

## NORTH LONDON WASTE AUTHORITY

**REPORT TITLE:** 2018/19 FINANCIAL OUTTURN AND 2019/20 UPDATE

**REPORT OF:** THE FINANCIAL ADVISER

**FOR SUBMISSION TO:** AUTHORITY MEETING

**DATE:** 21 JUNE 2019

### **SUMMARY OF REPORT:**

This report provides details of expenditure and income for 2018/19 and briefly comments on the current financial position for 2019/20. The report indicates that revenue balances at 31 March 2019 were £8.221m, i.e. an increase of £2.844m compared with the February forecast. The improvement arises from lower than forecast waste tonnages delivered to the Authority, increases in wholesale electricity prices, administrative savings and non-use of the contingency.

The first review of the 2019/20 budget discusses a number of variances which taken together have only a small impact on the budget.

Allowing for the improvement in the revenue balances at 31 March 2019 and the 2019/20 budget variances, the 2019/20 first review indicates that the Authority's forecast at 31 March 2020 balances will increase by £3.271m compared with the February report. This improvement strengthens the Authority's ability to manage its services within budget and accommodate potential budget pressures. If this situation is maintained, the Authority will have reserves of £3.271m available to support the 2020/21 budget and therefore reduce the amount that will need to be recovered from boroughs through the levy.

### **RECOMMENDATIONS:**

The Authority is recommended to:

- A. Note the 2018/19 outturn (subject to audit).
- B. Note the over and under payments by boroughs in respect of non-household and chargeable household waste in 2018/19 and the arrangements for repayment to and collection from the boroughs.
- C. Note the 2019/20 update and that a further report will be submitted to the Authority in October.
- D. Note that an update on the budget and resource requirements for 2020/21 and future years will be reported to the Authority in future budget reviews

**SIGNED:** Jon Rowney, Financial Adviser

**DATE:** 11 June 2019

## **1. INTRODUCTION**

- 1.1. At its meeting on 7 February 2019 the Authority was provided with an up-to-date assessment of its financial position. This included a forecast of the 2018/19 outturn and provided guidance on the level of surplus resources available to assist with the funding of the 2019/20 budget.
- 1.2. The accounts for 2018/19 are now closed and therefore the main purpose of this report is to provide details of the 2018/19 outturn (subject to audit). This paper also provides details of the 2019/20 forecast outturn and briefly comments on the outlook for future years

## **2. 2018/19 OUTTURN**

- 2.1. At its meeting on 8 February 2018, the Authority agreed an original budget of £66.752m to be financed by estimated revenue balances of £8.019m, charges to boroughs for non-household and chargeable household waste of £8.510m and £1.712m respectively and a levy of £48.511m.
- 2.2. At subsequent meetings, members have been updated on the financial standing of the Authority and in February, it was advised that it would be reasonable to assume that forecast revenue balances of £5.377m at 31 March 2019 could be considered when determining its budget and levy requirements for 2019/20.
- 2.3. A summary of the variances that comprise the total of £5.377m has been included in the Appendix at table 1.
- 2.4. The actual revenue surplus for the year ended 31 March 2019 increased by £2.844m compared to the February forecast giving a total balance carried forward of £8.221m
- 2.5. Comparison of the revised budget and final outturn is shown in table 2 in the Appendix and a commentary on the most significant changes and issues arising are set out in the following paragraphs:

### **2.6. Residual Waste Disposal and Landfill Tax (+£0.063m)**

- 2.6.1. In February, Members were advised that tonnage data for the period up to November 2018 indicated that the 2018/19 residual waste stream would be 580,465 tonnes i.e. 2.69% less than 2017/18. Residual waste delivered to the Authority in 2018/19 was 582,779 tonnes, i.e. 2,314 tonnes (0.40%) more than the February forecast but 537 (0.09%) less than in 2017/18. Table 3 in the appendix sets out the tonnage delivered by each borough and their variances to February's fourth budget review.
- 2.6.2. Despite the higher than forecast tonnage the waste was delivered to the transfer stations in differing proportions than forecast, creating a non-recurring saving compared to forecast of £0.090m.
- 2.6.3. Included in this budget category are the payments due to LondonEnergy Ltd (LEL) under the provisions of the Electricity Income Claim. More electricity has been generated than forecast and a greater proportion of the

waste treated at Edmonton has come from the Authority rather than from third parties. This has increased the value of the estimated claim by £0.225m compared to the forecast. The claim will be submitted by LEL over the summer and an update will be provided to the October meeting.

