

Delivering the new  
**BUCKINGHAMSHIRE COUNCIL**

# Environment Portfolio

Budget

15<sup>th</sup> Jan 2010

# Agenda

- Portfolio context
- Key Facts and Figures
- Key Financial Issues & Risks
- Draft Revenue Budget 2020-2023
- Overview of MTFP changes
- Supporting Financial information (including income, contracts & FTE)
- Draft Capital Programme 2020-2023

# Portfolio Context


- **Waste Collections**
- Covers joint waste contract cost, commercial waste services, garden waste, bulky waste, mainline waste collection, waste refuse, depot administration and workshop costs, disposal of recyclates and staff overheads.
- **EfW & Residual Waste**
- The main costs are for soil and hardcore waste and payments to contractors offset by income from electricity sales and other income.
- **Household Waste Recycling Centres**
- This budget mainly carries waste stream cost under the HWRC contract to operate nine Household Recycling Centres; the payments to contractors offset by income from waste disposal charges to Slough and non-household waste charges.
- **Other Waste Disposal**
- Biowaste (food and green), adhoc hazardous and non-hazardous waste and closed land-fill, High Heavens waste disposal costs comprise the major part of this budget.
- **Waste Strategy Management**
- This budget carries waste management overheads, waste procurement and joint waste client costs.
- **Street Cleansing**
- Includes sweeping and cleansing as well as highways and amenities areas for Aylesbury Vale and Wycombe areas.
- **Public Conveniences**
- This covers cost of running public conveniences countywide with the largest costs being cleaning contracts and repairs and maintenance.
- **Flood Management and Rights of Way**
- Flood Management includes Strategic Flood Management and management of flood risks whilst Rights of Way maintains and enhances public rights of way in Buckinghamshire and records them on the Definitive Map and Statement. Budget costs are mainly employee costs with some project costs.

# Portfolio Context (contd.)

- **Other Neighbourhood Services**
- This budget includes Fly-tipping, contractor charges for abandoned vehicles, legal costs of enforcement and legal costs recovered and the ground maintenance (amenities areas, parish and town council) within the Chilterns area. Expenses covered include repairs, bin replacements, salting contractor charges, horticultural and sweeping, graffiti, new lighting and staffing.
- **Energy & Resources**
- County costs covering general repairs and maintenance, biomass fuel, professional services, staffing overheads offset by fees and charges income for biomass boilers, solar panels and renewable energy, tariff and electricity sales and income from contracts.
- **Natural Environment**
- The budget covers mainly costs for Chilterns Area of Outstanding Natural Beauty (AONB), Natural Environment Partnership, funding of external partners, environmental records centre costs offset by fees and charges income.



# Key Facts and Figures



99.9% of all bin collections are successful

Approximately 110,000 bins collected every day




Less than 0.5% of Buckinghamshire's waste goes to landfill




Households in Buckinghamshire recycle 56% of their waste

## Household Recycling Centres



1.8 million visits made to HRCs annually



Buckinghamshire's HRCs have a 74% Recycling Rate

## Energy from Waste



Generating 25 Megawatts of electricity



Powering 40,000 homes

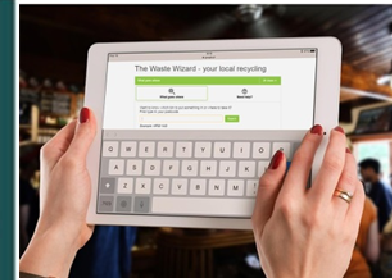


Saving £150 million for Bucks over 30 years

## Waste Promotions & Education



Social media promotes waste reduction & recycling to 40,000 local people a year



# Key Facts and Figures



## Fly-tipping enforcement



Buckinghamshire has a very high success rate in successfully prosecuting fly-tippers, which in turn has seen an 11% decrease in recorded fly-tips in the last year.

