

NORTH LONDON WASTE AUTHORITY

REPORT TITLE: 2021/22 FINANCIAL OUTTURN AND 2022/23 UPDATE

REPORT OF: THE FINANCIAL ADVISER

FOR SUBMISSION TO: AUTHORITY MEETING

DATE: 23 JUNE 2022

SUMMARY OF REPORT:

This report provides details of expenditure and income for 2021/22 and briefly comments on the current financial position for 2022/23. In addition, the report considers the impacts on balances held on the behalf of boroughs that will be returned in future levies and the balances owed to boroughs for chargeable waste and non-household waste which will be returned once the audit of the financial statements is completed.

The report also seeks approval of updated Prudential Indicators, provides an update on the ongoing audit of the 2020/21 financial statements, and asks Members to note the correct start date for the next external audit contract.

RECOMMENDATIONS:

The Authority is recommended to:

- A. Approve the Prudential Indicators as laid out in paragraph 9
- B. Note the correct start date for the next Public Sector Audit Appointments contract for external audit is 1 April 2023
- C. Note the 2021/22 outturn (subject to audit);
- D. Note the over and under payments by boroughs in respect of non-household and chargeable household waste in 2021/22 and the arrangements for repayment to and collection from the boroughs;
- E. Note the 2022/23 update and that a further report will be submitted to the Authority in October; and
- F. Note that an update on the budget and resource requirements for 2023/24 and future years will be reported to the Authority in future budget reviews.

SIGNED: Jon Rowney, Financial Adviser

DATE: 13 June 2022

1. INTRODUCTION

- 1.1. At its meeting on 10 February 2022 the Authority was provided with an up-to-date assessment of its financial position. This included a forecast of the 2021/22 outturn and provided guidance on the level of surplus resources available to assist with the funding of the 2022/23 budget.
- 1.2. The accounts for 2021/22 are now closed and therefore the main purpose of this report is to provide details of the 2021/22 outturn (subject to audit). This paper also provides details of the 2022/23 forecast outturn and briefly comments on the levy outlook for 2023/24, the factors driving the forecast increase and possible mitigations.
- 1.3. In addition, the paper provides an update on the ongoing audit of the 2020/21 financial statements and also seeks approval of revised Prudential Indicators.

2. APPOINTMENT OF EXTERNAL AUDITOR

- 2.1. At the Authority meeting in March 2022, Members agreed to accept Public Sector Audit Appointments' invitation to 'opt in' to the sector led option for the appointment of external Auditors. The date included in the recommendation at the beginning of the paper was incorrect. Members are asked to note that the recommendation should have read that the appointment is for five financial years commencing 1 April 2023.

3. AUDIT OF THE 2020/21 FINANCIAL STATEMENTS

- 3.1. The External Audit Strategy Memorandum was presented to Members at the December 2021 Authority meeting and the audit commenced in February. The audit has been progressing well and the majority of work has been completed. Work continues on outstanding items, and it is anticipated that the Audit Committee meeting to review the Auditor's report and approve the accounts will be held in July.

4. 2021/22 OUTTURN

At its meeting on 11 February 2021, the Authority agreed an original budget of £72.237m for the year from 1 April 2021 to 31 March 2022. At subsequent meetings, Members have been updated on the financial standing of the Authority. In February 2022 Members were advised that it would be reasonable to assume that forecast revenue balances of £9.266m at 31 March 2022 could be considered when determining the Authority budget and levy requirements for 2022/23.

- 4.1. The actual revenue surplus for the year ended 31 March 2022 increased by £5.985m compared to the February forecast giving a total balance carried forward of £15.251m.