- 2.6.4. The Authority pays LEL a proportion of the cost of Landfill tax it has incurred, based on the amount of residual waste that the Authority has delivered. An on-account payment is made each month and is settled after the end of the financial year. The landfill tax claim for 2018/19 is estimated to be £0.135m lower than previously forecast. This saving is not expected to recur in future years.
- 2.6.5. The residual waste tonnage in table 3 includes material delivered by boroughs to the Authority's MRF providers as mixed dry recyclable but subsequently rejected due to contamination. The MRF provider arranges for the subsequent disposal of this tonnage. The Authority records rejected tonnage as residual waste. The cost of disposal of rejected material in 2018/19 was £0.404m. This was £0.064m greater than forecast.

## **2.7. Composting & Materials Recovery Facility (MRF) Services: (- £0.367m)**

- 2.7.1. In December 2018, the Authority agreed the latest forecasts of recycling activity and the amount of recyclate that would be passed to the Authority for bulking and treatment. This helped form the basis of the Authority's 2018/19 fourth budget review assumptions for these services. The actual level of compostable material sent to the Authority was 46,067 tonnes (389 tonnes or 0.85% lower than forecast). The outturn is £0.017m greater than forecast. This variance is due to a change in the proportions of food, green and mixed wastes delivered to the authority. These are charged at different prices.
- 2.7.2. At 110,096 tonnes dry recyclable waste delivered to the Authority's MRF providers were 1,135 tonnes (1.02%) lower than the 111,231 advised by the boroughs in December 2018. In 2018/19, 4,072 tonnes of delivered material was rejected and had to be processed as residual waste. Only the tonnages accepted by the Authority's MRF providers are shown in table 4 of the appendix. The lower than forecast tonnage has resulted in a cost of £6.754m i.e. £0.384m less than the fourth review.
- 2.7.3. Tables 4 and 5 in the appendix include the tonnages of compostable and dry recyclable materials that each borough delivered to the Authority in 2018/19 and the variances to February's fourth review.

## **2.8. Reuse and Recycling Centres (RRCs): (+ £0.033m)**

- 2.8.1. The Authority manages seven RRCs on behalf of its constituent boroughs. Details of the costs incurred in 2018/19 and balances that will be reflected in the 2020/21 budget calculations are shown in Tables 8 and 9 of the

Appendix. Residual waste tonnage delivered to the RRCs was higher than forecast.

**2.9. Corporate and Other Support Service Costs: (- £0.245m)**

2.9.1. This heading captures a wide range of services provided to the Authority by Camden and Haringey and a number of external providers. This includes much of the Authority's staffing costs. Non-recurring savings have arisen principally as a result of lower spend on external support (£0.150m).

**2.10. North London Heat & Power Project: (- £0.302m)**

2.10.1. Following a review, the Project work plan has been revised and the unspent budget will be carried forward to 2019/20 to ensure that the programme is fully funded.

**2.11. Income from the sale of Recyclates: (+ £0.159m)**

2.11.1. The fourth budget review was based on an average income per tonne of £13.92. Total tonnage sold by the Authority's MRF contractors was 105,754 i.e. 5,477 less than allowed for in the forecast. The estimated average income during 2018/19 was £13.14 per tonne i.e. £0.78 less than forecast.

2.11.2. Under menu pricing, this income is used by the Authority to reduce the net cost per tonne of mixed dry recyclates to each borough.

**2.12. Contingency: (- £2.289m)**

2.12.1. At its February meeting, the Authority continued to adopt a prudent approach and decided to retain a contingency in the 2018/19 revised budget that would be available to accommodate possible unforeseen additional costs in the closing months of the year. There was no call on the contingency.

**2.13. Charges to Boroughs for Non-Household Waste: (+£0.285m)**

2.13.1. At the budget meeting in February the Authority was provided with an up-to-date assessment of the estimated cost to boroughs of non-household waste in 2018/19.

2.13.2. The meeting was also reminded that the final charges would be calculated as part of the 2018/19 final accounts process and that this would be reported to the Authority in June 2019. Any under or over payment by boroughs would be collected from or repaid to boroughs after the Authority's accounts have been audited.

2.13.3. Overall, income for the year is lower than the 2018/19 revised budget but since boroughs make on-account payments to the Authority based on the original budget, adjusting payments and refunds are required. London Borough of Enfield will be required to make a small additional payment to the Authority. All other boroughs will receive refunds.