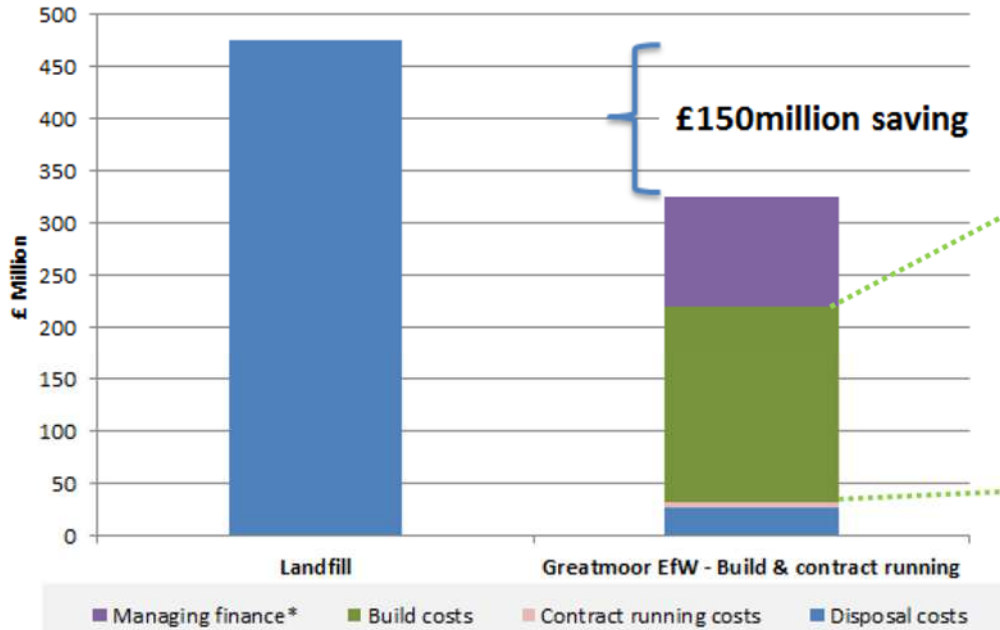
# Key Facts and Figures



## Greatmoor Energy From Waste

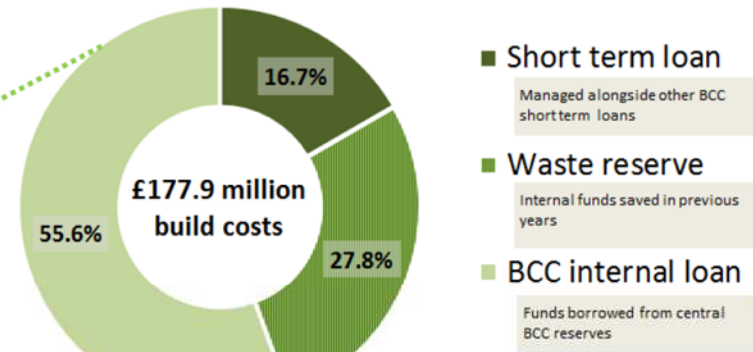
### Landfill vs Greatmoor

Total costs after 30 years



\* Managing finance is the repayment of the short term and internal BCC loans

### Greatmoor EfW Project Costs



All the figures above are estimated over the 30 year life of the contract and updated annually.