- 4.2. Comparison of the revised budget and final outturn is shown in the table below and a commentary on the most significant changes and issues arising are set out in the following paragraphs:

2021/22 Outturn Compared to the February Update

	2021/22 Original Budget £'000	2021/22 February Update £'000	2021/22 Year End Outturn £'000	Variance £'000
Expenditure				
Main Waste Disposal Contract (ex RRC Waste)	39,655	37,902	33,958	(3,944)
Landfill Tax	1,619	1,540	1,860	320
Composting Services	1,736	1,957	1,875	(82)
MRF Services	9,889	10,017	9,915	(102)
Transfer Station and Other Sites	2,260	1,914	1,740	(174)
Corporate and Other Support Service Costs	2,868	2,899	2,669	(230)
Strategy and Services Team	865	810	823	13
Waste Prevention Programme	523	352	219	(133)
Recycling Communications	150	85	85	0
Recycling Initiatives	259	187	153	(34)
North London Heat & Power Project	752	811	761	(50)
Revenue Funding – Capital Programme	7,113	6,940	6,830	(110)
	67,689	65,414	60,888	(4,526)
Resuse and Recycling Centres				
Residual Waste	983	1,019	1,011	(8)
Landfill Tax	149	157	154	(3)
Operating Costs	3,708	3,524	3,483	(41)
	4,840	4,700	4,648	(52)
Total Expenditure	72,529	70,114	65,536	(4,578)
Income				
Rents	(125)	(125)	(124)	1
Sale of Recyclates	(2,474)	(7,061)	(7,057)	4
Other Income	0	0	(9)	(9)
Interest on Balances	(90)	(57)	(52)	5
	(2,689)	(7,243)	(7,242)	1
Net Expenditure	69,840	62,871	58,294	(4,577)
Contingency	2,397	2,397	0	(2,397)
Total Net Expenditure	72,237	65,268	58,294	(6,974)
Financed by:				
Use of Balances	(4,157)	(8,043)	(8,043)	0
Charges to Boroughs (non-household waste)	(8,510)	(7,134)	(6,276)	858
Charges to Boroughs (household waste)	(1,772)	(1,559)	(1,428)	131
Levy – Base Element	(53,584)	(53,584)	(53,584)	0
Levy - RRC Element	(4,214)	(4,214)	(4,214)	0
Total Levy	(57,798)	(57,798)	(57,798)	0
Total Resources Available	(72,237)	(74,534)	(73,545)	989
Revenue Balance at 31 March 2022	0	(9,266)	(15,251)	(5,985)

- 4.3. **Residual Waste Disposal and Landfill Tax (-£3.624m):** Residual waste delivered to the Authority in 2021/22 was 573,359 tonnes, i.e. 8,366 tonnes (1.44%) lower than the February. Table 1 in the appendix sets out the tonnage delivered by each borough and their variances to February's budget update. The cost saving generated by lower tonnage was partly offset by two factors. Firstly, the Edmonton energy centre operated at reduced capacity due to outages which were reported to the Authority during the year. Therefore, more waste than planned from Wembley transfer station was disposed via third parties, which is more expensive than if it is transported to EcoPark. Secondly, the cost per tonne of third-party disposal has increased and is higher than forecast. Without these factors, the lower residual tonnage would have resulted in more significant savings.
- 4.4. Wholesale electricity prices have remained higher than were forecast. This has had a positive impact for the Authority by reducing waste disposal costs, saving £1.728m.
- 4.5. The Authority has held £1.573m on the balance sheet for a number of years to settle a contractual payment relating to third-party residual waste disposal cost at Hendon. Now that the Hendon lease has been surrendered, the funds that were set aside have been released.
- 4.6. **Composting & Materials Recovery Facility (MRF) Services (-£0.184m):** The actual level of total compostable material sent to the Authority was 47,673 tonnes, 485 tonnes (1.03%) more than forecast. Tables 2 to 4 in the appendix, detail the changes in tonnages by borough. 117,243 tonnes of dry recyclable waste were delivered to the Authority's MRF providers. Only the tonnages accepted (113,685 tonnes) by the Authority's MRF providers are shown in table 5 of the appendix. This was 2,103 tonnes (1.82%) lower than the forecast agreed with boroughs.
- 4.7. **Corporate & Other Support Service Costs & Strategy & Services (- £0.217m):** These headings capture a wide range of services provided to the Authority by the London Boroughs of Camden (including the Authority's staffing costs) and Haringey as well as a number of external providers. Non-recurring savings have arisen principally as a result of staff vacancies and of lower spend on external support.
- 4.8. **Waste Prevention Initiatives (-£0.133m):** Waste prevention activities have been replanned into the new financial year. These activities will be funded from the 2022/23 budget.
- 4.9. **Contingency (- £2.397m):** The Authority continues to adopt a prudent approach and holds a contingency to accommodate any unforeseen additional costs during the year. There was no call on the contingency.

