



**Joint Waste Solutions: 2022-23 Budget Outturn Report
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Introduction

This report sets out the outturn position for Joint Waste Solutions (JWS) for the 2022-23 financial year.

2022-23 Outturn

Annex 1 shows the Contract Management Office (CMO) income and expenditure for 2022-23. CMO expenditure is £2,123,076 against a combined annual budget and carry forward allocation of £2,390,850, representing an overall underspend for the year of £267,774. Inclusion of the carry forwards below reduces this underspend to £146,482, resulting in expenditure for the year of £344,289 per partner authority.

The following budget carry forwards were approved by the Joint Waste Contract Partnering Board on 8th June 2023:

Budget Area	Amount	Reason for carry forward
Comms & Engagement	£44,000	The issues with driver shortages, the delayed recovery of the garden waste service and the industrial action, have inhibited JWS' ability to progress the service/round changes in 2022-23. JWS hope to implement these changes, which will need to be communicated during 2023-24.
	£1,650	The JWS website refresh work started later than planned because of delays getting the garden waste service back to normal and then dealing with the industrial action. The work to refresh how the website is organised has been completed but JWS would like to do a design refresh which will need to be outsourced to their web company.
Contract Legal	£45,642	The forecast work on contract improvement has not moved forward as expected in 2022-23. JWS anticipate that much of this work can be progressed during 2023-24.
Team	£30,000	Having spent a significant amount of the IT equipment contingency fund upgrading all JWS employees laptops and mobile phones, JWS would like to replenish this fund from the underspend on the various team budgets, in readiness for the next refresh in circa 3 years' time.
	£121,292	

Budget Variances

Variance figures from Annex 1 which are material are explained in more detail below.

CMO Variances

The Salaries budget is underspent by £101,866. This is due to a number of vacant posts, as well as new staff joining on lower salary points.

Expenditure against the Team budget is £38,187 lower than budgeted. This is mainly from reduced spending on training and travel budgets. Expenditure on parking has also greatly reduced because working from home has cut down the number of parking spaces needed at Dukes Court.

The Support budget is underspent by £14,549 due to a reduction in finance support costs.

The Contract Legal budget has a £45,642 underspend. This is because the forecast work on contract improvement hasn't progressed as expected, and conversations are still at a high level between directors.

The Communications and Engagement budget has an underspend of £60,798. This is primarily due to not being able to progress the service/round changes this year, but also because of underspends on the BAU materials and events budgets.

Contract Variances

The Core contract budget is overspent by £329,607. This is because the budget approved by members in November 2021 for 2022-23 included an estimated 4% inflationary uplift, which is less than the final figure of 6.71% from January 2022.

Variable contract expenditure is overspent by £202,039. Had it not been for the £132,341 of unbudgeted KPI income then this overspend figure would have been £334,380. The variances that make up the vast majority of this overspend are detailed in the table below (negative is underspend):

Budget Area	Elmbridge	Mole Valley	Surrey Heath	Woking	Total
Garden Waste	-64,654	-37,851	-3,971	-36,885	-143,361
Bulky Collections	-15,193	-8,727	-9,405	387	-32,938
Container Delivery	-3,656	-5,447	-3,842	-4,217	-17,162
Container Provision	-76,047	-24,264	28,109	54,478	-17,724
Driver Supplement	106,751	96,255	89,137	71,275	363,419
Bank Holiday & National Ins	60,518	41,876	49,331	39,231	190,956

The underspend on the garden waste budget is largely due to service suspensions in April and May 2022, but diminishing customer numbers, as well as a lack of new sign ups and growth has also had an impact. Surrey Heath and Woking have also seen some changes to customer numbers following the migration to Whitespace and the completion of numerous

data validation exercises. The variance for Woking from this data cleanse was greater than for Surrey Heath, with Woking paying for significantly less additional bins than budgeted.

The underspend for bulky collections is partly due to service suspensions in April and May and partly due to reduced demand. The service in Elmbridge, Mole Valley and Surrey Heath has also not been running at full capacity, with significantly less customer slots being available. Some of these slots were cancelled or blocked out to free up capacity for other work such as bin deliveries, and in Surrey Heath and Elmbridge for the strike action.

The underspends on container budgets are largely due to reduced garden waste service activity and fewer garden waste bins being supplied and delivered. This is as a result of the service suspensions in April and May and because the service was not open for renewals for a significant part of the year. Mole Valley re-opened its service to new customers in December 2022, and the other authorities re-opened their services in August and September. Woking's container provision costs are higher than budgeted because some large new developments have been occupied that required a large number of high value containers to be purchased.

No budget was set to cover the HGV driver market supplement which is the reason for the overspend of £363,419. This was expected to cost £460,000 however the additional 25p per hour plus on costs that Amey thought would be needed to settle the strike action was not needed.

Lastly, there was also no budget set to cover the additional bank holidays and national insurance costs which were approved for payment in February 2023.