- 2.13.4. Compared with the original budget assumption of 95,443 tonnes of residual waste there has been a decrease of 1,354 tonnes to 94,089. The menu price based calculations are sensitive to changes in the Authority's overall costs. The actual charge per tonne in 2018/19 was £80.41, a decrease of £2.35 compared with the original budget of £82.76.
- 2.13.5. All boroughs except Enfield and Waltham Forest also delivered recyclable non-household waste to the Authority for treatment at a cost of £59.11 for dry recyclable waste (9,969 tonnes), £59.36 for mixed organic waste (360 tonnes) and £22.50 for food waste (1,193 tonnes). The cost per tonne for dry recyclable waste is inclusive of sales income.
- 2.13.6. Table 5 in the appendix includes details of each borough's original, revised and actual costs of non-household waste.

#### **2.14. Charges to Boroughs for Household Waste: (+ £0.020m)**

- 2.14.1. The outturn shows little change from the February update. The actual charge per tonne for residual waste of £80.41 is the same as for non-household waste.
- 2.14.2. Four boroughs (Camden, Hackney, Haringey and Islington) have also delivered recyclable chargeable household waste to the Authority for treatment. 2,969 tonnes of dry recyclable waste, 706 tonnes of mixed organic waste and 499 tonnes of food waste were delivered to the Authority. Costs per tonne are the same as non-household waste.
- 2.14.3. Details of the original, revised and actual costs of chargeable household waste are shown in table 7 of the appendix:

#### **2.15. The RRC Levy Balances**

- 2.15.1. The costs of running the RRCs, treating recyclable waste, disposal of residual waste, landfill tax and income from recycling are captured for each site and recharged to boroughs based on the 2018 visitor survey for each site. Table 8 in the appendix shows the recharge for each borough.
- 2.15.2. Table 9 in the appendix provides details of the RRC revenue balances position for each borough at 31 March 2019. The change in balances of £0.042m will be taken into account when determining the 2020/21 levy.

#### **2.16. The Base Levy Balances**

- 2.16.1. The base levy is determined according to the tonnage delivered by each borough to the Authority. The levy is an estimated sum based on the budgeted tonnage and the estimated net cost of running the Authority. At the year-end, the actual levy costs were £39.939m, compared to the fourth review forecast of £42.825m, a reduction of £2.886m. Table 10 in the Appendix shows the movement of these balances for each borough and the balance held that could be used to support the 2020/21 levy.

## **2.17. Total Levy Balances**

2.17.1. The overall balance of £8.221m consists of a main levy balance owed to boroughs of £8.555m and an RRC balance owed to the Authority of £0.334m. The actual year-end balance position compared with the fourth review presented to the Authority in February is shown in Table 11 in the appendix

2.17.2. The balances identified and reported as part of the fourth review were used to adjust each borough's 2019/20 levy. The increase in balances of £2.844m identified during the closure of the 2018/19 accounts will be held by the Authority and will be available to support the 2020/21 budget and levy.

## **2.18. Conclusion**

2.18.1. The outturn shows that the Authority has a revenue surplus of £8.221m at 31 March 2019, i.e. an additional £2.844m compared with the February forecast of £5.377m.

## **3. CAPITAL BUDGET 2018/19**

3.1. During 2018/19, the Authority spent £5.761m relating to the North London Heat and Power Project. This spend was primarily on project management and design costs but also included purchase of a lease for the lay down area and ongoing work to construct the laydown area. This was lower than anticipated in the February report to the Authority as the lease of the EcoPark was not completed before the end of March.

3.2. At 1 April 2018, the Authority held usable capital receipts of £1.439m. No receipts of a capital nature were received in 2018/19 and none were used. Capital receipts can only be used to fund capital expenditure or to repay debt.

## **4. FINAL ACCOUNTS PREPARATION AND AUDIT**

4.1. The 2018/19 outturn discussed in the preceding paragraphs forms the basis of the Authority's statutory statement of accounts. The Accounts and Audit Regulations 2015 require all local government bodies to complete their draft annual accounts by 31 May. The Financial Adviser is required to certify that the accounts present a true and fair view of the financial position of the Authority at the end of the year and of the Authority's income and expenditure for the year.

4.2. The Financial Adviser certified the draft 2018/19 statement of accounts on the 31 May. This has been sent to the Authority's auditors, Mazars LLP for audit and was published on the Authority's website. The web address is below:

<http://www.nlwa.gov.uk/governance-and-accountability/financial-statements>

4.3. The draft statement audited by Mazars will be presented to the Audit Committee in July so that the Authority may consider and approve it and duly authorise the statement to be signed and dated by the Chair of the Audit Committee. The Authority must then publish the final audited statement of accounts by 31 July 2019.

