

Finance Update

SUMMARY

This report provides an update on financial and operational matters. The key points are:

- £2m forecasted overspend in PAYT levies if waste growth continues as seen in the first 4 months of the financial year.
- £1.5m has been recognised in the full year forecast for the landfill charge to the contractor, in comparison to the budget of £0.5 million.
- £1.5m has been recognised as savings in the full year forecast in relation to contractor rates being lower than budgeted due to inflation.
- Business rates are forecasted to end £0.3 million higher than budgeted and are being reviewed by an independent valuer.
- KPIs have been reviewed and there is the addition of three new KPIs.
- The PPP income for 2023/24 has been received and two thirds will be paid to boroughs, including the interest on investing this for three months.
- The excess reserves disbursement to boroughs totals £5.4 million.
- The current Independent Member of the Audit Committee's term has come to an end and interviews have been held, with a recommendation made to Audit Committee.

RECOMMENDATION(S)

The Authority is asked to: -

- 1) Note the current financial position and forecast for 2024/25.
- 2) Approve the 2024/25 proposed KPIs.
- 3) Note the KPIs to date.
- 4) Approve the disbursement of PPP contract income totalling £8.6 million, along with the interest earned on the PPP income totalling £0.2 million.
- 5) Approve the disbursement of excess reserves totalling £5.4 million.
- 6) Note internal audit has been extended by a further two years in line with the service level agreement.
- 7) Note the recommendation to Audit Committee for approval to appoint Gerald Almeroth as the new Independent Member of the Audit Committee.
- 8) Note the Treasury Management outturn for 2023/24 and update for 2024/25.
- 9) Note the delegated decisions.

1. Financial position – high level summary

A summary of the financial performance for the period up to end of July 2024 and forecast to the end of the year is provided below. The summary shows how financial performance compares to the budget for both the period and the forecast for the year.

High Level Summary

	P4 Budget	P4 Actual	P4 Variance	Full Year Budget	Full Year Forecast	Full Year Variance
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
Expenditure						
Employees	995	777	(219)	2,986	2,992	6
Premises	1,224	1,278	54	3,673	3,969	296
Waste Transfer and Disposal	18,378	18,698	320	55,134	56,618	1,484
MRF Waste Transfer and Disposal	1,935	1,357	(577)	5,804	5,227	(577)
Supplies and Services	827	630	(197)	2,482	2,460	(23)
Depreciation	3,571	3,571	(0)	10,712	10,712	(0)
Financing and Other	1,945	1,381	(564)	5,834	4,832	(1,002)
Concession Adjustment	(1,555)	(1,555)	0	(4,666)	(4,666)	0
	27,320	26,136	(1,184)	81,960	82,144	184
Income						
Levies	(24,187)	(24,806)	(619)	(72,561)	(73,180)	(619)
MRF Service Charge	(1,935)	(1,357)	577	(5,804)	(5,227)	577
Trade and Other	(1,198)	(1,348)	(150)	(3,595)	(3,737)	(142)
	(27,320)	(27,511)	(191)	(81,960)	(82,144)	(184)
(Surplus) / Deficit	0	(1,375)	(1,375)	0	0	0
PPP Contract Income	0	0	0	0	0	0
PPP Disbursement to boroughs	0	0	0	0	0	0
Net (Surplus) / Deficit	0	(1,375)	(1,375)	0	0	0
Programme of work funded by PPP income						
Employees	89	60	(29)	267	287	19
Premises	34	5	(29)	103	94	(8)
Waste Transfer and Disposal	2	0	(2)	5	5	(0)
Supplies and Services	266	6	(260)	797	789	(8)
Depreciation	53	53	0	158	158	0
Trade and Other	(28)	0	28	(83)	(15)	68
Programme costs funded by PPP income	(416)	(416)	0	(1,247)	(1,247)	0
Programmes Total	0	(292)	(292)	0	71	71
HRRC Fund	0	0	0	0	0	0
Actuarial (loss)/gain on pension liability	0	0	0	0	0	0
Total Income & Expenditure after Reserve Movement	0	(1,375)	(1,375)	0	0	0
Disbursement of excess reserves to boroughs in Sep (relates to 23/24)	0	0	0	0	5,400	5,400

The Authority charges the boroughs two types of levies. Pay as You Throw (PAYT) is all borough and trade waste, and this is reconciled quarterly, with any waste growth charged back to boroughs, and waste reduction credited. The Fixed Cost Levy (FCL) is all waste disposed of at HRRCs, and the operational costs of the Authority, including depreciation and financing. This is apportioned to boroughs by the council tax base, and any over or under spend is absorbed by the Authority.

The overall performance for the first four months shows a surplus of £1.4 million compared to budget. The underspend on expenditure is largely due savings on Employee costs, reflective of the vacancies being recruited into. Supplies and Services is showing an underspend due to costs not materialising but are expected to be incurred in later months, to drive forward the strategic vision of the Authority. Within Financing, the interest on investment income is being accrued, which had not been budgeted.

