid by BCC yet.
Town & Parishes recharges	(£700)	(£175)	£0	On Budget	Annual Fee
Garden Waste	(£420,000)	(£105,000)	(£133,798)	On Budget	Main renewals start end August 2015 – Early money due to audit requirements to spread annual payments
Sale of Boxes/ Bins etc	(£20,000)	(£5,000)	(£ 9,956)		
Bins for new Developments	(£15,000)	(£3,750)	(£ 12,476)		
Bulky Waste Collection	(£100,000)	(£25,000)	(£ 23,334)		
Schools Charges	(£128,000)	(£32,000)	(£44,666)		
TOTAL	(£2,083,700)	(£520,925)	(£349,142)		

The waste client budget for 2015/16 is currently estimated to outturn on budget at the end of the year. The main areas of risk related to income, and this will need close monitoring in Q2.
