



Joint Waste Solutions: 2019-20 Financial Outturn Report 17 June 2020

Report Author: Marco Arcangeli

Introduction

This report sets out the outturn position for Joint Waste Solutions (JWS) for the 2019-20 financial year.

2019-20 Outturn

Annex 1 shows the Contract Management Office (CMO) income and expenditure for 2019/20. CMO expenditure is £2,245,092 against a budget of £2,399,337, representing an overall underspend for the year of £154,245. Inclusion of the carry forwards below reduces this figure to £46,687, resulting in expenditure for the year of £370,153 per partner authority.

The following budget carry forwards were approved by the Contract Partnering Board on 28th May 2020:

Budget Area	Amount	Reason for carry forward
Comms & Engagement	£70,000	Cross boundary working has not yet taken place. These funds are required to pay for posting information through the door of any resident whose collection day changes as a result of cross boundary working.
	£1,658	Due to issues with a previous contractor the work to wrap a Sweeper in Mole Valley has not been completed.
Employee Related ¹	£25,000	This is a reserve to cover the refreshment of ICT equipment and also any unforeseen expenditure in 20/21.
Team	£10,900	To pay for staff training that could not be completed. Staff were on waiting lists for Surrey Learn courses that did not take place and other course providers had to cancel due to Coronavirus
	£107,558	

¹ Employee related budget has been used to facilitate this carry forward due to there being an insufficient surplus within the Team budget.

Budget Variances

The salaries budget is underspent by £61,084. The main components of this underspend are, £48k less paid in employers' national insurance and pension contributions, £5k less spent on employee advertising, and £5k less has been spent on consultants.

The communications & engagement budget is underspent by £97,658. As explained above £70k of this is being carried forward to pay for cross boundary work. Other components of the underspend are, £10k which has not been spent on textiles due to service capacity

issues, and a £15k underspend across the food waste, dry mixed recycling and garden waste budgets due to these budgets receiving more SEP funding than was anticipated.

Core expenditure for 2019-20 is £11,161,355 representing an underspend for the year of £563,383. This variance is mainly as a result of an indexation adjustment that led to core invoice costs being less than budgeted.

Variable charges paid in 2019-20 totals £2,001,389. Of this amount £1,115,536 relates to charges from 2019-20 and £885,853 relates to historical charges. Total variable charges not yet invoiced are £1,251,755. Of this amount £623,815 relates to 2019/20 and £627,940 relates to historical charges. JWS continue to experience difficulties verifying Amey's data, however, progress has been made and work is continuing to verify the data in order to invoice partner authorities for as much of the outstanding charges as quickly as possible.