- 4.10. **Charges to Boroughs for Non-Household Waste and Chargeable Household Waste (+£0.989m):** Boroughs make on account payments each month for non-household waste (commercial) and chargeable household waste (from healthcare and educational establishments, for example). At the end of the year, any under or over payment by boroughs are collected from or repaid to boroughs after the Authority's accounts have been audited. These tonnages for the year are lower than forecast overall. This increases the value of balances held by the Authority. Table 6 in the appendix includes details of each borough's original, revised and actual costs of non-household waste. Details of the original, revised and actual costs of chargeable household waste are shown in table 7 of the appendix.
- 4.11. **The RRC Levy Balances:** 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. Table 9 in the appendix provides details of the RRC revenue balances position for each borough at 31 March 2022.
- 4.12. **The Base Levy Balances:** The base levy is determined according to the tonnage delivered by each borough to the Authority. At the year-end, the actual levy costs were £42.407m, compared to the fourth review forecast of £48.344m, a reduction of £5.937m. 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 2023/24 levy.
- 4.13. **Conclusion:** The outturn shows that the Authority has a revenue surplus of £15.251m at 31 March 2022, i.e. an additional £5.985m compared with the February forecast of £9.266m. This increase will be held by the Authority and will be available to support the 2023/24 budget and levy. As set out in section 9, the Authority costs are expected to increase in 2023/24 and therefore this increased balance will smooth the increase.

5. CAPITAL EXPENDITURE AND FINANCING

- 5.1. During 2021/22, the Authority spent £99.523m relating to the North London Heat and Power Project. This spend was primarily on construction of the Resource Recovery Facility and Energy Recovery Facility design and procurement costs.
- 5.2. At 1 April 2021, the Authority held usable capital receipts of £1.439m. No receipts of a capital nature were received in 2021/22 and none were used. Capital receipts can only be used to fund capital expenditure or to repay debt.
- 5.3. Since the March Authority meeting, no new borrowing has been taken in support of the North London Heat and Power Project. In early April 2022, the loan for £8.6m from LondonEnergy relating to the long lease of the EcoPark to facilitate the

project, was repaid from other project borrowing. Therefore total borrowing for the project stands at £770m.

- 5.4. It should be noted the Authority also has loans from the Public Works Loan Board of £40m that relate to the purchase of the 50% of the shares in LondonEnergy. £10m is due to be repaid in July and this will be covered by Minimum Revenue Provision that has been put aside since the shares were purchased.

6. FINAL ACCOUNTS PREPARATION AND AUDIT

- 6.1. The 2021/22 outturn discussed in the preceding paragraphs forms the basis of the Authority's statutory statement of accounts. The Accounts and Audit (Amendment) Regulations 2021 amended the date that all local government bodies complete their draft annual accounts to the last day of July 2022. 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.
- 6.2. The draft statements have to be audited by Mazars and approved by the Audit Committee 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 (or the Authority). The Authority must then publish the final audited statement of accounts by the end of September 2022.
- 6.3. The Department for Levelling Up, Homes and Communities has announced that it is intending to amend the date for publishing the final audited statement of accounts to the end of November 2022. This will require secondary legislation for the date to be amended. It does not affect the end of July 2022 date for producing draft financial statements.
- 6.4. It is recommended that the Members' Finance Working Group reviews the draft statement of accounts ahead of submission to the Audit Committee. Mazars will report the findings of its audit at that meeting.

