



## **Joint Waste Solutions: Q1 2021-22 Budget and Finance Report 30<sup>th</sup> September 2021**

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### **Introduction**

This report sets out the position for Joint Waste Solutions as at quarter one and the projected outturn for the 2021-22 financial year.

### **Budget Update**

Annex 1 shows the Contract Management Office (CMO) income and expenditure position for quarter one 2021-22. CMO year-end expenditure is projected to be £2,494,862 which when set against a combined annual budget and carry forward allocation of £2,488,501 represents an overall projected overspend for the year of £6,361.

### **Budget Variances**

Budget variances from Annex 1 which have been considered material have been explained in more detail below.

#### CMO Variances

The Communications and Engagement budget is projecting an £11,361 overspend. This is because £21,361 of mailing costs have been paid in response to the national driver shortage which exceeds the £10,000 budget allocation for service changes and issues.

The Other Contractor budget is projecting a £5,000 underspend. This budget was intended to pay MDJ Light Brothers for the disposal of electricals from the depots, however, on 1<sup>st</sup> July 2021 a new contract with Biffa came into effect whereby this service is now provided at zero cost.

#### Contract Variances

The Core contract budget is projecting an overspend of £193,253. This is because the budget approved by the Contract Partnering Board for this year included an estimated 1% inflationary uplift which is less than the final figure of 2.64%. The additional 1.64% accounts for almost all the overspend with only £528 being because of a late variation to property uplift figures.

The Variable contract budget is projecting an overspend of £112,977 and is broken down as follows:

£31,279 is because of the additional 1.64% inflationary uplift which as mentioned above has also affected the Core budget.

£81,698 is due to Amey's COVID-19 agency staff costs for which no budget was set. A breakdown of these costs is provided in the table below. Throughout quarter one these costs

have fallen substantially, with no costs being incurred during June. Costs for the remainder of the year are expected to be low or zero, particularly given the driver shortage and subsequent suspension of services.

	Elmbridge	Mole Valley	Surrey Heath	Woking	Total
COVID-19 agency	£23,847	£23,455	£14,990	£19,406	£81,698

It should be noted that significant savings on the Variable budget are expected because of the suspension to garden waste services that began at the end of July. It has been too early to include an accurate estimate of these savings in this report, however, sufficient data should be available for this figure to be included in quarter two's report.

Data verification problems caused by Amey's IT incident last year continues to hamper Amey's ability to process variable invoices, and so far, the only invoices for 21-22 to have been paid are Elmbridge and Surrey Heath for April, and Elmbridge for May. Data verification issues has also meant that none of these invoices included COVID-19 agency costs. Follow up invoices will be raised as soon JWS has been able to agree these charges.

### **Recommendation**

The Committee is asked to note the report.