Waste Transport and Disposal shows an overspend reflective of a £1.5 million overspend by the end of the year. There are three big movements against budget to report:

- The principal risk is waste growth, in particular PAYT residual waste in terms of the growth recognised in the first four months of the financial year. As at the end of July 2024, borough residual waste was up 5.27% from the same period last year. If levels continue as they have, the residual waste growth could demonstrate a full year overspend of c. £2.0m which will be charged back to Boroughs in the PAYT quarterly reconciliation. The Authority's Officers will be working collaboratively with boroughs immediately, to work on reducing residual waste and are currently forecasting £1.5m overspend.
- Savings on contractor rates on transport and disposal costs have been forecasted at £1.5m below budget for the full year due to contract inflation mechanisms being lower than budget.
- Overspend on waste going to landfill during the SERC outage earlier in the year forecasted to be £1.5m above budget. The Authority had budgeted 1% (£0.5m) but the contracted allowance is 3.9%.

A pros and cons analysis of budgeting for landfill indicates that budgeting 3.9% landfill reduces risk of overspend, is appropriate to the contract but overcharges Boroughs if landfill is below 3.9%. Whereas budgeting 1% landfill sets a challenge beyond WLWA's sole control, creates internal pressure to reduce landfill but can be catered for when setting reserves. This risk and mitigations will be discussed and agreed in the budget challenge session later this year.

Business rates to July 24 are £0.09 million overspent, and there is an independent valuation taking place to ensure that the rates calculated are correct. Until such time as this query is resolved, we have forecasted an overspend of £0.30 million through into the forecast.

For the remainder of the year we have forecasted the remaining months of expenditure and income at budgeted levels. The main variances are detailed in the breakdown provided in Appendix 1 which separates out the main types of waste streams and distinguishes between PAYT and FCL activities.

In response to issues identified concerning overspending with a supplier against contract limits, the process has been amended to include additional controls.

2. Proposed KPIs for 2024/25

Three new KPIs will provide a further oversight and context into the Authority's operational performance. The proposed new KPIs are:

- KPI 5 - Overall £ / household, which is indicative of measures boroughs use.
- KPI 12 - Vacancy rate, which demonstrates the percentage of total cumulative working days lost due to vacancies within the Authority.
- KPI 16 - is a change from average time taken in days to complete the hazard card process, now replaced with percentage of cumulative hazard cards closed out in the financial year. This KPI will provide more context around the performance of hazard card reporting and ensuring these are resolved in a timely manner.

The existing KPI targets have been made more challenging or realistic in line with budget and trends in performance.

3. KPIs for 2024/25

Appendix 2 summarises the performance to the end of July 2024. Two KPIs are red, four are amber and ten are green. The performance is reflected in the RAG rating and commentary.

The diversion from landfill KPI is red, reflective of the contractor sending nearly 15% of contract waste to landfill in the first four months. This is due to the maintenance shutdown which was for six weeks. With the planned

shutdown complete, the landfill percentage is expected to reduce each month, however the KPI is still expected to remain below target.

Vacancy rate is red indicative of the number of working days lost whilst the Authority recruits into vacant roles. The Leadership and Management Team are prioritising recruitment, to ensure that the strategic priorities of the Authority are not compromised.

The KPIs flagged as amber, whilst not on target at the end of July, are likely to be closer to or on target by the end of the financial year.

Within Appendix 2, commentary has been provided to provide context as well as graphs on key indicators to provide a trend analysis.

4. 2023/24 PPP Income

At the end of June 2024, £12.9 million was received by the Authority in relation to 2023/24 income generated by the energy from waste plant, principally electricity income. Appendix 4 outlines that two thirds of the total income (£8.6 million) will be passed through to boroughs as per the Finance Strategy.

Until the income was due to be paid to boroughs at the end of September, the Authority invested this with London Borough of Ealing, generating £0.2 million of interest. The total amount will be paid back to boroughs as part of the PPP income disbursement.

There may be a potential tax liability from the Electricity Generator Levy (EGL) which has not been adjusted from the PPP income figure. We are unable to identify the amount for EGL, however the same percentage as last year has been applied. There is a possibility that this liability amount could differ when calculated, and this will be communicated to the boroughs. Therefore, whilst the Authority will pay over the full sums presented in Appendix 4, if the tax liability does arise, two thirds of the total amount of liability will subsequently be passed to the boroughs. Where possible, this will be deducted from the disbursement of future reserves and/or PPP income.

5. Disbursement of Reserves

The Authority had identified £26.0 million for the level of reserves required to manage risk when presenting the 2024/25 budget. This was made up of £18.0 million needed to manage immediate and medium-term risks. The PPP income retained by the Authority will be building up reserves to mitigate against longer term risks incurred through legislative changes. At the end of 2024/25, the reserves available to manage immediate risks totalled £23.5 million, meaning there are excess reserves in the region of £5.4 million to be disbursed to boroughs, apportioned using the council tax base.

The disbursement will appear as a rebate of levies in the 2024/25 budget monitoring reports and accounts. Note that the Authority's forecasts of spending and levies will show an under-recovery of £5.4 million in 2024/25 to reflect this disbursement.