7. THE 2022/23 REVENUE BUDGET

- 7.1. At its meeting on 10 February 2022 the Authority agreed the 2022/23 budget at £76.712m. The levy was set at £57.047m. This represented a decrease of 1.3% on average compared to the previous year. This was the first time that the levy had not been increased since 2015/16.
- 7.2. 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.

- 7.3. **Sale of Recyclates:** The price for recyclates for the period April to June has increased to £78.75 per tonne, against a budget of £60 per tonne. This reflects the pressure on commodity prices which is apparent across the global economy. It is probable that this will reduce over coming months.

8. THE OUTLOOK FOR 2023/24

- 8.1. The forecast net expenditure requirement for the 2023/24 budget reported in February was £87.266m, with the levy forecast to be £71.934m. This is a large relative increase and is driven by the opening of the Resource Recovery Facility early in 2023. The forecast budget contains a full year of operating costs as well as the Minimum Revenue Provision and interest on borrowing - the latter of which is currently being capitalised during construction and so does not represent a levy cost but will do from 2023/24.
- 8.2. Given the carry forward of increased balances from 2021/22 which will be used to reduce pressures in 2023/24, the potential levy requirement could be £66.094m. This would represent a substantial moderation in the potential increase. 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. At this stage, the forecasts are highly indicative. Further reviews of tonnages and key assumptions on items such as wholesale electricity prices and recyclates will be undertaken and reported to Members in coming months. If current favourable conditions continue, further balances may arise, and the levy and charges might reduce further for 2023/24

9. PRUDENTIAL INDICATORS

- 9.1. The Authority determines its capital investment needs to meet its service obligations. In doing so, it must have regard to The Prudential Code for Capital Finance in Local Authorities. The Code is designed to ensure that local authorities have capital investment plans that are affordable, prudential and sustainable. To demonstrate that they have fulfilled these objectives the Code sets out indicators that must be used.
- 9.2. The Authority usually only sets its indicators once a year, alongside the budget. This review of the Prudential Indicators has been brought forward due to changing conditions in the financial markets. The prudential indicators were last reviewed at the Authority meeting in December 2021. Since then, interest rates have risen. The authority took early steps to borrow £280 million to support the NLHPP and protect itself from rising rates. The proposed indicators would increase the Authority's flexibility to ensure that it can take maximum advantage of the lowest rates that are available, which in turn will ensure that the levy charged to boroughs in future is kept low.

9.3. Any borrowing undertaken will be in line with Financial Standing Orders (D9.2b), which require that any borrowing in excess of £100m will be undertaken only after consultation with the Directors of Finance of the constituent boroughs as well as the Chair and Vice Chair of the Authority.

9.4. **Indicators for Affordability**

9.4.1. The Authority’s capital programme for 2021/22 to 2025/26 includes:

- Purchase of the Western Road RRC.
- Acquisition of lease for EcoPark land.
- Construction of the Resource Recovery Facility, EcoPark House and the Energy Recovery Facility at the Edmonton EcoPark.
- Acquisition of waste transfer station should the opportunity arise, and refurbishment works at existing RRC sites.

9.4.2. Based on this capital programme of £1,045m (2021/22 to 2025/26) the following ratios of financing costs to net revenue stream are recommended for approval. It should be noted that for the Authority, the net revenue stream is represented by the levy:

Ratio of Financing Costs to Net Revenue Stream					
	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
	11.82%	14.80%	22.47%	20.10%	19.59%

9.4.3. The estimate of the incremental impact of capital investment decisions proposed in this budget report, over and above capital investment decisions that have been previously taken by the Authority are:

Impact on the NLWA Levy					
	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
£m	Nil	0	0	0	14.579

9.5. **Indicators for Prudence**

9.5.1. The Capital Financing Requirement measures the underlying need to borrow. The Code provides that over the medium-term net external borrowing does not exceed the total of the Capital Financing Requirement (CFR) in the preceding year plus the estimates of any additional CFR for the current and next two years. This provides assurance that borrowing will be incurred only for capital purposes. The Authority met this requirement in 2021/22 and no difficulties are envisaged in 2022/23 or subsequent years. The following Capital Financing Requirements are therefore recommended for approval:

