

Budget Monitoring Report Period 2 (May)**SUMMARY**

This report provides an update on the financial position of the Authority at the end of May, the key operational performance indicators (KPIs) and delegated financial decisions

RECOMMENDATION(S)

Chief Officers are asked to:-

- 1) Note the current financial position in 2017/18 to Period 2 and Key Performance Indicators
- 2) Note the financial decisions taken under the Scheme of Delegation to Officers

1. Financial position – high level summary

A summary of the financial performance for the period and forecast to the end of the year is provided below:

High level summary

	P2 Budget £ 000s	P2 Actual £ 000s	P2 Variance £ 000s	Year Budget £ 000s	Year Forecast £ 000s	Year Variance £ 000s
Expenditure						
Employees	276	269	-7	1,653	1,641	-12
Premises	715	712	-3	4,287	4,366	79
Waste Transport & Disposal	6,198	5,844	-355	37,193	36,600	-594
Other supplies	220	90	-130	1,318	1,311	-7
Depreciation	1,371	1,391	20	8,227	8,350	123
Financing and Other	1,505	1,497	-8	9,032	8,742	-290
	10,284	9,803	-482	61,710	61,010	-701
Income						
Levies	-9,980	-9,301	679	-59,880	-59,168	712
Trade and other	-304	-296	8	-1,830	-1,832	-2
	-10,284	-9,597	687	-61,710	-61,000	710
(Surplus) / Deficit	0	206	206	0	10	10

The summary shows how financial performance compares to the budget for both the period in question and the forecast for the year. The budget has been profiled to reflect how expenditure will arise.

It is early in the year and so far no trends or patterns in activities have been identified with only a small overall variance of £206,000 (2%) for period 2. Therefore, for the year we are

forecasting to be broadly in line with budget after including the variances to date. As trends and patterns become apparent over coming months the forecast will be updated.

However, there is one notable observation. The overall waste volume is below budget resulting in an under-spend on the Waste Transport & Disposal budget. It is too early to assume that we can rely on all of these savings at this stage as subsequent months may see a rise back in waste volume. These tonnage variances are also reflected in the reduced level of levies where quarterly reconciliations ensure boroughs only pay for the volumes of waste disposed.

The standard breakdown can be found in Appendix 1. This separates out the main types of waste streams and distinguishes between PAYT and FCL activities.

2. Operational KPIs

The KPI table (Appendix 2) illustrates the performance in key activities and progress with internal audit recommendations. At the time of writing a number of the period 2 statistics were still unavailable.

The KPIs are broadly on target with only two new aspirational ones slightly below at this early stage in the year.

3. Delegated decisions

To provide further transparency of operational arrangements, this standard section of the budget monitoring report summarises any significant financial decisions made by the Director and/or Chief Officers under the Scheme of Delegations to Officers since those reported to the last Authority meeting. There are two delegated decisions to report which are summarised in Appendix 3

4. Financial Implications – These are detailed in the report.

5. Legal Implications – There are no legal implications as a result of this report.

6. Impact on Joint Waste Management Strategy – Improvements to financial management in the Authority will continue to ensure that the Authority addresses policies of the JWMS.

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Appendix 1

Pay As You Throw	Period 2				Forecast				
	Budget £ 000s	Actual £ 000s	Variance £ 000s	Commentary	Budget £ 000s	Estimate £ 000s	Variance £ 000s	Commentary	
Waste - Residual	3,974	3,525	-449	lower than budgeted waste tonnage	23,841	23,648	-193	too early to predict trends - assuming remaining months will be largely on budget	
Waste - Residual: EFW Bulked	1,160	1,050	-110		6,958	7,032	74		
Waste - Residual: EFW Delivered	633	724	91		3,799	3,845	46		
Waste - Food	119	111	-8		714	707	-7		
Waste - Mixed Organic	157	207	51		940	940	0		
Waste - Green	180	175	-4		1,077	963	-114		
Waste - Other	42	49	7		254	275	21		
Waste - Concession interest	-574	-544	30		-3,445	-3,263	182		concession underspend per 2016/17
Waste - Concession liability	-499	-577	-79		-2,991	-3,463	-472		
Financing SERC - Interest	574	544	-30		3,445	3,263	-182		
Financing SERC - Concession interest	738	755	16		4,430	4,360	-70		
Premises - SERC	223	223	0		1,337	1,337	0		
Depreciation - SERC	1,167	1,125	-42		7,001	6,752	-249		per 2016/17 year end property valuation
PAYT Levy income	-7,893	-7,215	679	rebate resulting from lower waste tonnage	-47,360	-46,648	712		rebate resulting from lower waste tonnage
PAYT Net Expenditure	0	152	152		0	-252	-252		

