

CHILTERN & WYCOMBE JOINT WASTE COLLECTION COMMITTEE (JWCC)
5th November 2015

2015/16 Joint Waste Service Budget Update – Quarter 2

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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 2. 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	£2,803,770	£5,417,030
Joint Client Expenditure*	£1,725,882	£985,472	£740,410
Joint Client Income	(£2,083,700)	(£974,002)	(£1,109,697)
Balance	£7,862,982	£2,815,240	£5,047,743

*Please note CDC internal recharges are £555,065

*Please note WDC internal recharges are £293,400

Table 2b	Q2 Budget based on standard 12 month profiling	Q2 Position	Est. Year End Position	Comment
Contracted Costs	£4,110,400	£3,778,847	On Budget	
Joint Client Expenditure	£862,941	£761,255	On Budget	Many costs charged on an annual basis
Joint Client Income	(£1,041,850)	(£602,957)*	On Budget	Awaiting income from BCC
*(£596,500) of recycling credit income still to be claimed				
Balance	£3,931,491	£3,937,145	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. Contracted Costs

Table 3a	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 3b	Joint Annual Budget	Q2 Budget based on standard 12 month profiling	Q2 Position	Est. Year End Position	Comment
Fixed Fee	£7,625,930	£3,812,966	£3,738,055	On Budget	Indexation to be added in November
Variable Works	£347,043	£173,522	£13,795	On Budget	
Increase in HH	£200,000	£100,000	£3,415	On Budget	Tipping away cost to be add in Q3 & Q4
Increase in Green Customers (CDC ONLY)	£35,000	£17,500	£ 17,490	On Budget	
Bin Cost (CDC ONLY)	£12,427	£6,214	£6,092	On Budget	
Third Party Income	(£0)	(£0)	(£0)	On Budget	
Balance	£8,220,800	£4,110,400	£3,778,847	On Budget	

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.

4. 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 4a	Joint Budget	CDC Budget	WDC Budget	Comment
Expenditure				
Employee Expenses	£ 569,030	£269,720	£ 299,310	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	£40,813	£43,097	CDC -47.40% WDC - 52.60%
Advertising / Communications	£69,200	£ 22,836	£ 46,364	CDC -33% WDC - 67%
Green Waste Admin	£10,000	£10,000	£0	CDC Only
Customer Service Recharge	£ 75,650	£35,800	£39,850	CDC – 46.7% WDC – 53.3%
CDC Support Services recharge (General)	£554,861	£548,886	£5,975	CDC Only
CDC Support Services recharge (Office)	£46,231	£46,231	£0	CDC Only
WDC Support recharges	£293,400	£0	£293,400	WDC Only
TOTAL	£1,725,882	£985,472	£740,410	
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)	(£7,080)	(£12,920)	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 Q2 budget position and expected outturn position for the joint waste client

Table 4b	Joint Budget	Q2 Budget based on standard 12 month profiling	Q2 Position	Est. Year End Position	Comment
Expenditure					
Employee Expenses	£ 569,030	£284,516	£276,790	On Budget	
Premises Related	£ 3,600	£1,800	£0	On Budget	Annual Fee

Expenses					
Transport Related Expenses	£ 20,000	£10,000	£ 6,235	On Budget	Switch to online millage claims has delayed some claims
Supplies and Services	£83,910	£41,956	£35,378	On Budget	
Advertising / Communications	£69,200	£34,600	(£ 16,680)	On Budget	Awaiting invoices and comms campaign, and Serco items from Q4
Green Waste Admin	£10,000	£5,000	£ 2,741	On Budget	Main renewals in progress
Customer Service Recharge	£ 75,650	£37,826	£0	Under Review	Annual Recharge
CDC Support Services recharge (General)	£554,861	£277,430	£310,061	-	
CDC Support Services recharge (Office)	£46,231	£23,115	£0	-	Annual Fee
WDC Support recharges	£293,400	£146,700	£146,700	-	Non recharged (held byWDC)
TOTAL	£1,725,882	£862,943	£761,255		
Income					
IAA Funding – CDC 2015/16	(£0)	(£0)	(£0)	-	-
IAA Funding– WDC 2015/16	(£100,000)	(£50,000)	(£0)	Unknown	Funding will not be unknown until end of 2015/16
Recycling Credit 15/16	(£1,300,000)	(£650,000)	£0	Potential out turn £1.2m	Q1&2 expected income £596,500
Town & Parishes recharges	(£700)	(£350)	£0	On Budget	Annual Fee
Garden Waste	(£420,000)	(£210,000)	(£454,450)	On Budget	Main renewals in progress – above budget due to audit requirements to spread annual payments. Budget in payments received (£223,611)
Sale of Boxes/ Bins etc	(£20,000)	(£10,000)	(£ 27,695)	Above budget	This will be matched in variable expenditure
Bins for new Developments	(£15,000)	(£7,500)	(£ 12,476)	Above budget	
Bulky Waste Collection	(£100,000)	(£50,000)	(£ 44,104)	Under budget	Potentially under budget at end of year by £10,000

Schools Charges	(£128,000)	(£64,000)	(£64,232)	On Budget	
TOTAL	(£2,083,700)	(£1,041,850)	(£602,957)*		

*(£596,500) of recycling credit income still to be claimed

Outstanding 2014/15 Income from BCC

Table 4c	Joint Budget	Commitment	Comment
Income			
IAA Funding – CDC Accrual 2014/15	(£60,000)	(£133,714)	Invoice raised for £133,714 after confirmation of IAA amount from BCC
IAA Funding – WDC Accrual 2014/15	(£90,000) <small>*figure in JWS budget*</small>	(£268,006)	Invoice raised for £268,006 after confirmation of IAA amount from BCC
Recycling Credit 14/15	(£635,000)	(£525,000)	Invoiced for £525,000 paid at start of Oct by BCC a further £70,000 to be paid
TOTAL	(£785,000)	(£926,720)	

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 Q3, especially in regard to IAA and Recycling credits.