Capital Financing Requirement					
	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
£m	248	262	507	727	808

9.5.2. The Code requires that treasury management is carried out in accordance with good practice. The prudential indicator is that a local authority has adopted the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. Members will be aware that the Authority's cash resources are pooled with those of London Borough of (LB) Camden and that LB Camden undertakes treasury management activities on the Authority's behalf. LB Camden has adopted this code and its treasury management policies and procedures conform to the Code's requirements. Officers are satisfied that through the arrangement that the Authority has with LB Camden that treasury management activities undertaken on behalf of the Authority also meet the requirements of this Code.

9.6. Indicators for capital expenditure, external debt and treasury management

9.6.1. In 2021/22, the Authority continued the construction of the EcoPark South Facilities, completed the construction of the laydown area and the sewer diversion continued to plan for the construction of the Energy Recovery Facility. Planned capital expenditure for 2021/22 to 2025/26 is as outlined in paragraph 9.4.1.

9.6.2. Accordingly, the following estimated capital expenditure is recommended:

Capital Expenditure					
	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
£m	99	268	256	230	91

9.6.3. The following two Prudential Indicators (PI's) govern the Authority's ability to borrow funds in the money markets or from the Public Works Loans Board. They must be set at a level that allows headroom for the capital programme to be achieved. The following authorised limits for external debt are recommended for approval:

Authorised Limit for External Debt					
	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
£m					
Borrowing	819	1,310	1,310	1,400	1,400
Other long term liabilities	Nil	1	1	1	1

9.6.4. The following operational boundaries for external debt are recommended for approval:

Operating Boundary for External Debt					
£m	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Borrowing	819	1,310	1,310	1,400	1,400
Other long term liabilities	Nil	1	1	1	1

9.6.5. The following prudential indicators are relevant for setting a treasury management strategy. The Authority has currently only taken fixed interest loans, but the indicators are set at a level that will enable the Authority to react to changing circumstances that may favour the use of variable rate loans.

Net Principal re Fixed Rate Borrowing					
	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
£m	819	1,310	1,310	1,400	1,400

Net Principal re Variable Rate Borrowing					
	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
£m	0	509	509	609	609

9.6.6. In order to ensure flexibility in the loans that might be taken it is recommended that the following maturity structure of fixed rate borrowing is set for 2022/23. Given the Authority's particular investment needs, the limits provide maximum flexibility for short-term borrowing.

Maturity Structure of fixed rate borrowing during 2022/23	Upper Limit %	Lower Limit %	Current %
Under 12 months	100	0	2
12 months and within 24 months	100	0	0
24 months and within 5 years	100	0	2
5 years and within 10 years	100	0	2
10 years and above	100	0	94

9.7. The indicators will be kept under review.

10. CONCLUSION

10.1. Allowing for the improvement in the revenue balances at 31 March 2022 and the 2022/23 variations, the first review indicates that the Authority's reserves at 31 March 2023 will have increased by £5.840m. This improvement strengthens the

Authority's ability to manage its services within budget and accommodate potential budget pressures.

11. EQUALITIES IMPLICATIONS

- 11.1. 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.

12. COMMENTS OF THE LEGAL ADVISER

- 12.1. 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.
- 12.2. 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:
- 12.2.1. apportioning costs in proportion to the tonnage of household waste delivered by each of council; and
 - 12.2.2. for non-household waste and other costs, apportioning costs on the basis of the council tax base.
- 12.3. 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 10 February 2022 – Budget and Levy 2022/23
2021/22 final accounts Working Papers
2022/23 budgetary control working papers

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APPENDIX A: [FINANCIAL TABLES TO SUPPORT THE REPORT]