6. Internal Audit Update

The current service level agreement for internal audit with the London Borough of Ealing began in July 2021 and was for a period of three years, with the option to extend for a further two years. The Authority has agreed with London Borough of Ealing to extend for two years, ending the agreement on 30th June 2026.

7. Independent Member for Audit Committee

The current post holder's term comes to an end in September 2024. Following the recruitment process, which began in July 2024, applications were received and three experienced candidates were shortlisted for interview. The Treasurer and Director of Finance interviewed the candidates at the end of August, followed by a second interview with the Chief Executive with the short listed candidate, Gerald Almeroth. In line with the Audit Committee's Terms of Reference, a recommendation has been provided to Audit Committee, held

on 20th September 2024 to approve the appointment of Gerald Almeroth as the new Independent Member of Audit Committee for a term of three years, which can be extended up to a maximum of eight years of service.

8. Delegated decisions

To provide further transparency of operational arrangements, this section of the report summarises any significant financial decisions made since those reported to the last Authority meeting and not reported elsewhere in the agenda.

IT Contract – Following the contract for the Authority’s data centre terminating at the end of May 2024, in accordance with the Scheme of Delegation to Officers and the Authority’s Procurement and Contract Rules, the Director has agreed to extend the contract with the current supplier (Kick ICT) until 31 March 2025. This is to enable the Authority to migrate onto O365 with the current provider in line with the approved Data, Digital and Technology Strategy. This decision was made to provide enhanced security measures which were flagged via internal audit, and to be done in a cost-effective manner.

Booking System – The contract for the HRRC booking system (Pentagull) ended in May 2024. The Authority benchmarked costs against the framework, and in accordance with the Scheme of Delegation to Officers and the Authority’s Procurement and Contract Rules, the Director has agreed to extend the contract with the current supplier for a further one year. This is to be cost effective and to procure a system which will be fit for future requirements in line with the HRRC procurement.

9. Treasury Management

The Authority limits its scale and variety of treasury management activities to simple, low risk and essential operations, as identified in each years’ annual plan. Excess funds are invested through a service level agreement with London Borough of Ealing with interest being paid annually based on the average return achieved by the borough over the year. The agreement also gives the opportunity for the deposit of funds for fixed periods to benefit from higher interest rates.

The average interest rate achieved for 2023/24 was 4.5% returning £1.5 million investment income. This is reflective of the high interest rates throughout the year, and the high return on short term investments made via London Borough of Ealing. The amount held at year end was £36.0 million.

Within 2024/25, operations have been steady and the main change in cash balances is from the receipt of £12.9 million excess revenue share income from the PPP contract relating to 2023/24. Two thirds of this income will be disbursed to boroughs at the end of September 2024, and ensures that the Authority will remain with suitable liquidity and reserves to develop projects and initiatives for managing the risk of upcoming legislative changes.

In terms of borrowings, there have been no changes either in 2023/24 and the current financial year. For 2023/24 the Authority commenced the year with a total of £83.6 million of repayment loans from four London boroughs and the PWLB. The payments made during the year reduced this to a balance of £81.1m. The interest on borough loans is fixed at 7.60% and the PWLB loan is fixed at 2.24%. 2023/24 saw £5.1m paid in interest.

The key requirements of the CIPFA prudential code is for authorities to ensure that capital expenditure plans are affordable, prudent and sustainable.

It is worth noting that the Authority demonstrates this in its long term financial plans (20 years) which are approved alongside the budget at every January Authority meeting. The plans show:

- balanced annual budgets over the period
- good liquidity is maintained throughout
- all debt is repaid
- all capital expenditure is ultimately charged through levies
- the growth in levies is significantly less than inflation

This provides a complete picture in a typical way used by commercial businesses for long term planning.

The prudential code also prescribes a range of indicators to report. These are more pertinent to public bodies with complex treasury management arrangements and complex long term plans. They are less relevant to Authority's operations, however the indicators and a brief explanation are provided in Appendix 3. The construction of the Energy from Waste plant accounts for the majority of the value in figures in this appendix.

10. Financial Implications

These are detailed in the report. If residual waste continues to grow, there could be financial implications forecasted to be £2.0m increase on the PAYT levy .

11. Health and Safety Implications

None.

12. Legal Implications

Work is ongoing to determine if any of the Abbey Road Waste Transfer Station Structural Repair costs can be claimed back through insurance. Once known, if there are any cost implications, these will be factored into the forecast.

13. Impact on Carbon Reduction

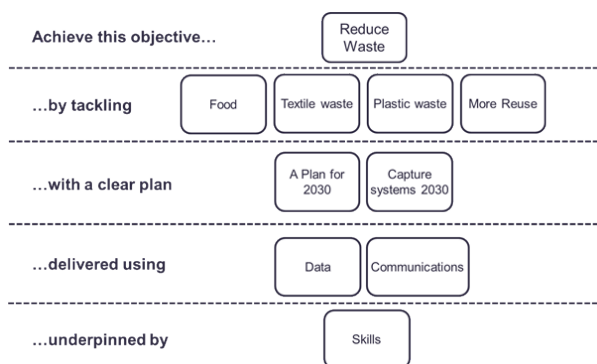
Waste growth, in particular residual waste, will lead to carbon emissions growth.