With this in mind it is recommended that the Members' Finance Working Group reviews the draft statement of accounts at its early July meeting, ahead of submission to the July meeting of the Authority. Mazars will report the findings of its audit to the Audit Committee in July.

## **5. THE 2019/20 REVENUE BUDGET**

5.1. At its meeting on 7 February 2019 the Authority agreed the 2019/20 budget at £69.504m, to be financed by estimated balances of £5.377m, charges to boroughs for non-household and chargeable household waste of £9.111m and £1.834m respectively, and a levy of £53.182m.

### **5.2. General**

5.2.1. At this stage of the financial year, it is too early to draw any firm indications about the waste stream for the full year. This applies equally to other tonnage-based areas of the budget. A greater appreciation of any trends that may be developing should become apparent when data is available for the four-month period to the end of July which will be reported to the October meeting of the Authority. Several other issues that emerged during the closure of the 2018/19 accounts will affect 2019/20 and these are discussed below:

### **5.3. North London Heat & Power Project (+0.302m)**

5.3.1. The work plan has been reprofiled reflecting the timetable for ongoing activities and £0.302m has been carried forward to match this cost.

### **5.4. Revenue Funding - Capital Programme (-0.968m)**

5.4.1. The budget assumed that the lease of the EcoPark would be completed before the end of March 2019. This would have led to an increase in the Minimum Revenue Provision (MRP) and borrowing. The identified saving on interest payments and MRP is £0.649m.

5.4.2. The review of the capital programme baseline has been used to update the borrowing forecast. All capital expenditure in the year to date has been funded from reserves to reduce interest incurred on borrowing and the forecast has reduced by £0.319m. Using reserves to fund borrowing is a short-term measure and external borrowing will be required in the current financial year.

### **5.5. Sale of Recyclates (+£0.000m)**

5.5.1. The budget for recycling income was set on the assumption that the average price achievable in the market would stabilise at £19.61 per tonne. Average price achieved in 2018/19 was £13.14 and the fourth quarter was £13.45. The forecast has not been amended in this update, but market prices are being monitored closely.



## **5.6. Overview**

- 5.6.1. Members will recall that the Authority agreed an increase to the levy for 2019/20. Subject to further budgetary pressures that may emerge during the year, the first review of the 2019/20 suggests that a further £2.542m of balances could be available. Table 12 in the appendix sets out the budget, the first review and the variances arising by budget heading.

## **6. THE OUTLOOK FOR 2020/21**

- 6.1. The first review of the 2019/20 budget identifies a revenue balance of £2.542m that might be available to be used to support the 2020/21 budget and therefore, reduce the amount that will need to be recovered from the boroughs through the levy.
- 6.2. The net expenditure requirement for the 2020/21 budget reported in February of £70.289m has increased by £0.756m to £71.045m due to revised borrowing costs. The £3.271m balance would reduce the levy requirement to £56.365m. This would represent a 5.99% overall increase in the levy compared to a 11.19% increase reported in February. The increase would be different for each borough based on individual circumstances. Table 13 of the report contains the forecast levy increase for each borough.

## **7. CONCLUSION**

- 7.1. Allowing for the improvement in the revenue balances at 31 March 2019 and the 2019/20 variations, the first review indicates that the Authority's reserves at 31 March 2020 will have increased by £2.844m. This improvement strengthens the Authority's ability to manage its services within budget and accommodate potential budget pressures.

## **8. EQUALITIES IMPLICATIONS**

- 8.1. Budgets and forecasts are considered an allocation of resources. Approval to spend is sought separately by Officers. The equalities implications are considered as part of the spending approval.

## **9. COMMENTS OF THE LEGAL ADVISER**

- 9.1. The Authority may in accordance with Regulation 3(1) of the Joint Waste Disposal Authorities (Levies) (England) Regulations 2006, issue levies on its constituent councils to meet all liabilities falling to be discharged by it for which no provision is otherwise made.
- 9.2. The amount to be levied by the Authority in respect of any financial year from each of its constituent councils is determined in accordance with Regulation 4 by apportioning the total amount to be levied either in such proportions as all the constituent councils may agree or in absence of such agreement, by a combination of:
- 9.2.1. apportioning costs in proportion to the tonnage of household waste delivered by each of council; and

9.2.2. for non-household waste and other costs, apportioning costs on the basis of the council tax base.