Updated Jul 2019

# Key Financial Risks & Issues

- **New Southern Waste Contract**
- The MTFP includes £1.25m growth budget for the New Southern Waste Contract provisionally starting June 2020 as modelled within the existing MTFPs. There are ongoing risks around increased cost and variable cost changes as well as available capital for vehicle purchase & depot improvements. It is expected that the costs of the fleet could be met from uncommitted district earmarked reserves and additional capital receipts anticipated.
- **New pressures on Dry Recyclables disposal charges**
- New pressures have been identified around dry recycling sorting and reprocessing costs within AVDC estimated at £440k per annum over the MTFP period due to market pressures and recycle commodity prices. Additional base budget has been identified to meet this pressure. The potential for additional income from bulky waste charging is an opportunity which is being explored alongside the harmonisation of fees & charges.
- **Waste budget pressures**
- The main areas of pressure arise from increased volume of waste, growth in property numbers, households, volatile recyclable materials market, volatility in the uptake of garden waste collections.
- **Impact of Environmental Policy Changes, Defra Resources and Waste Strategy**
- Opportunity to introduce charging for Green Waste across the Buckinghamshire Council area which is not currently included within the draft budget; however the Defra Resources and Waste Strategy may have financial impacts for future funding of waste services, green waste charging and deposit return scheme.





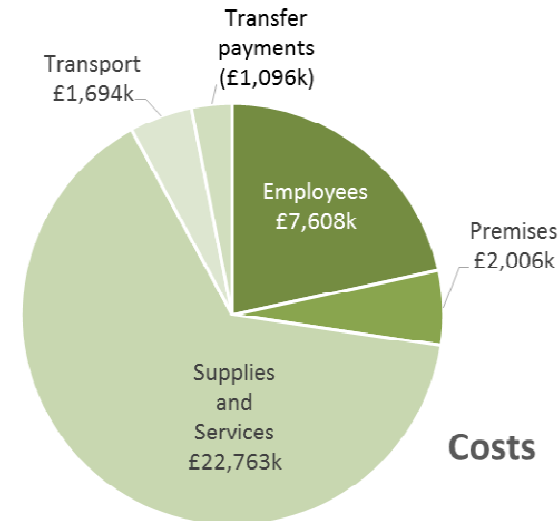
# Key Financial Risks & Issues

- **Fees & Charges**
- The review of Fees & Charges proposes harmonisation of existing Green Waste charging across AVDC and C&SBDC; and harmonisation of Bulky Waste charging. This is anticipated to have a positive impact on income (c.£155k) and is built into the income assumptions.



# Draft Revenue Budget 2020-2023

Environment Portfolio	2020-21		2021-22	2022-23	
	Income £000	Expense £000	Net Budget	Net Budget	
EFW & Residual Waste	(1,176)	1,032	(144)	1,000	1,212
Energy & Resources	(410)	586	176	176	106
Flood Management	(25)	526	501	501	461
Natural Environment	(56)	132	76	76	76
Public conveniences	(19)	417	398	400	402
Rights of way	(1)	397	396	396	396
Street Cleansing	(9)	1,011	1,002	1,032	1,064
Waste Collection	(3,775)	20,400	16,625	17,019	17,470
Waste disposal	(37)	2,485	2,448	2,389	2,339
Waste Strategy & Management	(1,783)	3,079	1,295	1,298	1,434
Household Waste Recycling Centres	(1,087)	2,912	1,826	1,897	2,131
<b>Net</b>	<b>(8,377)</b>	<b>32,975</b>	<b>24,598</b>	<b>26,185</b>	<b>27,090</b>



# Overview of MTFP changes

	2020-21	2021-22	2022-23
Description of change	£000's	£000's	£000's
Disposal of recyclates	440	440	440
Energy & Resources - income opportunities	0	0	(70)
Horticulture Contract Brought In House	(400)	(400)	(400)
Income generation from fees and charges	(25)	(155)	(155)
Increased Customer Base	(125)	(169)	(169)
Waste: HRC new service contract commissioning costs	150	150	300
Growth in number of households and contract inflation	421	851	1,231
Contract pressure for Southern Waste Contract	1,050	1,150	1,250
Reducing Energy from Waste contract income	70	270	270
Flood Management Staffing pressure	40	40	0