14. Staffing Implications

None.

15. Impact on Joint Waste Management Strategy

The framework of a joint plan for 2030 to be developed by WLWA and Boroughs was agreed in March 2022 and is shown below.



Improvements to financial management in the Authority will continue to ensure that the Authority addresses policies of the JWMS.

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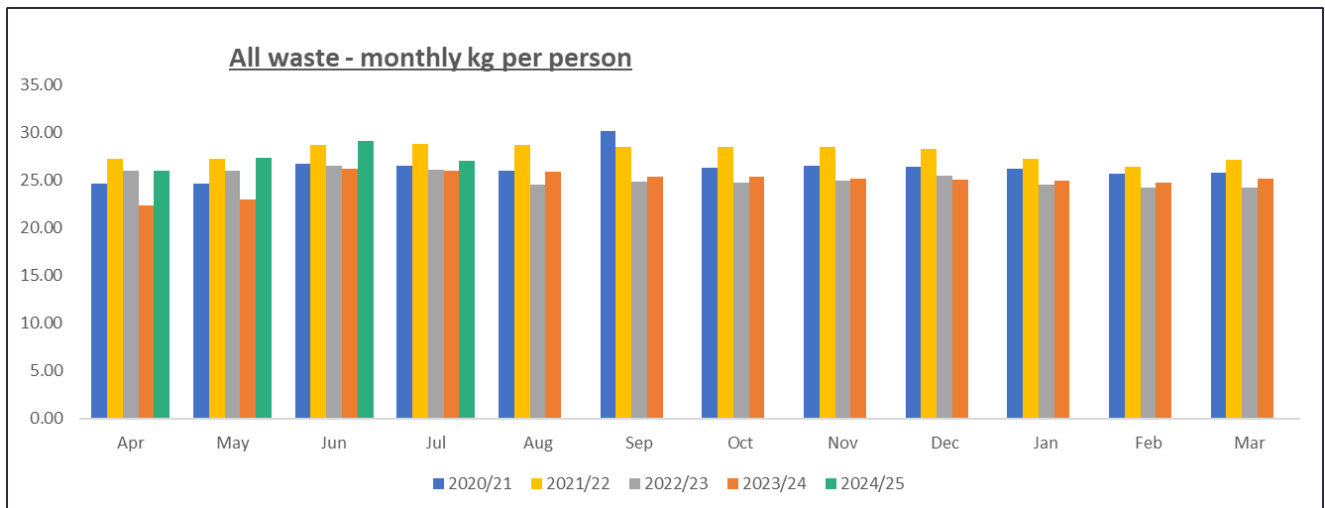
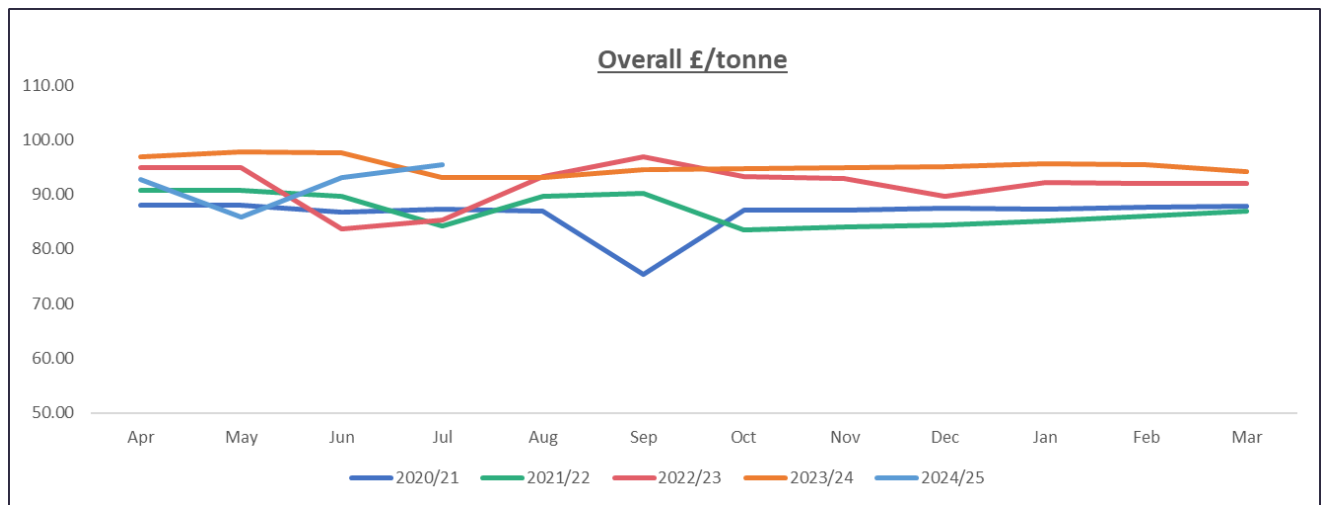
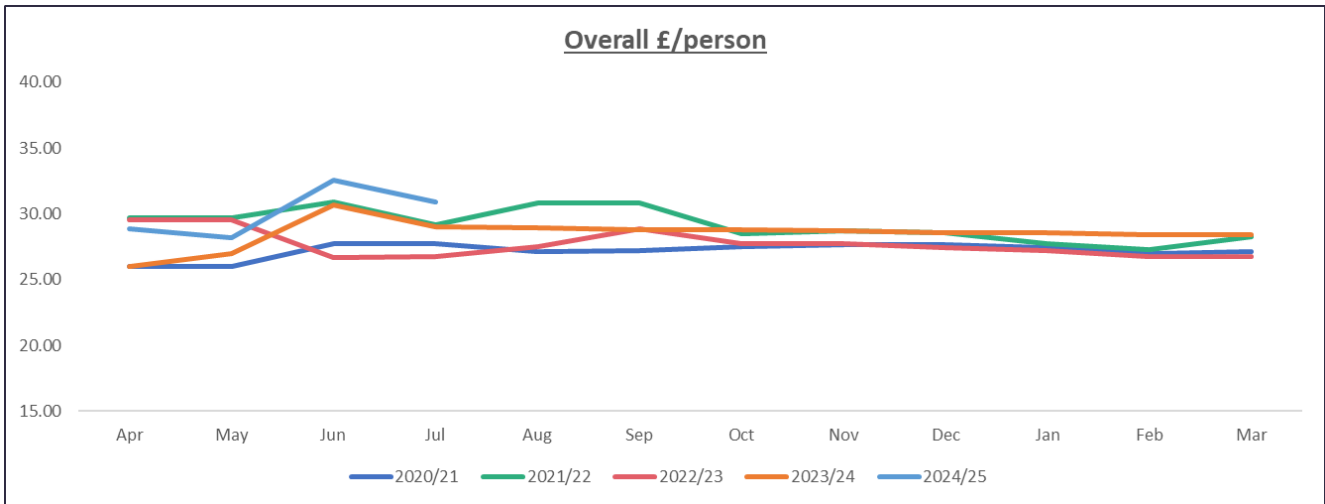
Appendix 1