9.3. All the constituent councils have agreed through the Inter Authority Agreement entered into in 2015 that alternative levy apportionment arrangements will apply from 2015/16 and the menu pricing arrangements referred to above are set out in that Inter Authority Agreement. This meets the requirements of the Joint Waste Disposal Authorities (Levies) (England) Regulations 2006.

**List of documents used:**

Report to the Authority 7 February 2019 – Revenue Budget and Levy 2019/20

2018/19 final accounts Working Papers

2019/20 budgetary control working papers

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## APPENDIX A: [FINANCIAL TABLES TO SUPPORT THE REPORT]

**Table 1 - Variances arising since the budget was set in February 2018**

	<b>£m</b>
Higher level of balances brought forward from 2017/18	(3.943)
Residual waste treatment contracts	0.560
Electricity Income Claim	(1.399)
Landfill Tax	(0.325)
New contracts for treatment of organic waste	(0.618)
Decreased organic recycling tonnage	(0.263)
Corporate and service cost savings	(0.371)
Slippage from 2016/17 of NLHPP costs	0.396
Decreased Mixed Dry Recycling recycling tonnages	(0.172)
Deterioration in sales prices of recyclable material	1.028
Reductions in capital financing costs	(0.172)
Other minor variances	<u>(0.098)</u>
Total	<u>(5.377)</u>

**Table 2 - 2018/19 Outturn compared to the February 2019 update**

	<b>2018/19 Original Budget £'000</b>	<b>2018/19 February Update £'000</b>	<b>2018/19 Year End Outturn £'000</b>	<b>Variance £'000</b>
<b>Expenditure</b>				
Main Waste Disposal Contract (ex RRC Waste)	35,457	34,619	34,818	199
Landfill Tax	1,822	1,497	1,361	(136)
Composting Services	2,546	1,665	1,682	17
MRF Services	7,310	7,138	6,754	(384)
Transfer Station and Other Sites	1,520	1,447	1,437	(10)
Corporate and Other Support Service Costs	2,836	2,463	2,218	(245)
Strategy and Services Team	522	524	526	2
Waste Prevention Programme – New Initiatives	480	480	458	(22)
Joint Communications Initiative	305	305	306	1
Recycling Initiatives	235	189	174	(15)
North London Heat & Power Project	2,500	2,896	2,594	(302)
Revenue Funding – Capital Programme	7,026	6,854	6,790	(64)
	<b>62,559</b>	<b>60,077</b>	<b>59,118</b>	<b>(959)</b>
<b>Resuse and Recycling Centres</b>				
Residual Waste	1,102	909	925	16
Landfill Tax	162	124	134	10
Operating Costs	3,332	3,595	3,602	7
	<b>4,596</b>	<b>4,628</b>	<b>4,661</b>	<b>33</b>
<b>Total Expenditure</b>	<b>67,155</b>	<b>64,705</b>	<b>63,779</b>	<b>(926)</b>
<b>Income</b>				
Rents	(115)	(115)	(115)	0
Sale of Recyclates	(2,537)	(1,510)	(1,351)	159
Other Income	0	(5)	0	5
Interest on Balances	(40)	(40)	(136)	(96)
	<b>(2,692)</b>	<b>(1,670)</b>	<b>(1,602)</b>	<b>68</b>
Net Expenditure	64,463	63,035	62,177	(858)
Contingency	2,289	2,289	0	(2,289)
<b>Total Net Expenditure</b>	<b>66,752</b>	<b>65,324</b>	<b>62,177</b>	<b>(3,147)</b>
<b>Financed by:</b>				
Use of Balances	(8,019)	(11,962)	(11,962)	0
Charges to Boroughs (non-household waste)	(8,510)	(8,502)	(8,217)	285
Charges to Boroughs (household waste)	(1,712)	(1,726)	(1,707)	19
Levy – Base Element	(44,414)	(44,414)	(44,414)	0
Levy - RRC Element	(4,097)	(4,097)	(4,097)	0
Total Levy	<b>(48,511)</b>	<b>(48,511)</b>	<b>(48,511)</b>	<b>0</b>
<b>Total Resources Available</b>	<b>(66,752)</b>	<b>(70,701)</b>	<b>(70,397)</b>	<b>304</b>
<b>Estimated Revenue Balance at 31 March 2019</b>	<b>0</b>	<b>(5,377)</b>	<b>(8,220)</b>	<b>(2,843)</b>