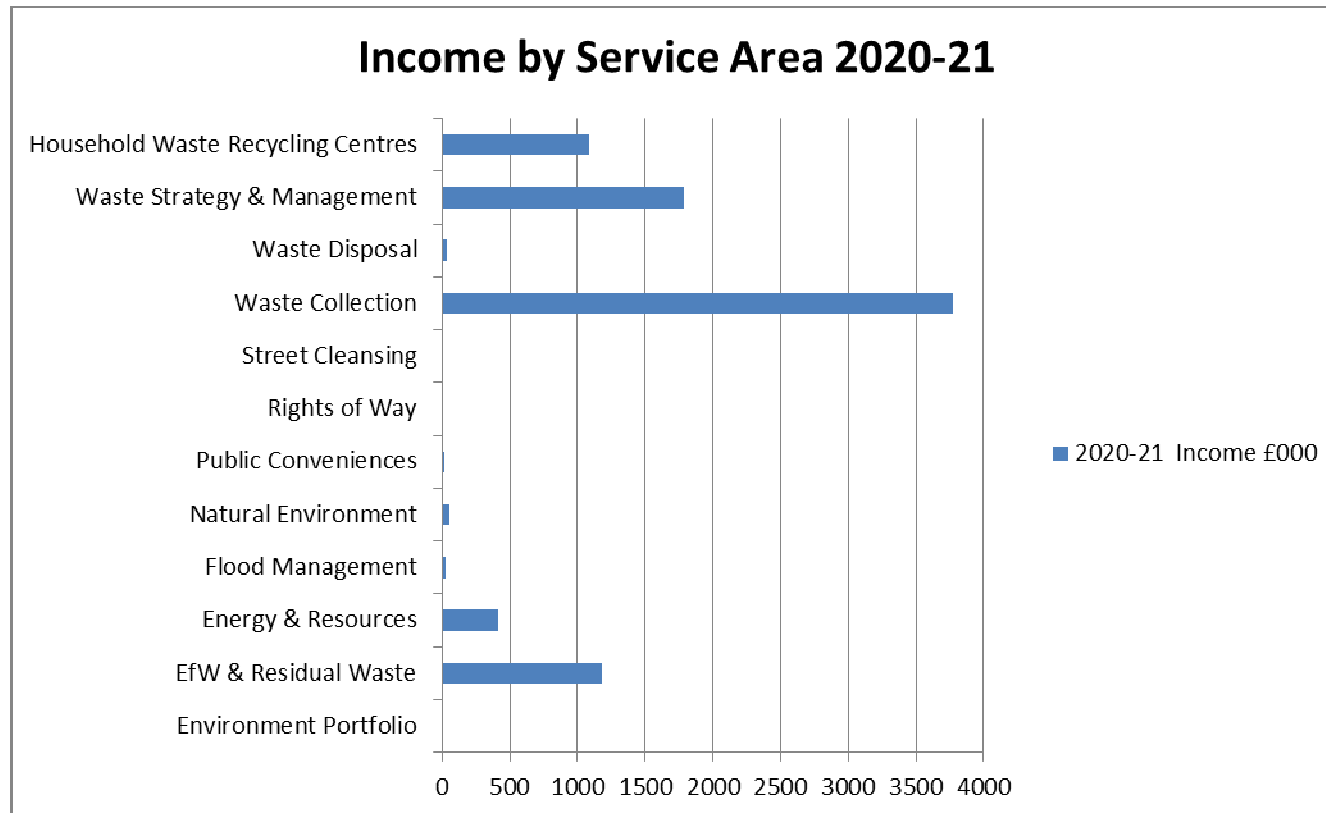
- **Disposal of Recyclates** – base budget has been increased to manage pressure of increased cost of disposal of recyclates.
- **Energy & Resources – Income Opportunities** - additional income opportunities being reviewed.
- **Horticultural Contract brought in house** – service efficiencies resulting in anticipated future savings from Street & Horticultural Contract being brought in house.
- **Income generation from fees & charges** – additional income opportunities anticipated.
- **Increased income base** – additional income anticipated from mixed recyclates and garden waste.
- **Waste: HRC new service contract commissioning costs** - contract re-provisioning and potential growth in contract costs as planned.
- **Growth in number of households and contract inflation** – growth includes cost pressures relating to pay, RPI, household numbers and contract pressures.