Pay As You Throw	24 YTD Period 4			2023-24 Full Year Forecast				
	Budget	Actual	Variance	Commentary	Budget	Estimate	Variance	Commentary
	£ 000s	£ 000s	£ 000s		£ 000s	£ 000s	£ 000s	
Waste - Residual	14,470	15,032	562	Higher tonnages of waste collected compared to year to date budget coupled with the landfill cost.	43,410	45,561	2,150	Made up of the landfill payment to the contractor and waste growth forecasted at the current run rate. This is dampened by lower than budgeted contractor prices, coupled with forecasted efficiencies to drive residual waste down and move waste cost effectively.
Waste - Food	131	145	14	Food waste has seen an increase in tonnages by 11% from the same point in time last year.	394	436	42	Forecasts based on a run rate on current level of activity.
Waste - Mixed Organic	0	0	0		0	0	0	
Waste - Green	670	759	89	Green waste which is impacted by seasonality, although has seen a decrease of 1% from the same point in time last year, is 27% more than budget.	2,010	2,277	267	Forecasts based on a run rate on current level of activity.
Waste - Other	179	100	(79)	Savings made on contract rates for price per tonne against budgeted rate (Wood, Rubble, Mattresses).	538	301	(237)	Forecasts based on a run rate on current level of activity.
Depreciation	3,064	3,064	0		9,192	9,192	0	
Financing	1,467	1,467	(0)		4,401	4,401	(0)	
Premises	698	699	1		2,094	2,097	3	
Concession Accounting Adjustment	0	0	0		0	0	0	
Levy Income	(19,131)	(19,749)	(619)	PAYT Q1 reconciliation more tonnages collected by boroughs than budget resulting in rebates of cost back to WLWA.	(57,392)	(58,011)	(619)	
PAYT Net Expenditure	1,549	1,517	(32)		4,647	6,252	1,606	
Fixed Cost Levy	24 YTD Period 4			2023-24 Full Year Forecast				
	Budget	Actual	Variance	Commentary	Budget	Estimate	Variance	Commentary
	£ 000s	£ 000s	£ 000s		£ 000s	£ 000s	£ 000s	
Employees	995	777	(219)	Currently there are seven vacant posts across the organisation resulting in underspend against budget.	2,986	2,992	6	Forecast based on vacancies to be filled in Q3 and the new proposed Abbey Road staff structure has been included.
Premises	526	579	53	Business rates are higher than budget.	1,579	1,873	294	Business rates are expected to finish above budget but are being investigated/challenged.
Waste - Residual	1,683	1,607	(76)		5,050	4,871	(179)	Forecasts based on YTD current level of activity.
Waste - Green	133	146	13	1% lower tonnages collected compared to the same period from last year.	399	438	39	Forecasts based on a run rate on current level of activity.
Waste - Wood	473	333	(139)		1,418	1,000	(418)	Forecasts based on a run rate on current level of activity.
Waste - Other	638	575	(63)		1,915	1,736	(179)	Forecasts based on a run rate on current level of activity.
Waste - MRF Ealing	1,016	858	(158)		3,047	2,889	(158)	
Waste - MRF Brent	919	500	(419)	Nets out with income below.	2,758	2,338	(419)	
Supplies and Services	827	630	(197)		2,482	2,460	(23)	
Depreciation	507	507	(0)		1,520	1,520	(0)	
Financing	143	(422)	(564)	Income that is currently being accrued on investments.	428	(575)	(1,002)	Estimated return on investments expected at yearend. This may fluctuate as part of the investment is on a variable rate which changes in line with the Bank of England rate.
Revenue Funding of Debt	335	335	0		1,006	1,006	0	
Concession Accounting Adjustment	(1,555)	(1,555)	0		(4,666)	(4,666)	0	
Trade Waste and Other Income	(1,198)	(1,348)	(150)	Authority's level of trade and other income has had a healthy performance in the first four months	(3,595)	(3,737)	(142)	The forecast takes into consideration price increases for trade waste at Abbey Road, as well as any impact the closure of the weighbridges could have on the site, and brings the remaining year's forecast back to budgeted levels.
MRF Income Ealing	(1,016)	(858)	158		(3,047)	(2,889)	158	
MRF Income Brent	(919)	(500)	419	Nets out with costs above.	(2,758)	(2,338)	419	
Levy Income	(5,056)	(5,056)	(0)		(15,169)	(15,169)	(0)	
Fixed Cost Levy Net Expenditure	(1,549)	(2,892)	(1,343)		(4,647)	(6,252)	(1,606)	
(Surplus) / Deficit	0	(1,375)	(1,375)		0	0	0	
Social Value & Reuse	113	13	(99)		338	255	(83)	
Digital Twin	198	93	(104)		593	693	100	
Communications	53	0	(53)		160	160	(0)	
Increased Access	22	0	(22)		65	61	(4)	
Acton CE Hub	30	17	(13)		91	148	57	
Programme costs funded by PPP income	(416)	(416)	0		(1,247)	(1,247)	0	
Programs total	0	(293)	(293)		0	70	70	
PPP Contract Income	0	0	0		0	0	0	PPP income in relation to FY24/25 - to be paid after year end
PPP Contract Income disbursed	0	0	0		0	0	0	Two thirds of income to be disbursed to boroughs in line with Finance Strategy
Reserves disbursed FY23/24	0	0	0		0	5,400	5,400	
HRRC fund	0	0	0		0	0	0	
Total Income & Expenditure	0	0	0		0	5,400	5,400	

