



Title: Joint Waste Solutions: Q2 2021-22 Budget and Finance Report
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Introduction

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

Budget Update

Annex 1 shows the Contract Management Office (CMO) income and expenditure to the end of quarter two 2021-22. CMO year-end expenditure is projected to be £2,274,726, which when set against a combined annual budget and carry forward allocation of £2,488,501 represents an overall projected underspend for the year of £213,775.

Budget Variances

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

CMO Variances

The salaries budget is projecting a £184,287 underspend. This is due to a number of vacant posts, as well as new staff joining on lower salary points and a 1% cost of living increase that was built into the budget but which did not happen.

The Team budget is projecting a £23,200 underspend. This is derived mainly from reduced spending on the training and travel budgets because of the pandemic.

The Communications and Engagement budget is projecting an £11,361 overspend. This is because of mailing costs in response to the national driver shortage.

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 1st 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 expenditure is projecting an underspend of £573,032 and is broken down as follows (negative is overspend):

Budget Area	Elmbridge	Mole Valley	Surrey Heath	Woking	Total
Garden Waste	212,144	131,508	97,651	113,913	554,202
Assisted Collections	-1,100	-1,284	-897	-1,014	-4,295
Non-Dom Collections	-6	-78	-43	-2	-129
Bulky Collections	327	4,243	3,632	9,631	17,832
Clinical Collections	-909	-1,163	-1,072	-1,462	-4,606
Add Instructed Collections	-63	-29	2	31	-59
Container Delivery	2,895	-814	-475	1,624	3,231
Container Provision	34,507	-6,012	9,968	2,582	41,045
Day Works	2,804	2,445	2,624	2,624	10,497
COVID-19 Agency Staff	-14,847	-14,455	-5,990	-10,406	-45,699
Total	235,752	114,361	105,399	117,520	573,032

The significant underspend on the garden waste budget is due to service suspensions, although it should be noted that the loss of income from these exceeds any savings. A report to show the financial impact of these suspensions was prepared by Neil Thompson (JWS) and sent to Contract Partnering Board Members at the end of September. A summary of that report is provided at Annex 2.

The projected underspend for bulky collections is also due to service suspensions, although prior to the commencement of these suspensions demand had increased, as had the number of slots offered by Amey.

The underspends that have been projected for the container provision and delivery budgets are mainly due to the decline in garden waste bin deliveries, but also because supply issues have caused a delay to some costs being invoiced.

No budget was set to cover COVID-19 agency staff which is projected to cost £45,699. Throughout quarter one these costs fell substantially and since June no costs have been incurred. Amey has said that they will not have enough staff to provide a full garden waste service for the rest of the year and therefore for projection purposes it has been assumed that no agency staff costs will be incurred in quarter three or four.

Recommendation

The Committee is asked to note the report.