Table 1 - Residual waste tonnage and variance to the February 2022 Update

	2020/21 Actual Tonnes	2021/22 February Update Tonnes	2021/22 Actual Tonnes	Change to Feb. Update Tonnes	Change %
Barnet	112,161	112,455	110,118	-2,337	-2.08
Camden	63,204	69,670	68,252	-1,418	-2.04
Enfield	88,750	91,466	89,997	-1,469	-1.61
Hackney	85,358	85,112	84,791	-321	-0.38
Haringey	74,643	74,214	73,049	-1,165	-1.57
Islington	71,165	73,976	74,146	170	0.23
Waltham Forest	75,113	74,832	73,006	-1,826	-2.44
Total	570,394	581,725	573,359	-8,366	-1.44

Table 2 – Mixed Organic Waste tonnages and variance to the February 2022 Update

	2020/21 Actual Tonnes	2021/22 February Update Tonnes	2021/22 Actual Tonnes	Change to Feb. Update Tonnes	Change %
Barnet	1	0	0	+0	+0.00
Camden	0	0	0	+0	+0.00
Enfield	0	0	0	+0	+0.00
Hackney	9	0	0	+0	+0.00
Haringey	1,960	804	818	+14	+1.74
Islington	3,708	3,929	4,106	+177	+4.50
Waltham Forest	9,223	9,837	9,588	-249	-2.53
Total	14,901	14,570	14,512	-58	-0.40

Table 3 – Food Waste tonnages and variance to the February 2022 Update

	2020/21 Actual Tonnes	2021/22 February Update Tonnes	2021/22 Actual Tonnes	Change to Feb. Update Tonnes	Change %
Barnet	11	0	0	+0	+0.00
Camden	2,651	3,023	3,072	+49	+1.62
Enfield	0	0	0	+0	+0.00
Hackney	4,375	5,872	5,879	+7	+0.12
Haringey	3,033	3,531	3,514	-17	+0.00
Islington	0	0	0	+0	+0.00
Waltham Forest	516	481	466	-15	+0.00
Total	10,586	12,907	12,931	+24	+0.19

Table 4 – Garden Waste tonnages and variance to the February 2022 Update

	2020/21 Actual Tonnes	2021/22 February Update Tonnes	2021/22 Actual Tonnes	Change to Feb. Update Tonnes	Change %
Barnet	10,275	11,950	12,118	+168	+1.41
Camden	1,754	1,798	1,848	+50	+2.78
Enfield	50	200	444	+0	+0.00
Hackney	2,647	2,808	2,744	-64	-2.28
Haringey	1,543	2,064	2,264	+200	+9.69
Islington	422	368	461	+93	+25.27
Waltham Forest	282	279	351	+72	+25.81
Total	16,973	19,467	20,230	+519	+2.67

Table 5 – Mixed dry recycling tonnages and variance to the February 2022 Update

	2020/21 Actual Tonnes	2021/22 February Update Tonnes	2021/22 Actual Tonnes	Change to Feb. Update Tonnes	Change %
Barnet	29,736	28,396	27,464	-932	-3.28
Camden	15,248	16,177	16,331	+154	+0.95
Enfield	0	0	0	+0	+0.00
Hackney	19,608	19,422	19,221	-201	-1.03
Haringey	19,553	18,366	18,314	-52	-0.28
Islington	15,904	16,076	15,245	-831	-5.17
Waltham Forest	17,679	17,351	17,110	-241	-1.39
Total	117,728	115,788	113,685	-2,103	-1.82

Table 6 - Non-Household waste charges by borough

	2021/22 Original Budget	2021/22 February Update	2021/22 Actual Cost	Repayment due (to)/from Borough (Column 3 - 1)
	1	2	3	
Cost per Tonne #	£88.63	£87.02	£79.22	
	£	£	£	£
Barnet *	1,116,187	923,964	832,878	(283,309)
Camden *	2,392,958	1,814,990	1,348,716	(1,044,242)
Enfield	700,562	806,641	716,581	16,019
Hackney *	1,738,042	1,507,481	1,499,111	(238,931)
Haringey *	198,314	198,454	201,561	3,247
Islington *	2,247,117	1,755,226	1,561,072	(686,045)
Waltham Forest	116,997	126,769	115,723	(1,274)
Total	8,510,177	7,133,525	6,275,642	(2,234,535)