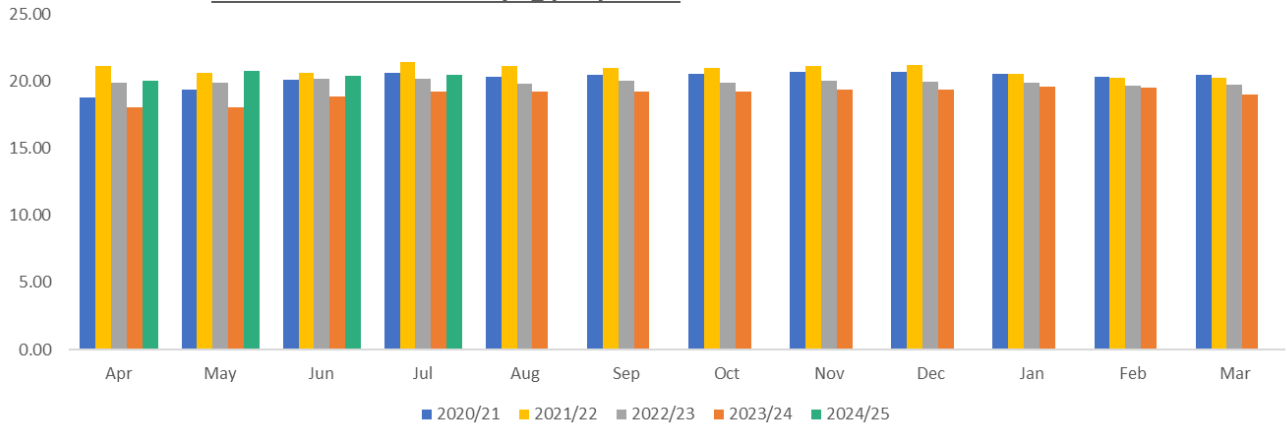
Appendix 2

Key Performance Indicators 24/25

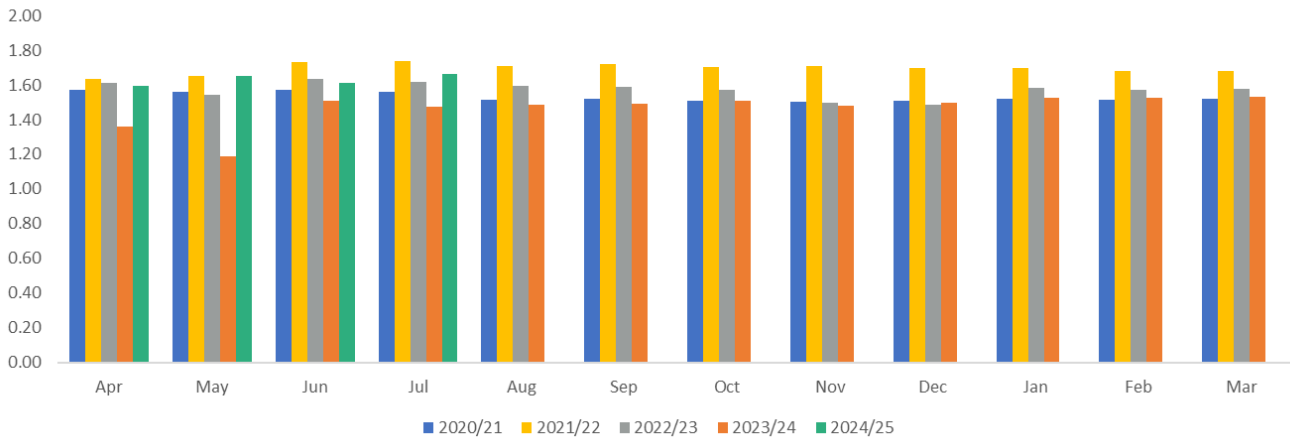
KPI		24/25 Target	Red Threshold	22/23 Actual	23/24 Actual	Description	Commentary about target	Cumulative	
								Jul-24	Commentary about performance
Keep Waste Moving									
1	Diversion from Landfill %	95.00%	< 95% = Red	99.89%	99.92%	Percentage of cumulative waste collected sent to landfill (shows the tonnes of waste Suez have sent to landfill and the cumulative collected asbestos waste collected at Abbey Road).	Contractual target for Suez is 3.9% maximum waste to landfill.	85.5%	The contractor has sent 21k tonnes to landfill to July 2024, which is 14.5% of total residual waste sent to them so far. Whilst the tonnages sent to landfill are expected to reduce for the remainder of the year, the total is unlikely to be less than 5% of the total waste, so remains red.
2	Turnaround times (% above 25 minutes) for borough vehicles	4.5%	>7.5% = Red	6.8%	5.7%	Average turnaround times for vehicles taking waste to transfer stations. Total waste loads (cumulative) and over 25 mins.	Contract turnaround time is 15 minutes but monitored at 25 minutes and over. FY23/24 saw an increase due to crane issues at Victoria Road and rail strikes, but expecting to see an improvement from FY24/25 onwards.	3.5%	Work in April 2024 saw the replacement of cranes at Victoria Road, which has led to reduced turnaround times in the following months.
Increase Efficiency									
3	Overall £/tonne	£93.02	> £97.67 (i.e. +5%) = Red	£92.07	£94.26	Total spend of waste transfer and disposal divided by total tonnes collected cumulatively.	Reflects boroughs budgeted tonnages. The Authority will monitor food waste recycling as a key factor to improving this KPI.	£95.45	Amber due to the landfill cost to the Authority being incorporated along with increased residual waste tonnages forecasted in line with present run rate tonnages. Officers will be working with boroughs to drive residual waste down and aim to report savings to improve this KPI.
4	Overall £/person	£31.37	> £32.94 (i.e. +5%) = Red	£26.72	£28.43	Total spend of waste transfer and disposal divided by total population of 6 boroughs (provided from ONS website).	Target reflects boroughs budgeted tonnages but will be monitored against actual tonnages being disposed of.	£30.91	
5	Overall £/household	£86.85	> £91.19 (i.e. +5%) = Red		£0.00	Total spend of waste transfer and disposal divided by total households within the 6 boroughs (provided from ONS website).	Target reflects boroughs budgeted tonnages but will be monitored against actual tonnages being disposed of.	£85.56	
Divert From Waste									
6	All waste - monthly kg per person	30.38	> 32 kg = Red	24.18	25.13	Total cumulative waste collected divided by population (taken from ONS website).	Reflects boroughs budgeted tonnages. Budget for FY24/25 is reflective of tonnage growth in waste (non residual) - in particular 80% growth in gypsum, 60% growth in mattress tonnages, 17% growth in green tonnages compared to FY23/24	26.98	
7	Residual waste - monthly kg per person	19.77	> 21 kg = Red	19.73	19.01	Total cumulative residual waste collected divided by population (taken from ONS website).	Reflects boroughs budgeted tonnages. Boroughs budgeting growth in comparison to actuals FY23/24. Actual for FY23/24 was 401k tonnes and budgeted 418k tonnes for FY24/25 (4% growth).	20.50	Amber due to an increase in tonnages by 9% compared to budget in the first four months. In order to improve this, and get this as close to target as possible, Officers will be working with boroughs to drive residual waste down and report savings to improve this KPI. During the budget setting for FY25/26, Officers will work with boroughs to ensure that the estimated tonnages provided are accurate and have considered trends from prior years.