Fixed Cost Levy	Period 2				Forecast			
	Budget £ 000s	Actual £ 000s	Variance £ 000s	Commentary	Budget £ 000s	Estimate £ 000s	Variance £ 000s	Commentary
Employees	276	269	-7		1,653	1,641	-12	
Premises	458	455	-3		2,745	2,824	79	
Waste - Residual	665	917	252		3,990	4,034	44	
Waste - Green	142	47	-95		851	756	-95	
Waste - Wood	190	150	-40		1,140	1,100	-40	
Waste - Other	175	182	7		1,052	1,059	7	
Other Supplies	220	90	-130		1,318	1,311	-7	
Depreciation	26	94	68	2016/17 year end property valuation increase	154	564	410	per 2016/17 year end property valuation
Financing and Other	-8	0	8		-50	-50	0	
Trade Waste and Other Income	-305	-297	8		-1,831	-1,833	-2	
Waste - Concession interest	-88	-83	5		-528	-500	28	concession underspend per 2016/17
Waste - Concession liability	-76	-88	-12		-458	-531	-73	
Financing SERC - Interest	88	83	-5		528	500	-28	
Financing SERC - Concession interest	113	116	3		679	668	-11	
Premises - SERC	34	34	0		205	205	0	
Depreciation - SERC	179	172	-7		1,072	1,034	-38	
FCL Levy income	-2,087	-2,087	0		-12,520	-12,520	0	
Fixed Cost Levy Net Expenditure	0	54	54		0	262	262	

Appendix 2

KPI No	Measure	2017/18 Target	Forecast	Apr	May	Jun	Comments
Efficiency							
KPI1	Total WCA waste handled by Authority (tonnes, +/- 5% of budget)	+/- 5% i.e. 515,899 to 570,204 tonnes	543,412	38,951			Awaiting May data. To early to determine patterns so assume on budget
KPI2	Total kgs WCA waste per dwelling	867	867	62			Awaiting May data. To early to determine patterns so assume on budget
KPI3	HRRC reuse, recycling, composted % (Twyford)	60%	39%	39%			May data not available at time of writing - The target is a aspirational target and there have been some chnages on site. Removal of wood from basedata has effected the rate.
KPI4	Borough HRRC Average reuse, recycling, composted %	60%	42%	42%			May data not available at time of writing - The target is a aspirational target and it is the first time it has been collated by the Authority.
KPI5	% of HRRC residual waste recycled	TBC	-	-			Trials have commenced this month.
KPI6	Trade debt as proportion of non levy income	Max of 8% (1 month)	2.4%	2.4%	2.3%		
KPI7	Average days to pay creditors	Max of 30 days	16	14	17		
KPI8	Number of audit actions or recommendations overdue	0	0	0	0		
Service Delivery							
KPI9	Residual waste landfill diversion rate	96%	97%	97%			May data not available at time of writing
KPI10	Recycling rate for residual waste	2.00%	2%	0.57%			The full recycling data and May data not available at time of writing
Safety							
KPI11	RIDDOR reported incidents at rail transfer stations	0	0	0	0		
KPI12	RIDDOR reported incidents at Twyford	0	0	0	0		
Environment							
KPI13	EA reported incidents at rail transfer stations	0	0	0	0		
KPI14	EA reported incidents at Twyford	0	0	0	0		
Education							
KPI15	Number of people engaged at events	Min of 6,000 people	7,686	169	1,112		
KPI16	Engagement on social media	Provisional 8,000. Communication Officer to review in year	8,742	929	528		
KPI17	Number of Training days per WLWA employee	4	4.0	0.0	0.1		Significant training plan identified from appraisals
KPI18	Number of visitors to our website	Min of 60,000 hits	95,124	8,437	7,417		