Residual only

* Includes the cost of treating recyclable wastes

Table 7 - Chargeable Household waste by borough

	2021/22 Original Budget	2021/22 February Update	2021/22 Actual Cost	Repayment due (to)/from Borough (Column 3 - 1)
	1	2	3	
Cost per Tonne #	£88.63	£87.02	£79.22	
	£	£	£	£
Barnet *	182,276	184,759	165,268	(17,008)
Camden *	332,745	257,338	235,417	(97,328)
Enfield	192,336	124,373	113,319	(79,017)
Hackney *	547,071	509,794	467,197	(79,874)
Haringey *	244,602	218,013	200,742	(43,860)
Islington *	273,174	264,955	245,752	(27,422)
Waltham Forest	0	0	0	0
Total	1,772,204	1,559,232	1,427,695	(344,509)

Residual only

* Includes the cost of treating recyclable wastes

Table 8 - RRC operating costs compared to the fourth review

	2021/22 Original Budget	2021/22 February Update	2021/22 Outturn	2021/22 Variance to February Update
	£'000	£'000	£'000	£'000
Barnet	1,104	969	933	(36)
Camden	532	547	565	18
Enfield *	217	257	246	(11)
Hackney	246	238	229	(9)
Haringey	733	682	661	(21)
Islington	746	698	689	(9)
Waltham Forest	1,263	1,312	1,331	19
Total	4,841	4,703	4,654	(49)

* 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 2022 indicate a balance owed to the borough by the Authority and balances without brackets are a balance owed by the borough to the Authority.

	Additional Balances b/fwd from 2020/21	In-year Change in Balances (Original Budget to Feb Update)	Total Forecast Balances as at 31 March 2022	Additional Balances 2021/22 from table 6	Total Balances at 31 March 2022
	£'000	£'000	£'000	£'000	£'000
Barnet	(56)	(135)	(191)	(36)	(227)
Camden	(17)	15	(2)	18	16
Enfield	(2)	40	38	(11)	27
Hackney	(1)	(8)	(9)	(9)	(18)
Haringey	(46)	(51)	(97)	(21)	(118)
Islington	(12)	(48)	(60)	(9)	(69)
Waltham Forest	(38)	49	11	19	30
Total	(172)	(138)	(310)	(49)	(359)

Table 10 - Base levy balances by borough

Balances with brackets at 31 March 2022 indicate a balance owed to the borough by the Authority.

	Additional Balances b/fwd from 2020/21	In-year Change in Balances (Budget to Feb Update)	Feb Update Estimated Levy Costs	Year End Actual Levy Costs	Additional Balance at 31 March 2022 (4-3)	Total Balances at 31 March 2022 (1+2+5)
	1	2	3	4	5	
	£'000	£'000	£'000	£'000	£'000	£'000
Barnet	(753)	(1,771)	10,633	9,323	(1,310)	(3,834)
Camden	(417)	(662)	3,957	3,593	(364)	(1,443)
Enfield	(617)	(170)	6,753	5,865	(888)	(1,675)
Hackney	(495)	(813)	6,554	5,635	(919)	(2,227)
Haringey	(559)	(1,074)	7,303	6,439	(864)	(2,497)
Islington	(481)	(334)	5,027	4,442	(585)	(1,400)
Waltham Forest	(393)	(416)	8,117	7,110	(1,007)	(1,816)
Total	(3,715)	(5,240)	48,344	42,407	(5,937)	(14,892)

Table 11 - Total balances available by borough (from Tables 9 and 10)