8	Food waste - monthly kg per person	1.64	< 1.55 kg = Red	1.58	1.53	Total cumulative food waste collected divided by population (taken from ONS website).	Reflects boroughs budgeted tonnages. The food waste investment of £500k per borough should improve this KPI. Target remains flat.	1.66	This is expected to remain relatively flat throughout the year based on current year to date performance. A notable improvement to the target since the previous year is that Hillingdon Council has seen a service increase of 2,000 people due to waste engagement officers and Brent Council has been rolling out food caddies to flats.
Effective Control									
9	People development	160.00	< 33 = Red	515.00	316.50	Total number of learning and development activities carried out in financial year (amongst total employees). Target is a YTD figure for accuracy.	Includes WLWA monthly team meetings. Target is pro rated for year to date.	149.00	Employees are now reporting L&D activities via an online form being collated by HR.
10	Staff turnover	20%	> 20% = Red	15%	23%	Cumulative leavers YTD against total budgeted staff.	There will be an emphasis on performance management which may result in leavers throughout the year as we strengthen the Authority to be able to deliver on the strategic priorities.	7.1%	Although this KPI is currently meeting the overall threshold for the month, the forecast for the year suggests a turnover of 25.6%. We should experience a stabilisation of turnover as we enter Quarter 3 of the financial year with ongoing leadership and management development and the HR Strategic priorities progressing as planned.
11	Sickness rate	2.0%	> 3% = Red	2.4%	1.7%	Cumulative sick days lost year to date.	In 2020, published figures show that sickness absence rates in public sector stood at 2.7%. This has increased to 4.4% in 2022. Have left target at 2% after considering the wide gap between the size of our workforce and those of other public sector organisations.	2.2%	Management of absence is being consistently applied over short term absences. KPI was impacted by a long term sickness, which ended in July and is expected to improve over the coming months. There will also be a roll out of the flu jab for those interested, which should keep sickness levels low over the colder months.
12	Vacancy rate		> 3% = Red			Total work days lost in relation to vacancies in staffing. Looks at cumulative workdays lost YTD against total FTE vacancies to date.	Reflecting vacancy impact within the Authority. Target is linked to sickness rate.	17.2%	There are seven vacancies across organisation. This equates to 618 working days lost. Recruitment is a priority for the Leadership and Management team to ensure that the Strategic Priorities are not compromised.
13	Paying suppliers promptly	30	> 30 days = Red	27	30	Average number of days to pay suppliers in the month.	Statutory level.	25.5	
14	Maintaining cash flow (Minimising trade debt)	8%	> 10% = Red	0%	1%	Debt at end of period (percentage of non levy income excluding borough debt).	Reflects debt at end of period.	0.6%	
15	RIDDOR incidents at Abbey Road	0	> 1 = Red	0	0	RIDDOR is broken into 4 sections: 1.Reportable injuries 2.Occupational Diseases 3.Dangerous Occurrences 4.Gas Incidents	Target is nil as should be avoided.	0.00	
16	Cumulative hazard cards closed out in financial year.		< 75% = Red			Percentage of cumulative hazard cards closed out against hazard cards raised in financial year.	Reflects percentage of hazard cards not actioned.	100.0%	6 hazard cards raised in the month of July and a total of 25 hazard cards closed off. 100% of cumulative hazard cards have now been closed off.