# Overview of MTFP changes (contd)

- **New Southern Waste Contract** – three way contract to mitigate cost pressures; contract will cover Chilterns, South Bucks and Wycombe.
- **Reducing Energy from Waste Contract Income** - reversal of income opportunities which are reducing over time.
- **Flood Management staffing pressure** – additional posts for 2 years assumed with potential requirement for year 3.



# Supporting Financial information



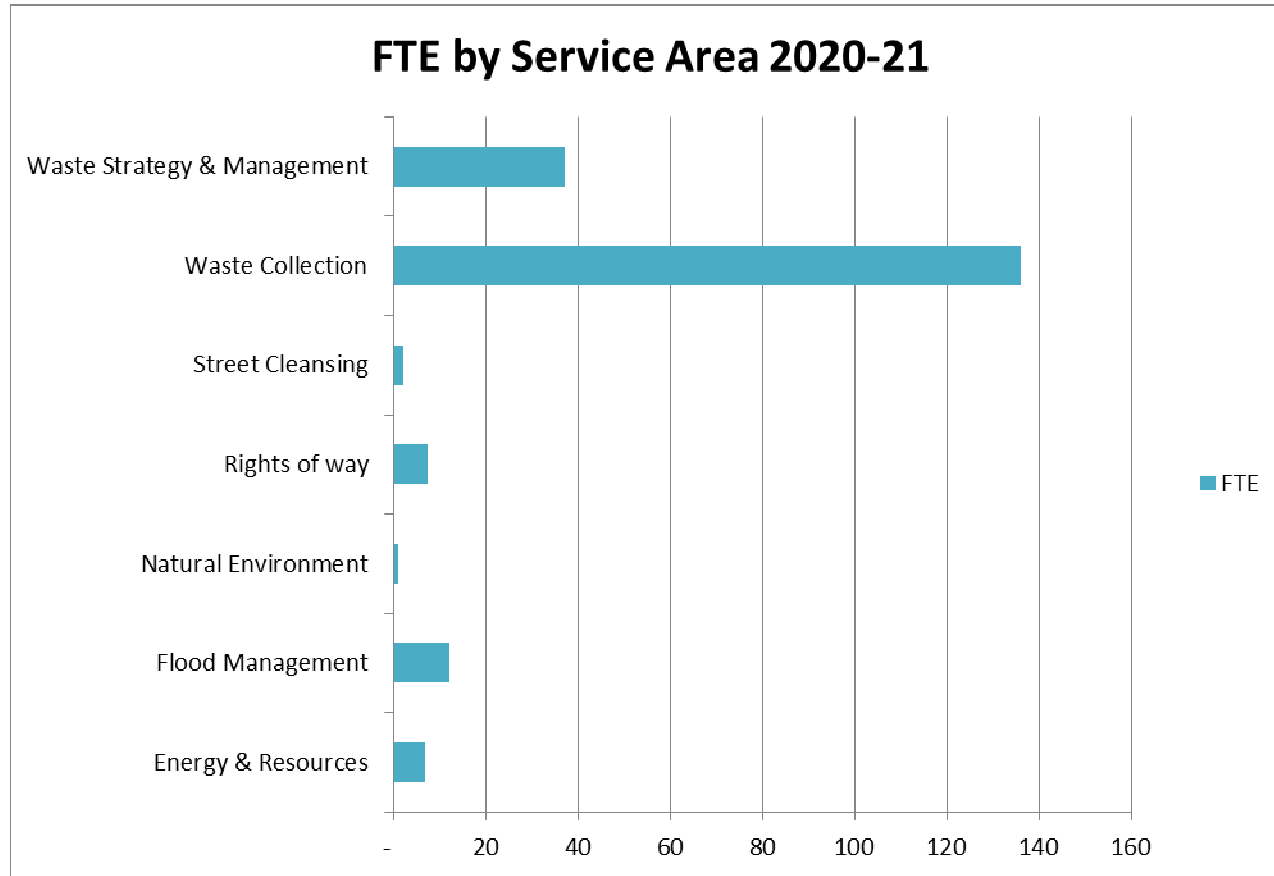
# Supporting Financial Information

## Top Contracts by Total Value

No.	Legacy Council	Agreement Title	Supplier	Contract sum per annum £	End Date	Extension Length (Yrs)
1	WDC	Waste and Street Cleanse	Serco	£5,965,000	04/03/2021	Target: 5+5 (supplier tbc)
2	BCC	FCC Integrated Household Waste Recycling Centre	FCC Recycling (UK) Ltd	£3,000,000	31/03/2022	3 (1+1+1)
3	CDC	Cleansing, refuse and recycling	Serco	£2,700,000	04/04/2020	Target: 5+5 (supplier tbc)
4	SBDC	Cleansing, refuse and recycling	Biffa	£2,600,000	31/10/2021	Target: 5+5 (supplier tbc)
5	BCC	FCC EFW Waste Management Project Agreement	FCCB	£2,000,000	28/01/2046	5 years to 28/01/2051
6	BCC	CRL - Interim South Green Waste Contract	Countrystyle Recycling Limited	£1,435,000	31/01/2020	3 (1+1+1)

\* In addition EfW 30-year capital financing costs are held centrally.

# Supporting Financial information



For illustrative purposes only: this excludes vacancies and agency posts and is subject to ongoing finalisation process.

# Draft Capital Programme 2020-2023

## Expenditure

		2020/21	2021/22	2022/23	Total MTFP
Service	Scheme	£000	£000	£000	£000
Other	Public convenience refurbishment	9	7	-	16
Other Highway & Technical	Flood Defence Schemes	1,486	4,160	3,210	8,856