	2021/22 February Update Movement in Balances				2021/22 Year End Balance	
	Base Levy	RRC Levy	Base Levy	RRC Levy	Base Levy	RRC Levy
	£'000	£'000	£'000	£'000	£'000	£'000
Barnet	(2,524)	(191)	(1,310)	(36)	(3,834)	(227)
Camden	(1,079)	(2)	(364)	18	(1,443)	16
Enfield	(787)	38	(888)	(11)	(1,675)	27
Hackney	(1,308)	(9)	(919)	(9)	(2,227)	(18)
Haringey	(1,634)	(97)	(863)	(21)	(2,497)	(118)
Islington	(815)	(60)	(585)	(9)	(1,400)	(69)
Waltham Forest	(809)	11	(1,007)	19	(1,816)	30
Total	(8,956)	(310)	(5,936)	(49)	(14,892)	(359)
	(9,266)		(5,985)		(15,251)	

Table 12 - 2022/23 Budget and forecast

	2022/23 Budget £'000	2022/23 Forecast £'000	Variance £'000
Expenditure			
Main Waste Disposal (ex RRC Waste)	42,601	42,601	0
Composting Waste Services	2,117	2,117	0
MRF Services	10,933	10,933	0
Transfer Station and Other Sites	3,426	3,601	175
Corporate and Other Support Service Costs	4,332	4,332	0
Waste Prevention and Communications Programme	774	774	0
Recycling Communications	300	300	0
Recycling Initiatives	275	275	0
North London Heat and Power Project	849	849	0
Revenue Funding – Capital Programme	8,586	8,586	0
	<u>74,193</u>	<u>74,368</u>	<u>175</u>
Reuse and Recycling Centres Expenditure			
Residual Waste Disposal ^	1,194	1,194	0
Operating Costs	3,721	3,721	0
	<u>4,915</u>	<u>4,915</u>	<u>0</u>
Income			
Rents	(128)	(128)	0
Sale of Recyclates	(4,713)	(4,713)	0
Interest on Balances	(40)	(40)	0
	<u>(4,881)</u>	<u>(4,881)</u>	<u>0</u>
Net Expenditure	74,227	74,402	175
Contingency	2,485	2,485	0
Total Net Expenditure	76,712	76,887	175
Financed By			
Use of Balances	(9,266)	(15,251)	(5,985)
Charges to Boroughs (Non-household waste)	(8,590)	(8,615)	(25)
Charges to Boroughs (Chargeable Household Waste)	(1,809)	(1,814)	(5)
2022/23 Levy - Base Element	(52,440)	(52,440)	0
- HWRC Element	(4,607)	(4,607)	0
Total Levy	<u>(57,047)</u>	<u>(57,047)</u>	<u>0</u>
Total Resources Available	(76,712)	(82,727)	(6,015)
Estimated Additional Revenue Balances at 31 March	0	(5,840)	(5,840)

Table 13 - Possible 23/24 levy based on the year-end and first review variances

	2022/23 Actual Levy	2023/24 Forecast Levy	Forecast Levy Increase	2021/22 Additional Year End Balances	2022/23 Forecast Balances	Additional Balance to reduce the 2023/24 Levy	2023/24 Revised Forecast Levy	Revised Forecast Levy Increase
	£'000	£'000 a	%	£'000 b	£'000 c	£'000 d (b+c)	£'000 (a+d)	%
Barnet	11,693	15,710	34.35%	(1,346)	30	(1,316)	14,394	23.10%
Camden	5,698	7,377	29.47%	(346)	14	(332)	7,045	23.64%
Enfield	7,695	8,862	15.17%	(899)	23	(876)	7,986	3.78%
Hackney	7,213	9,555	32.47%	(928)	19	(909)	8,646	19.87%
Haringey	7,856	10,521	33.92%	(884)	22	(862)	9,659	22.95%
Islington	6,801	8,174	20.19%	(594)	16	(578)	7,596	11.69%
Waltham Forest	10,091	11,735	16.29%	(988)	21	(967)	10,768	6.71%
Total	57,047	71,934	26.10%	(5,985)	145	(5,840)	66,094	15.86%

REPORT ENDS