**Table 3 - 2017/18 residual waste tonnage and variance to the February 2019 Update**

	<b>2017/18 Actual</b>	<b>2018/19 February Update</b>	<b>2018/19 Actual</b>	<b>Change to Feb. Update</b>	<b>Change  %</b>
	<b>Tonnes</b>	<b>Tonnes</b>	<b>Tonnes</b>	<b>Tonnes</b>	
Barnet	101,144	99,527	102,616	+3,089	+3.10
Camden	77,878	77,192	76,617	-575	-0.74
Enfield	87,279	89,277	90,239	+962	+1.08
Hackney	91,156	90,336	89,608	-728	-0.81
Haringey	73,443	73,310	73,266	-44	-0.06
Islington	80,737	79,268	79,020	-248	-0.31
Waltham Forest	71,679	71,555	71,413	-142	-0.20
<b>Total</b>	<b>583,316</b>	<b>580,465</b>	<b>582,779</b>	<b>+2,314</b>	<b>+0.40</b>

**Table 4 – Organic recycling tonnages and variance to the February 2019 Update**

	<b>2017/18 Actual</b>	<b>2018/19 February Update</b>	<b>2018/19 Actual</b>	<b>Change to Feb. Update</b>	<b>Change  %</b>
	<b>Tonnes</b>	<b>Tonnes</b>	<b>Tonnes</b>	<b>Tonnes</b>	
Barnet	19,374	16,151	16,279	+128	+0.79
Camden	3,943	4,232	4,118	-114	-2.69
Enfield	0	0	0	+0	+0.00
Hackney	6,869	6,799	6,848	+49	+0.72
Haringey	6,820	5,284	5,274	-10	-0.19
Islington	4,091	4,335	4,567	+232	+5.35
Waltham Forest	9,004	8,877	8,981	+104	+1.17
<b>Total</b>	<b>50,101</b>	<b>45,678</b>	<b>46,067</b>	<b>+389</b>	<b>+0.85</b>

**Table 5 – Mixed dry recycling tonnages and variance to the February 2019 Update**

	<b>2017/18 Actual</b>	<b>2018/19 February Update</b>	<b>2018/19 Actual</b>	<b>Change to Feb. Update</b>	<b>Change %</b>
	<b>Tonnes</b>	<b>Tonnes</b>	<b>Tonnes</b>	<b>Tonnes</b>	
Barnet	27,096	27,232	26,940	-292	-1.07
Camden	18,753	19,651	18,707	-944	-4.80
Enfield	0	0	0	+0	+0.00
Hackney	17,310	17,513	17,481	-32	-0.18
Haringey	16,581	15,931	15,964	+33	+0.21
Islington	14,070	14,808	15,171	+363	+2.45
Waltham Forest	17,186	16,096	15,833	-263	-1.63
<b>Total</b>	<b>110,996</b>	<b>111,231</b>	<b>110,096</b>	<b>-1,135</b>	<b>-1.02</b>

**Table 6 - Non-Household waste charges by borough**

	<b>2018/19 Original Budget</b>	<b>2018/19 February Update</b>	<b>2018/19 Actual Cost</b>	<b>Repayment due (to)/from Borough (Column 3 - 1)</b>
	<b>1</b>	<b>2</b>	<b>3</b>	
Cost per Tonne #	£82.76	£83.05	£80.56	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Barnet *	946,816	923,615	895,465	(51,351)
Camden *	2,191,419	2,216,023	2,099,037	(92,382)
Enfield	771,029	792,248	774,106	3,077
Hackney *	1,751,662	1,774,019	1,719,572	(32,090)
Haringey *	315,932	284,363	258,405	(57,527)
Islington *	2,394,135	2,403,664	2,369,859	(24,276)
Waltham Forest	139,292	107,626	100,679	(38,613)
<b>Total</b>	<b>8,510,285</b>	<b>8,501,558</b>	<b>8,217,123</b>	<b>(293,162)</b>

# Residual only

\* Includes the cost of treating recyclable wastes

**Table 7 - Chargeable Household waste by borough**

	<b>2018/19 Original Budget</b>	<b>2018/19 February Update</b>	<b>2018/19 Actual Cost</b>	<b>Repayment due (to)/from Borough (Column 3 - 1)</b>
	<b>1</b>	<b>2</b>	<b>3</b>	
Cost per Tonne #	£82.76	£83.05	£80.56	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Barnet	188,702	189,343	183,674	(5,028)
Camden *	382,690	443,801	445,073	62,383
Enfield	118,436	118,838	115,281	(3,155)
Hackney *	513,351	505,713	491,840	(21,511)
Haringey *	233,320	225,350	218,653	(14,667)
Islington *	275,162	243,408	252,311	(22,851)
Waltham Forest	0	0	0	0
<b>Total</b>	<b>1,711,661</b>	<b>1,726,453</b>	<b>1,706,832</b>	<b>(4,829)</b>