	Rights of Way	242	242	200	684
Waste	Biowaste Treatment	1,807	3,498	-	5,305
	Recycling Initiatives & Bins	55	55	55	165
	Southern Waste Contract - Depot Improvements	271	500	-	771
	Southern Waste Contract - Vehicles	9,024	5,176	-	14,200
<b>Grand Total</b>		<b>12,894</b>	<b>13,638</b>	<b>3,465</b>	<b>29,997</b>

## Funding

		2020/21	2021/22	2022/23	Total MTFP
Funding Source		£000	£000	£000	£000
Government Grants		(1,086)	(1,575)	(1,950)	(4,611)
<b>Grand Total</b>		<b>(1,086)</b>	<b>(1,575)</b>	<b>(1,950)</b>	<b>(4,611)</b>



# Draft Capital Programme 2020-2023

- The amalgamated capital programme shows gross £30m expenditure on capital over the 3 years of the MTFP; with £4.6m of funding.
- **Biowaste Depot Upgrade**
- There is a request to allocate a further £1m of funding (from the HRC match-funding bid that is no longer progressing) to the Biowaste Capital Programme to mitigate the risk of not being able to provide transfer facilities for the High Heavens Bio-waste treatment contract procurement in 2021.
- **Southern Waste Contract**
- The overall position includes a £5m bid for increased capital expenditure in 2020/21. This reflects:
  - The estimated increased cost of Waste vehicles for the Southern Waste contract of £4.55m taking total estimated cost to £14.2m.
  - £0.8m for Depot improvements for the Southern Waste contract identified through the procurement process.
- These costs are subject to the finalisation of the re-procurement process. It is expected that the costs of the fleet can be met from uncommitted district earmarked reserves and additional capital receipts anticipated.
- **Flood Defence Schemes**
- There are a number of Flood defence schemes that are part funded by the Environment Agency.