Residual waste - monthly kg per person



Food waste - monthly kg per person



Appendix 3

Prudential Indicator	Prudential code	Description	2023/24 Estimate £000s	2023/24 Actual £000s	2024/25 Estimate £000s	2024/25 Actual to date £000s (to Jul24)	2025/26 Estimate £000s	2026/27 Estimate £000s
Ratio of financing costs to net revenue stream	73/74	This is an indicator of affordability of plans	7%	5%	7%	7%	6%	6%
Capital expenditure	48/50	This is a summary of the Authority's capital spending plans	150	96	4,500	0	5,000	5,000
Capital financing requirement (CFR)	51/54	This is the underlying borrowing need i.e. what will be charged through revenue	177,202	166,681	160,312	149,443	143,574	137,715
Operational boundry for external debt	56	This is a projection of net debt supporting the capital financing requirement	165,344	135,617	153,781	110,762	142,210	130,630
Authorised limit for external debt	55	This is the net debt we can have (i.e. after cash)	175,344	145,617	163,781	120,762	152,210	140,630
Gross debt (new Prudential Indicator replaces net debt)	60/62	This reflects the amount of gross debt	177,258	177,258	170,282	170,282	163,057	155,563

Appendix 4

Borough	Approved Council Tax Base from FY24/25 budget	2023/24 PPP Income (£000s)	Interest earned on PPP income invested (£000s)	Excess Reserves at end of 2023/24 (£000s)	Total payments to boroughs (£000s)	Electricity Generator Levy (£000s) (using 8% base as per 22/23)
Brent	103,577	1,485	26	930	2,442	(117)
Ealing	123,110	1,766	31	1,106	2,902	(139)
Harrow	89,375	1,282	22	803	2,107	(101)
Hillingdon	104,668	1,501	26	940	2,468	(119)
Hounslow	90,701	1,301	23	815	2,138	(103)
Richmond	89,679	1,286	22	806	2,114	(102)
Total	601,110	8,621	150	5,400	14,171	(681)