# Residual only

\* Includes the cost of treating recyclable wastes

**Table 8 - RRC operating costs compared to the fourth review**

	<b>2018/19 Original Budget</b>	<b>2018/19 February Update</b>	<b>2018/19 Outturn</b>	<b>2018/19 Variance to February Update</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Barnet	1,134,373	1,115,111	1,101,927	(13,184)
Camden	519,995	468,910	543,631	74,721
Enfield *	50,225	51,719	51,268	(451)
Hackney	268,207	280,948	274,994	(5,954)
Haringey	648,675	710,822	738,975	28,153
Islington	728,075	736,436	730,299	(6,137)
Waltham Forest	1,102,798	1,243,582	1,208,822	(34,760)
<b>Total</b>	<b>4,452,348</b>	<b>4,607,528</b>	<b>4,649,916</b>	<b>42,388</b>

\* The Authority does not manage Enfield's RRC; the cost of disposing of this site's residual waste is included in Enfield's base levy.

**Table 9 - RRC Balances available at year end**

Balances with brackets at 31 March 2019 indicate a balance owed to the borough by the Authority and balances without brackets are a balance owed by the borough to the Authority

	<b>Additional Balances b/fwd from 2017/18</b>	<b>In-year Change in Balances (Original Budget to Feb Update)</b>	<b>Total Forecast Balances as at 31 March 2019</b>	<b>Additional Balances 2018/19 from table 7</b>	<b>Total Balances at 31 March 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Barnet	75,122	(19,262)	55,860	(13,184)	42,676
Camden	(31,153)	(51,085)	(82,238)	74,721	(7,517)
Enfield	3,870	1,494	5,364	(451)	4,913
Hackney	8,869	12,741	21,610	(5,954)	15,656
Haringey	(484)	62,147	61,663	28,153	89,816
Islington	18,940	8,361	27,301	(6,137)	21,164
Waltham Forest	60,810	140,784	201,594	(34,760)	166,834
<b>Total</b>	<b>135,974</b>	<b>155,180</b>	<b>291,154</b>	<b>42,388</b>	<b>333,542</b>

**Table 10 - Base levy balances by borough**

Balances with brackets at 31 March 2019 indicate a balance owed to the borough by the Authority

	<b>Additional Balances b/fwd from 2017/18</b>	<b>In-year Change in Balances (Budget to Feb Update)</b>	<b>Feb Update Estimated Levy Costs</b>	<b>Year End Actual Levy Costs</b>	<b>Additional Balance at 31 March 2019 (4-3)</b>	<b>Total Balances at 31 March 2019 (1+2+5)</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Barnet	(901,035)	(646,333)	9,213,048	8,874,382	(338,666)	(1,886,034)
Camden	(623,422)	(199,816)	4,410,771	3,954,018	(456,753)	(1,279,991)
Enfield	(488,381)	(20,538)	6,463,956	6,126,673	(337,283)	(846,202)
Hackney	(632,087)	(355,353)	6,144,883	5,613,467	(531,416)	(1,518,856)
Haringey	(463,123)	(51,326)	5,475,783	5,063,398	(412,385)	(926,834)
Islington	(531,827)	(265,456)	4,748,918	4,387,904	(361,014)	(1,158,297)
Waltham Forest	(439,307)	(50,048)	6,367,856	5,918,780	(449,076)	(938,431)
<b>Total</b>	<b>(4,079,182)</b>	<b>(1,588,870)</b>	<b>42,825,215</b>	<b>39,938,623</b>	<b>(2,886,592)</b>	<b>(8,554,644)</b>



**Table 11 - Total balances available by borough (from tables 8 and 9)**

	2018/19 February Update		Movement in Balances		2018/19 Year End Balance	
	Base Levy £	RRC Levy £	Base Levy £	RRC Levy £	Base Levy £	RRC Levy £
Barnet	(1,547,368)	55,861	(338,666)	(13,185)	(1,886,034)	42,676
Camden	(823,238)	(82,238)	(456,753)	74,721	(1,279,991)	(7,517)
Enfield	(508,919)	5,363	(337,283)	(450)	(846,202)	4,913
Hackney	(987,440)	21,611	(531,416)	(5,955)	(1,518,856)	15,656
Haringey	(514,449)	61,663	(412,385)	28,153	(926,834)	89,816
Islington	(797,283)	27,300	(361,014)	(6,136)	(1,158,297)	21,164
Waltham Forest	(489,355)	201,595	(449,076)	(34,761)	(938,431)	166,834
<b>Total</b>	<b>(5,668,052)</b>	<b>291,155</b>	<b>(2,886,592)</b>	<b>42,387</b>	<b>(8,554,644)</b>	<b>333,542</b>
	<b>(5,376,897)</b>		<b>(2,844,205)</b>		<b>(8,221,102)</b>	

**Table 12 - 2019/20 Budget and forecast**

	<b>2019/20 Budget £'000</b>	<b>2019/20 Forecast £'000</b>	<b>Variance £'000</b>
<b>Expenditure</b>			
Main Waste Disposal Contract (ex RRC Waste)	36,961	36,961	0
Landfill Tax	1,568	1,568	0
Biodegradable Waste Services	1,922	1,922	0
MRF Services	7,837	7,837	0
Transfer Station and Other Sites	1,681	1,681	0
Corporate and Other Support Service Costs	2,651	2,651	0
Operations Team	621	621	0
Waste Prevention Programme	500	500	0
Joint Communications Initiative	83	83	0
Recycling Initiatives	239	239	0
North London Heat and Power Project	1,615	1,917	302
Revenue Funding – Capital Programme	8,930	7,962	(968)
	<b>64,608</b>	<b>63,942</b>	<b>(666)</b>
Reuse and Recycling Centre Expenditure			
RRC Residual Waste	935	935	0
RRC Landfill Tax	127	127	0
RRC Operations	3,479	3,479	0
	<b>4,541</b>	<b>4,541</b>	<b>0</b>
<b>Less</b>			
<b>Income</b>			
Rents	(119)	(119)	0
Sale of Recyclates	(2,221)	(2,221)	0
Interest on Balances	(40)	(40)	0
	<b>(2,380)</b>	<b>(2,380)</b>	<b>0</b>
Net Expenditure	66,769	66,103	(666)
Contingency	2,735	2,735	0
<b>Total Net Expenditure</b>	<b>69,504</b>	<b>68,838</b>	<b>(666)</b>
<b>Financed by:</b>			
Use of Balances	(5,377)	(8,221)	(2,844)
Charges to Boroughs (Non-household waste)	(9,111)	(8,999)	112
Charges to Boroughs (Chargeable household waste)	(1,834)	(1,707)	127
Estimated Levy – Base Element	(48,350)	(48,350)	0
Estimated Levy – RRC Element	(4,832)	(4,832)	0
<b>Total Estimated Levy</b>	<b>(53,182)</b>	<b>(53,182)</b>	<b>0</b>
<b>Total Resources Available</b>	<b>(69,504)</b>	<b>(72,109)</b>	<b>(2,605)</b>
<b>Estimated Revenue Balance at 31 March 2019</b>	<b>0</b>	<b>(3,271)</b>	<b>(3,271)</b>

**Table 13 - Possible 2020/21 levy based on the year-end and first review variances**

	<b>2019/20 Actual Levy</b>	<b>2020/21 Revised Forecast Levy</b>	<b>Forecast Levy Increase</b>	<b>2018/19 Additional Year End Balances</b>	<b>2019/20 Forecast Balances</b>	<b>Additional Balance to reduce the 2019/20 Levy</b>	<b>2020/21 Revised Forecast Levy</b>	<b>Revised Forecast Levy Increase</b>
	<b>£'000</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>
		<b>a</b>		<b>b</b>	<b>c</b>	<b>d</b>	<b>(a+d)</b>	
						<b>(b+c)</b>		
Barnet	10,371	11,945	15.18%	(352)	(96)	(448)	11,497	10.86%
Camden	5,556	6,499	16.97%	(382)	(55)	(437)	6,062	9.11%
Enfield	7,135	7,945	11.35%	(338)	(92)	(430)	7,516	5.33%
Hackney	6,998	8,080	15.46%	(537)	(77)	(614)	7,467	6.70%
Haringey	8,019	8,875	10.67%	(384)	(78)	(462)	8,413	4.91%
Islington	5,986	6,845	14.35%	(367)	(56)	(423)	6,422	7.28%
Waltham Forest	9,117	9,552	4.77%	(484)	(78)	(562)	8,990	-1.40%
<b>Total</b>	<b>53,182</b>	<b>59,741</b>	<b>12.33%</b>	<b>(2,844)</b>	<b>(532)</b>	<b>(3,376)</b>	<b>56,365</b>	<b>5.99%</b>

**REPORT ENDS**